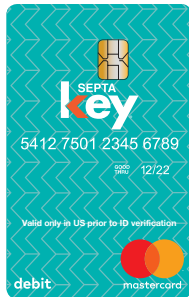


SEPTA **key** advantage



SEPTA Key Advantage is an employer-based, all-access employee benefit program. Employers with 500 or more employees can enter an agreement with SEPTA, which allows employers to load “all access” passes once per month to eligible employee SEPTA Key cards. Like any benefit program, employers would include 100% of their employees regardless of whether all employees fully utilize this benefit. Just like the Monthly Anywhere TrailPass, passes loaded through the SEPTA Key Advantage program can be used on all SEPTA modes, including Regional Rail, Market-Frankford Line, Broad Street Line, Norristown High Speed Line, CCT, and city and suburban buses and trolleys.

Employee Benefits:

- › Saves employees on the cost of transportation
- › Reduces carbon footprint
- › Convenience of not needing to think about fare payment
- › Pass can be used for trips anywhere at anytime
- › Employee co-pays are eligible for pre-tax withholdings, further reducing out of pocket costs

Employer Benefits:

- › Attracts new employees and reduces turnover – excellent recruitment tool
- › Helps support back-to-office plans
- › Decreases traffic and reduces parking shortages
- › Demonstrates commitment to sustainable transportation

How It Works

Employers can work through their benefits vendor or set up an internal system to manage employee Key card data. Employees' Key card data will be uploaded monthly to the SEPTA Key portal, with an all-access product loaded to the enrolled employees' Key card. Participants can use a new or existing SEPTA Key card.

Cost Advantage

Standard Monthly costs of using SEPTA can range from \$75 to \$200 depending on employee travel needs. The SEPTA Key Advantage program allows you to significantly reduce per person transit costs by spreading the cost across your entire organization. Employers will start with an introductory price which is then adjusted to reflect rates driven by actual employee utilization of the program.

Next Steps

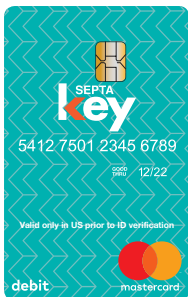
We are planning a phased launch:
Jul 2022: Large companies with 500 or more eligible employees
Jan 2023: Mid-sized companies with 50-499 eligible employees
May 2023: Small businesses with less than 50 eligible employees

Apply [here](#).

Questions about SEPTA Key Advantage? Please email iseptaphilly@septa.org or visit [iseptaphilly.com/keyadvantage](https://septaphilly.com/keyadvantage).

➤ Program Guidelines

SEPTA key advantage



SEPTA Key Advantage is an employer-based, all-access employee benefit program. Starting this Fall, employers can enter an agreement with SEPTA, which allows employers to load “all access” passes once per month to eligible employee SEPTA Key cards. Like any benefit program, employers would include 100% of their employees regardless of whether all employees fully utilize this benefit. Just like the Monthly Anywhere TrailPass, passes loaded through the SEPTA Key Advantage program can be used on all SEPTA modes, including Regional Rail, Market-Frankford Line, Broad Street Line, Norristown High Speed Line, CCT, and city and suburban buses and trolleys.

Employer Eligibility:

SEPTA Key Advantage is available to all employers within SEPTA's service region. Program rollout will occur in three stages or tiers:

- Tier 1: Large companies with 500 or more employees
- Tier 2: Mid-sized companies with 50-499 employees
- Tier 3: Small businesses with less than 50 employees

Employer can apply for SEPTA Key Advantage [here](#).

Employee Eligibility:

Participating employers must cover and include all eligible employees within the defined employee population and may not limit their employee enrollment to employees who opt-in or are known to be current SEPTA riders. Employers may choose the employee population that they wish to cover based on the following categorical criteria:

- Work Status: Employers may make Key Advantage available to all benefits-eligible employees, all full-time employees, or all employees regardless of status, provided the employer is able to isolate the defined group for program participation.
- Work Location: Employers with multiple work sites must make the Key Advantage program available to employees at all locations located within the SEPTA service region.

Within the defined employee population, employees may be excluded from the eligible employee count.



Questions about SEPTA Key Advantage? Please email iseptaphilly@septa.org or visit [iseptaphilly.com/keyadvantage](https://septaphilly.com/keyadvantage).

➤ Program Guidelines



Employee Eligibility Exemptions:

Within the defined employee population, employees may be excluded from the eligible employee count for the following reasons:

- Employees who have been deemed to be permanently working remotely.
- Employees that live in Pennsylvania and are over the age of 65, as they can already ride SEPTA free of charge.

Employers must ensure that employees meeting exemption requirements do not have opportunity to register for the program.

Employee Eligibility Verification:

When employers apply to participate in Key Advantage, they must supply SEPTA with employee counts. The following employee count information will be required:

- | | |
|-------------------------------|--|
| ➤ Employee Population | ➤ Potential Employee Exemptions |
| ➤ Total employees | ➤ Employees that are permanently remote |
| ➤ Benefits-eligible employees | ➤ Pennsylvania resident employees over the age of 65 |
| ➤ Full-time employees | |
| ➤ Part-time employees | |

These employee counts will need to be updated prior to each subsequent six-month contract which may result in an adjustment to the employer fees paid for the upcoming six-month contract.

Rules for Use:

All-access passes received under the SEPTA Key Advantage program are nontransferable, nonrefundable, and can only be used by the eligible and participating employee. Employers will need to update company policies to include Key Advantage participation rules. Eligible employees cannot share their all-access pass, even with other eligible employees.

Employers can fully subsidize the cost of the program, or at their discretion can cost share with their employees via a payroll deduction. SEPTA recommends that the employer assess a minimal weekly withholding from eligible employee wages both to aid in the defining of eligible employees and as an offset to program costs.

SEPTA will track usage data of Key cards and flag accounts demonstrating any unusual activity.

Questions about SEPTA Key Advantage? Please email iseptaphilly@septa.org or visit [iseptaphilly.com/keyadvantage](https://septaphilly.com/keyadvantage).

➤ Program Guidelines



Pricing:

➤ Introductory Price

The base introductory price for Tier 1 employers participating in Key Advantage is \$160 for a six-month Key Advantage pass (or \$26.67 per eligible employee per month). This amount will be applied to the determined eligible population to calculate the total cost of participation to each Tier 1 employer or intermediary.

This price is calculated based on expected revenue recovery levels for SEPTA based on anticipated ridership. The introductory price will be updated periodically based on ridership trends and program data from existing participants.

➤ Usage-Based Pricing

During the introductory six-month period, SEPTA will track system usage of Key Cards for each Tier 1 employer for the first three months. The usage will be used to set a custom renewal price for each Tier 1 employer or intermediary for the subsequent six-month period. Following the first contract renewal, usage for the upcoming period will be based on six months of data for each Tier 1 employer or intermediary (the last three months of the previous period, and first three months of the current period). The following methodology will be applied to determine the usage-based price:

➤ Total transit and rail trips will be multiplied by SEPTA's baseline average revenue per ride amount established from the prior year for each mode, inclusive of program overhead to cover administrative costs.

➤ A Tier 1 employer or intermediary average fare will be calculated based on utilization and contracted payment amount to compare to the baseline.

➤ If there is a fare increase for the fiscal year, the same percentage increase of the fare price will be applied to the previous year's average fare. (For example: If the fare increases three percent (3%), the estimated average fare for the upcoming year will reflect a three percent (3%) increase.)

➤ The percentage change in the average fare comparison will determine the renewal pricing per pass per employee. Factored into the calculation will be the number of eligible employees in the contract period and the number of observation months. This methodology will derive a price per employee per month for each Tier 1 employer or intermediary.

➤ This price per employee will be applied to the duration of the renewal period, subject to the maximum and minimum pricing rules below, and will apply to the updated employee population number for each Tier 1 employer or intermediary for the renewal period.

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➤ Program Guidelines

SEPTA key advantage

SEPTA will evaluate ridership and re-establish pricing for each participating employer in this manner for each six-month renewal period.

➤ Price Change Caps

- If the usage-based formula determines a per employee price increase in excess of ten percent (10%) from the prior period, the employer will be offered renewal capped at no more than ten percent (10%) above the current six-month rate.
- Likewise, if the usage-based formula determines a lower than expected usage rate, the price reduction offered at renewal will be for no greater than ten percent (10%) below the current six-month rate.

Program Enrollment:

➤ Program Information and Application

Employers needing additional information or are interested in applying for the Key Advantage program should visit: <https://www.jawntpass.com/keyadvantage>. Employers with less than 500 employees can still submit an application to be reviewed once SEPTA launches the program to Tier 2 and Tier 3 employers as defined above.

➤ Enrollment Process

Enrollment for SEPTA Key Advantage is ongoing.

Once an employer is approved for Key Advantage, SEPTA and the employer will review employee counts and determine the final number of eligible employees. The employer will need to decide whether or not to involve an administrator (such as a third-party benefits provider) and set up any backend processes needed to participate in Key Advantage. The employer will provide SEPTA with bank account and routing numbers to facilitate the monthly payment drawn when the monthly spreadsheet upload occurs.

SEPTA will provide the employer with a Sales Agreement to include among other things, the number of eligible employees, monthly cost, and payment details to be signed by the employer.



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➤ Program Guidelines

SEPTA **key** advantage



➤ SEPTA Key Cards

Employees can use a new or existing SEPTA Key card for SEPTA Key Advantage. Employers will need to direct employees to obtain their own Key card (\$4.95) at any SEPTA Fare Kiosk or SEPTA Sales Office location.

Employers can choose to purchase Key cards in bulk for their employees for \$4.95 per card, by placing an order on the SEPTA Key portal. Cards must be ordered in multiples of 100. Key cards would need to be distributed by the employer at least 30 days in advance of the enrollment period at the company.

Lost or stolen Key cards can be reported either by calling the Key Customer Call Center at 855-567-3782 or going online to septakey.org. Employees will need to obtain a replacement card and register it to their existing account. They will then perform a card-to-card transfer to move the all-access pass and any Travel Wallet funds to their new card. Employees will need to promptly supply the new Card Reference ID to their employers designated Transportation Coordinator.

➤ Contract Review

The introductory contract will be for the length of six months. SEPTA will review ridership data to calculate the renewal offer per the “Usage Based Pricing” model outlined above, subject to the price change caps outlined in that section.

The subsequent six-month contracts will continue until there is a change to SEPTA Tariff #1, Tariff #132, or Tariff #154, which affects among other things, the price SEPTA charges for various fares and pass products. Contracts will be reviewed periodically for updated employee counts with SEPTA providing updated pricing, calculated based on ridership data analyzed during the preceding period, limited by established caps listed within the agreement. Renewal pricing levels will be provided for subsequent periods approximately three months before the end of the then contract period.

Employers are under no obligation to renew their participation in Key Advantage beyond the contract period. Each employer will need to meet the minimum eligible-employee threshold at each renewal period in order to be eligible for renewal.

➤ Early Termination

Employers cannot terminate a contract early without paying the full amount of the contract prior to termination.

Questions about SEPTA Key Advantage? Please email iseptaphilly@septa.org or visit iseptaphilly.com/keyadvantage.

➤ Program Guidelines



Ordering & Payment:

➤ Payment

Payments to SEPTA will be made in equal monthly installments which are direct debited at the time the monthly order is placed.

➤ Spreadsheet Upload

Each month, the employer will upload its eligibility spreadsheet, in a format defined by SEPTA, to the SEPTA Key Portal. This file transmits the Eligible Employees name and Card Reference ID and will trigger the loading of the upcoming all-access pass. The employer will include all new Eligible Employees and remove terminated or otherwise ineligible employees from the list each month.

SEPTA will provide employers with a sample excel file for the upload. The file will need to include, at a minimum, employee name, Card Reference ID. Employers can only submit via upload, one file upload per calendar month.

The order window will be open from the 20th to the 25th of the month prior. SEPTA recommends employers upload a test file on the 20th to uncover any errors in the spreadsheet and correct them before the final upload is due on the 25th.

➤ Intermediaries

If your business employee level does not meet the threshold for direct participation in the Key Advantage Program, SEPTA would be open to discussing an arrangement were your business joins forces with other businesses to participate on a collective basis.

This collective arrangement would require the participating employers to establish a single Transportation Coordinator to management active employee lists and the associated Card Reference ID for eligible employee, across all employers. Renewal pricing would be based on the usage by all employees under the intermediary.

This Transportation Coordinator would act as a single point to coordinate all aspects of the Key Advantage Program with SEPTA.

Questions about SEPTA Key Advantage? Please email iseptaphilly@septa.org or visit iseptaphilly.com/keyadvantage.

➤ Program Guidelines



SEPTA Key Advantage Program

Pricing Based on Recorded Trips Provided at Cost (shaded in green)

SEPTA KEY ADVANTAGE		
<p>TRANSIT RETAIL</p> <p>\$2.50</p> <p>CASH FARE</p>	<p>TRANSIT WHOLESALE</p> <p>\$2.00</p> <p>DISCOUNT FARE</p>	<p>TRANSIT COST</p> <p>\$1.73</p> <p>AVERAGE FARE</p> <p><i>14% SAVINGS FROM WHOLESALE PRICING</i></p> <p><i>31% SAVINGS FROM RETAIL PRICING</i></p>
<p>RAIL RETAIL</p> <p>\$7.00</p> <p>CASH FARE</p> <p>ZONE 3</p>	<p>RAIL WHOLESALE</p> <p>\$5.75</p> <p>DISCOUNT FARE</p> <p>ZONE 3</p>	<p>RAIL COST</p> <p>\$4.95</p> <p>AVERAGE FARE</p> <p><i>14% SAVINGS FROM WHOLESALE PRICING</i></p> <p><i>29% SAVINGS FROM RETAIL PRICING</i></p>
<p>Note: Cost calculation based on fare paying passenger revenue and recorded ridership from Transit and Regional Rail trips. Excludes senior citizen and free ridership counts.</p>		

- SEPTA Key Advantage based on actual trips provided at cost for savings equal to baseline average fare
- Transit average fare of \$1.73 is 14% below wholesale price and 31% below retail price
- Regional Rail average fare of \$4.95 is 14% below wholesale price and 29% below retail price
- Additional savings available through price change caps that limit price changes to max 10% at contract renewal
- Program revenue neutral structure is to protect institutions from paying more than recorded use on the system

SEPTA Key Advantage is priced to be revenue-neutral to SEPTA, giving institutions the absolute best price SEPTA can offer riders. Beyond the six-month introductory period, institutions will pay for what they use—but at a rate that is 14% below wholesale prices and nearly 30% below retail.

The next two pages/slides depict examples of usage-based pricing calculations. In Example A, the institution's usage would result in a decrease of the introductory price: \$150 compared to \$160, respectively. In Example B, the institution's usage is higher than average, resulting in an increase from the introductory price. These calculations allow for SEPTA to offer a fair price to all participating institutions. If an institution's usage rate is significantly higher or significantly lower than the baseline, guardrails would protect the price from a major fluctuation. An institution's per-person cost will never change more than 10%

7/27/2022

Questions about SEPTA Key Advantage? Please email iseptaphilly@septa.org or visit iseptaphilly.com/keyadvantage.

Program Guidelines



EXAMPLE A - SEPTA Key Advantage Program Usage-Based Pricing Calculation Compared to Baseline

MONTH 1			MONTH 2			MONTH 3			CONSOLIDATED			
	TRANSIT	RAIL	TOTAL		TRANSIT	RAIL	TOTAL		TRANSIT	RAIL	TOTAL	
TRIPS	16,245	9,359	25,604	18,853	9,621	28,474	17,827	8,055	25,882	52,925	27,035	79,960
EMPLOYEE COUNT	=		3,000	=		3,000	=		3,000	=		3,000
MONTHLY PAYMENT	=		\$80,000	=		\$80,000	=		\$80,000	=		\$240,000
PRICE PER PASS	=		\$160	=		\$160	=		\$160	=		\$160
	TRANSIT	RAIL		TRANSIT	RAIL		TRANSIT	RAIL		TRANSIT	RAIL	
PERCENT RIDERSHIP	63%	37%		66%	34%		69%	31%		66%	34%	
BASELINE AVG FARE	\$1.73	\$4.95		\$1.73	\$4.95		\$1.73	\$4.95		\$1.73	\$4.95	
WEIGHTED AVG	110	181		114	167		119	154		114	167	
PERCENT REVENUE	38%	62%		41%	59%		44%	56%		41%	59%	
REVENUE ALLOCATED	\$30,174	\$49,826		\$32,485	\$47,515		\$34,857	\$45,143		\$97,398	\$142,602	
COMPANY AVG FARE	\$1.86	\$5.32		\$1.72	\$4.94		\$1.96	\$5.60		\$1.84	\$5.27	
AVG FARE												
CHANGE	8%	8%		0%	0%		13%	13%		7%	7%	
REVENUE NEUTRAL	:		\$149 PER PASS	:		\$160 PER PASS	:		\$141 PER PASS	:		\$150 PER PASS

RESULT: Average fare 7% above SEPTA baseline resulting in a revenue neutral price per pass equal to \$150
Price per pass reduction from \$160 to \$150 at contract renewal, price change caps not imposed since price change less than 10%

- SEPTA Key Advantage structured to be revenue neutral through price adjustment based on actual usage
- Actual use compared to baseline average fare to monitor performance and adjust pricing
- Institution paid \$160 per pass for 3,000 eligible employees with a monthly benefit coverage payment of \$80,000
- Institution recorded about 80,000 trips over three months and recorded an average fare 7% above SEPTA baseline
- Price per pass reduction from \$160 to \$150 at contract renewal based on utilization

7/28/2022

Questions about SEPTA Key Advantage? Please email iseptaphilly@septa.org
or visit iseptaphilly.com/keyadvantage.

Program Guidelines



EXAMPLE B - SEPTA Key Advantage Program Usage-Based Pricing Calculation Compared to Baseline

MONTH 1				MONTH 2			MONTH 3			CONSOLIDATED		
	TRANSIT	RAIL	TOTAL	TRANSIT	RAIL	TOTAL	TRANSIT	RAIL	TOTAL	TRANSIT	RAIL	TOTAL
TRIPS	18,955	10,919	29,874	20,425	10,422	30,847	20,553	9,287	29,840	59,933	30,628	90,561
EMPLOYEE COUNT	=		3,000			3,000			3,000	=		3,000
MONTHLY PAYMENT	=		\$80,000			\$80,000			\$80,000	=		\$240,000
PRICE PER PASS	=		\$160			\$160			\$160	=		\$160
	TRANSIT	RAIL		TRANSIT	RAIL		TRANSIT	RAIL		TRANSIT	RAIL	
PERCENT RIDERSHIP	63%	37%		66%	34%		69%	31%		66%	34%	
BASELINE AVG FARE	\$1.73	\$4.95		\$1.73	\$4.95		\$1.73	\$4.95		\$1.73	\$4.95	
WEIGHTED AVG	110	181		114	167		119	154		114	167	
PERCENT REVENUE	38%	62%		41%	59%		44%	56%		41%	59%	
REVENUE ALLOCATED	\$30,176	\$49,824		\$32,487	\$47,513		\$34,856	\$45,144		\$97,373	\$142,627	
COMPANY AVG FARE	\$1.59	\$4.56		\$1.59	\$4.56		\$1.70	\$4.86		\$1.62	\$4.66	
AVG FARE												
CHANGE		-8%	-8%		-8%	-8%		-2%	-2%		-6%	-6%
REVENUE NEUTRAL	:		\$174 PER PASS			\$174 PER PASS			\$163 PER PASS	:		\$170 PER PASS

RESULT: Average fare 6% below SEPTA baseline resulting in a revenue neutral price per pass equal to \$170
Price per pass increase from \$160 to \$170 at contract renewal, price change caps not imposed since price change less than 10%

- SEPTA Key Advantage structured to be revenue neutral through price adjustment based on actual usage
- Actual use compared to baseline average fare to monitor performance and adjust pricing
- Institution paid \$160 per pass for 3,000 eligible employees with a monthly benefit coverage payment of \$80,000
- Institution recorded over 90,000 trips over three months and recorded an average fare 6% below SEPTA baseline
- Price per pass increase from \$160 to \$170 at contract renewal based on utilization

7/28/2022

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or visit iseptaphilly.com/keyadvantage.