



# NYPIRG **Straphangers Campaign**

A project of the New York Public Interest Research Group

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Testimony  
of  
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New York City Council  
Transportation Committee  
Hearing on  
Intro 295-2014 (Tax-free Transit Benefits)  
City Hall

June 30, 2014

Today, the Committee on Transportation is holding a hearing on Intro 295-2014. Intro 295 would require employers with 20 or more employees provide their staff the opportunity to use pre-tax dollars to save hundreds on MetroCards and commutation tickets. We strongly support this common sense bill.

Subway and bus fares have gone up four times in the past six years. And the price tag for a 30-day unlimited MetroCard has nearly doubled since they were introduced in 1998 - from \$63 to \$112!

But something can be done to help struggling New Yorkers - The City Council can adopt Intro 295, which would require employers with 20 or more employees provide their staff the opportunity to use pre-tax earnings to subsidize transit service.

My company, the New York Public Interest Research Group (NYPIRG), has been offering this benefit since 1998. While the total workforce of NYPIRG fluctuates throughout any given year, we have roughly 25-30 full-time employees in New York City who elect to have pre-tax earnings withheld for this benefit every year.

According to our service provider, already this year our employees have collectively saved some \$6,000. At the same time, the company has saved over \$1,100. This savings is partially reduced by the administrative cost of offering the benefit.<sup>1</sup>

Since 1998, NYPIRG has saved some \$24,000. Employees of NYPIRG have saved a whopping \$126,000. By claiming the benefit, I personally save about \$400 each year. Money I can then spend in my community, on my family, or simply enjoying New York City.

We urge the City Council to pass Intro 295, allowing some 605,000 New Yorkers the opportunity to claim this benefit.<sup>2</sup> And in the process not only help transit riders, but also assist employers in saving on their payroll tax obligation.

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<sup>1</sup> NYPIRG offers TransitChek through WageWorks. The WageWorks website allows you to see year-to-date and lifetime savings for your company through their online interface. Savings can be adjusted based on the workforce's assumed tax rate and the company's FICA tax rate. For NYPIRG, we assume an employee tax rate of 40% and a FICA tax rate of 7.65%.

<sup>2</sup> See <http://www.ridersny.org/wp-content/uploads/2014/01/Riders-Alliance-Report-on-Pre-Tax-Transit-Benefits-4-27-14-FINAL.pdf>.