Commuter Reimbursement Account

An account that helps employees save on their commute to work

Employees who rely on transportation services to get to and from work can end up spending hundreds of dollars per month. Employers can reduce the financial burden for their employees while saving over 7% on their payroll taxes by offering a commuter reimbursement account (CRA).

How it Works

A CRA can be used by employees to pay for qualified work-related transportation and parking expenses. Employees can change their monthly contribution any time, providing flexibility if their commuting needs change month to month.

Employee Savings Example

Without a Transportation Program

Monthly Gross Pay: $2,500
CRA Contribution: N/A
Taxable Income: $2,500
Estimated Federal Tax (15%): $375
F.I.C.A. Tax: $191.25
Transportation Expense: $100

Take-Home Pay: $1,833.75

With a Transportation Program

Monthly Gross Pay: $2,500
CRA Contribution: $100
Taxable Income: $2,400
Estimated Federal Tax (15%): $360
F.I.C.A. Tax: $183.60
Transportation Expense: N/A

Take-Home Pay: $1,856.40

Total Estimated Monthly Savings: $22.65

Total Estimated Annual Savings: $271.80

Benefits for Employers

- No payroll taxes due on the amounts employees contribute to the CRA
- Helping employees save money on their commuting needs can aid in employee retention and recruitment

Benefits for Employees

- For every dollar an employee contributes to a CRA, that's one less dollar they're being taxed on from their income.
- Paying out of pocket to get to and from work can be a financial burden for those who commute regularly. A CRA provides peace of mind by mitigating the costs of these essential services.
- User-friendly online account and mobile app makes it easy for employees to manage their benefits

Eligible CRA Expenses

- Transit passes
- Commuter highway vehicle (van-pool)
- Parking expenses at or near the business premises of the employer
- Parking expenses at a location from which the participant commutes to work by mass transit, commuter highway vehicle, or carpool
- Spot Hero parking app

2027 CRA Contribution Limits

- Transit: $350 per month
- Parking: $350 per month