

FW: WMATA Press Release Link

Grammer, Arthur A [Arthur.A.Grammer@HUD.GOV]

Sent: Wednesday, December 01, 2010 10:28 AM**To:** UNION_MBRS-L@hudlist.hud.gov

Forwarded per President Eitches

-----Original Message-----

From: Eitches, Edward E

Sent: Wednesday, December 01, 2010 9:55 AM

To: Gordon, Deborah S; Grammer, Arthur A

Subject: RE: WMATA Press Release Link

Great! Art send to members.

From: Gordon, Deborah S

Sent: Wednesday, December 01, 2010 9:52 AM

To: Eitches, Edward E; Grammer, Arthur A

Subject: FW: WMATA Press Release Link

http://www.wmata.com/about_metro/news/PressReleaseDetail.cfm?ReleaseID=4750

Changes to SmartBenefits® begin Jan. 1 SmartBenefits® commuters could lose more than \$1,300 a year in transit benefits, beginning Jan. 1, 2011, when two federally required changes become effective:

The maximum transit benefit allowed by federal law will drop from \$230 to \$120.

Customers will no longer be able to use their transit and parking benefits interchangeably as Metro begins to phase in an IRS mandate that requires a separation of the two accounts for individuals.

In the National Capital Region, 285,000 employees currently receive transit benefits. At least 90,000 of these Metro commuters receive more than \$120 per month. The increase in the benefit was originally provided through a provision of the federal American Recovery and Reinvestment Act that will expire on Dec. 31.

When the law expires, commuters who drive will continue to take advantage of a maximum allowable parking benefit of \$230 per month, while transit riders will be limited to \$120 per month.

The loss of this transit benefit during these tough economic times will cause a hardship for many area commuters, forcing them to drive to work and adding further to the region's roadway congestion. Many employers also will lose a benefit that helps reduce payroll taxes, and provides a valuable employee recruitment and retention tool.

To comply with a federal mandate of the IRS, Metro is taking steps to separate transit and parking benefit accounts. The change will be phased in over several months beginning Jan. 1. This change will prevent riders from using transit benefits for parking or parking benefits for transit. More than 220,000 Metro customers will be impacted by this IRS mandate. For more information visit www.MetroOpensDoors.com.