

October 1, 2009

Alderman Michael Murphy, Chairman  
City of Milwaukee Common Council Finance and Personnel Committee  
200 East Wells Street, Room 205  
Milwaukee, WI 53202

**/File 090759 Commuter Value Pass Pre-Tax**

Dear Alderman Murphy:

The City of Milwaukee Department of Employee Relations (DER) desires to offer employees who use the Commuter Value Pass a pre-tax deduction under IRS Section 132 Mass Transit rules. This will allow employees to reduce their total out of pocket costs for the Commuter Value Pass.

Currently 328 City employees are using the Commuter Value Pass. The current budget is \$130,000. The employee pays \$30.50 and the City pays \$30.50 per month for each pass in 2009. In 2010 the cost of the pass from the Milwaukee County Transit System will go from \$61 per month to \$65.00 per month. The Milwaukee County Transit System will determine the split between the employee and the employer for 2010. By having the employee share pre-tax the employee share out of pocket would become less than it currently is.

The City currently has a contract with ProcessWorks to administer an IRS Section 132 Mass Transit Parking Program. ProcessWorks would include the description of the IRS Section 132 Mass Transit Commuter Value Plan in their plan document.

Please let me know if there are any questions or comments regarding this opportunity. You can contact me at 286-2317 or at [mbrady@milwaukee.gov](mailto:mbrady@milwaukee.gov)

Sincerely,

Michael Brady  
Employee Benefits

Cc: Maria Monteagudo, DER  
Ellen Tangen, City Attorney's Office