

2020 Commuter Benefits Tax Savings Calculator



How to Calculate Employee Savings

1. Locate your federal tax bracket (%) in Table 1 based on your annual household income (22% is the most common*).
2. Locate your tax bracket column in Table 2, and follow it down to see a breakdown of your transit or parking savings.

Table 1 - 2020 Federal Tax Brackets

%	Household Income Range	
	Single (From - to)	Married (From - to)
10%	Under \$9,875	Under - \$19,750
12%	\$9,875 to \$40,125	\$19,750 - \$80,250
*22% (most common)	\$40,126 to \$85,525	\$80,251 to \$171,050
24%	\$85,526 to \$163,300	\$171,051 to \$326,600
32%	\$163,301 to \$207,350	\$326,601 to \$414,700
35%	\$207,351 to \$518,400	\$414,701 to \$622,050
37%	\$518,401 and above	\$622,051 and above

Table 2 - 2020 Commuter Benefit Tax Savings (Based on \$270/month = \$3,240/year)

Federal Income Tax Brackets (22% is most common)	10%	12%	*22%	24%	32%	35%	37%
Federal Income Tax Saved	\$324	\$389	\$713	\$778	\$1,037	\$1,134	\$1,199
FICA Savings (Social Security & Medicare)	Social Security	\$201	\$201	\$0*	\$0*	\$0*	\$0*
	Medicare	\$47	\$47	\$47	\$47	\$47	\$47
State/City Income Tax Saved (varies by state; assumes 6%)	\$194	\$194	\$194	\$194	\$194	\$194	\$194
Total Annual Employee Savings	\$766	\$831	\$1,155	\$1,019	\$1,278	\$1,375	\$1,440
Percent Saved	23.6%	25.6%	35.6%	31.5%	39.4%	42.4%	44.4%

How to Calculate Employer Savings (Based on \$270/month = \$3,240/year)

Annual Employee Salary	\$137,700 or less	\$137,701 or more	
FICA Savings	Social Security	\$201	\$0*
	Medicare	\$47	\$47
Total Annual Employer Savings	\$248	\$47	
Percent Saved	7.65%	1.45%	

The savings from monthly benefit levels below \$270 can be calculated proportionally.

In specific situations, further savings may result from other salary-linked costs such as unemployment, disability, retirement, workers compensation or wage taxes.

The Social Security tax limit (Employee - 6.2% and Employer - 6.2% up to \$137,700 for 2020) also rises annually. Medicare is 1.45% with no limit. In addition, wages paid in excess of \$200,000 for Single filers (and 250,000 for Married filing jointly) are subject to an additional 0.9% Medicare tax. Employers will not pay this additional Medicare tax.

*\$201 annual savings in employee Social Security tax also applies to Single's bracket in the 22% bracket with income below \$137,700 and for spouses earning less than \$137,700 in the 24%, 32%, 35% or 37% married brackets.

Consult your tax advisor for specific advice.

Relationship Between Employee Participation Rates & Payroll Tax Savings

