

Bay Area **Commuter Benefits Program**

EMPLOYER GUIDE
Updated as of March 14, 2017

The Bay Area Commuter Benefits Program is a partnership led by the Metropolitan Transportation Commission and the Bay Area Air Quality Management District.



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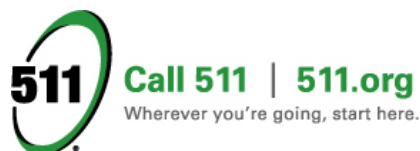
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For online information about the
Bay Area Commuter Benefits Program, visit 511.org.





INTRODUCTION AND BACKGROUND

This guide describes the [Bay Area Commuter Benefits Program](#), a program that requires employers with 50 or more full-time employees in the Bay Area to offer commuter benefits to their employees. Employers subject to the program are required by law to register via the program website, select a commuter benefit, and offer the benefit to their employees. The goal of the program is to reduce greenhouse gas emissions and traffic congestion by using the federal tax code to encourage employees to commute by adopting alternatives to driving alone. Commuter benefits also provide potential tax savings for both employers and their employees.

Senate Bill 1128, codified in California Government Code 65081, authorizes the Bay Area Air Quality Management District and the Metropolitan Transportation Commission to jointly continue the Bay Area Commuter Benefits Program (Program)—moving the program from a pilot to permanent basis.

The Program requires employers with 50 or more full-time employees within the [jurisdiction of the Air District](#) to choose one (or more) of the following commuter benefit options to offer to their employees:

Option 1: Pre-Tax Benefit: The employer allows employees to exclude their transit or vanpool costs from taxable income, to the maximum extent permitted by federal law (see current IRS tax code for any updates or changes: <https://www.irs.gov/uac/about-publication-15b>). This option can reduce payroll and/or income taxes for both employers and employees.

Option 2: Employer-provided Subsidy: The employer provides a transit or vanpool subsidy to cover or reduce the employee's monthly transit or vanpool costs. The amount provided is to cover the total cost of the

commute up to an inflation adjusted maximum (click here for the current maximum amount: <http://511.org/employers/commuter/program>).

Option 3: Employer-provided Transit: The employer provides a free or low-cost bus, shuttle, or vanpool service for employees.

Option 4: Alternative Commuter Benefit: The employer provides an alternative commuter benefit that is as effective as the other options in reducing single-occupant vehicle trips (and/or vehicle emissions).

The Program is modeled on local ordinances that have been established in recent years in several Bay Area cities, including the City of San Francisco, the City of Richmond, the City of Berkeley, and the San Francisco International Airport. The Air District and MTC have worked with these entities to coordinate this regional Program with these local ordinances, as described in the section entitled "[Coordination with Local Commuter Benefit Ordinances](#)".

The Program has been designed to provide flexibility for employers and to minimize administrative and reporting requirements. The Program simply requires employers to make commuter benefits available. Employers are not required to achieve any performance standard or target, nor are any employees required to change commute mode.

This Employer Guide is provided to assist Bay Area employers in implementing an effective commuter benefit program for their employees. The steps laid out in this guide are intended to help employers comply with the Program, and to select an option that best fits with the company's budget and employee needs.

For more detailed information on the Program, federal commuter tax benefits, potential tax savings to Bay Area employers and employees, and more, see the [Bay Area](#)

[Commuter Benefits Program Staff Report](#) and the [Frequently Asked Questions](#) guide.

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PURPOSE OF THE COMMUTER BENEFITS PROGRAM

Transportation is the largest source of air pollution in the Bay Area, and commute travel accounts for nearly half of total motor vehicle travel on an average weekday. The Program will decrease motor vehicle travel and traffic congestion, and reduce emissions of greenhouse gases and other air pollutants, thus protecting public health and the climate by

encouraging the use of alternative commute modes such as transit, vanpool, carpool, bicycling, and walking. In addition, when employers offer commuter benefits, they may take advantage of tax savings that exist for commuter benefits in the federal tax code.

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WHAT ARE THE ADVANTAGES?

- **Reduced Costs and Tax Savings to Employers and Employees**
 - Employers can save money on payroll (FICA) taxes and/or their corporate taxes (see summary of “Potential Tax Savings for the Four Commuter Benefit Options”).
 - Employees will save money on their transit, vanpool, or bicycling costs.
- **Enhanced Employee Recruitment and Retention**
 - Employer-provided commuter benefits have proven to be a cost-effective tool for increasing job satisfaction and helping recruit and retain valuable employees.
- **Enhanced Employee Productivity**
 - Employees who use alternative commute modes arrive at work more relaxed, less stressed from traffic congestion, and ready to be productive.
 - Employees who bike or walk to work are healthier, potentially reducing health insurance claims and sick leave.
- **Better air quality reduces health care costs**
 - By decreasing motor vehicle emissions, commuter benefit programs can improve air quality, helping to protect public health for all Bay Area residents.
- **Decreased emissions of greenhouse gases can help achieve climate protection targets and reduce the impacts of climate change.**
 - Reduced traffic congestion decreases goods movement costs for business
- **Save money on parking**
 - Reduced demand for parking can save employers money or free up land that can be put to better use.



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BAY AREA COMMUTER BENEFIT PROGRAM: PROVISIONS AND REQUIREMENTS

In addition to offering a commuter benefit, employers must:

- Designate a commuter benefits coordinator (typically an employee already handling payroll/benefits)
- Submit an [online registration form](#) to the Air District/MTC and update their registration information on an annual basis
- Notify employees of the commuter benefit option and make that option available
- Maintain records to document implementation of the commuter benefit

Employers may also be asked to provide information requested by the Air District/MTC for program evaluation purposes.

Applicability

The Program applies to employers with 50 or more full-time employees² within [the jurisdiction of the Air District](#). The Program is mandatory for all employers as described.

Key Definitions

Employer: For the purpose of this Program, the term “employer” is defined as any private, public or non-profit entity with 50 or more full-time employees in the nine-county San Francisco Bay Area. The employee count is based on all Bay Area worksites combined. For example, if an employer has ten employees at one worksite and 45 at another worksite for a combined total of 55 employees, the employer would be required to participate. Likewise, an employer with 20 employees at each of three Bay Area worksites, for a total of 60 full-time employees, would also be subject to the Program.

Employee: Employee is defined as anyone who receives a federal W-2 form for income tax purposes.

Full-time employee: A “full-time employee” is defined as an employee who normally works at least 30 hours per week,

with the exception of a field employee as defined below. The employee count is based on the average number of full-time employees on the payroll over the course of the most recent three-month period. (Seasonal or temporary employees who work 120 days or less per year are not included).

Covered Employee: A covered employee is anyone who works at least 20 hours per week, with the exception of a field employee as defined below. Employers subject to the Program (i.e., with at least 50 full-time employees in the San Francisco Bay Area) must provide a commuter benefit to all covered employees. (Note: An employer may choose to offer its commuter benefit to all employees, including those who work less than 20 hours per week.)

Seasonal/temporary employee: An employee who works 120 or fewer days per year. (Seasonal/ temporary employees who work 120 or fewer days per year are not covered by the Program, unless the employer voluntarily chooses to include them.)

Field Employee: An employee whose primary job responsibilities are at temporary job site(s), and who does not report to the employer’s home office or other permanent job location. ([See the “Field Employee” Compliance Advisory.](#))

Multi-Site Employers

The Program applies to any employer with 50 or more full-time employees in the Bay Area at all Bay Area worksites combined (even if the employer does not have 50 or more employees at any single site). Many employers will have multiple offices, branches, or sites that are subject to the Program. Multi-site employers with 50 or more full-time employees in the Bay Area must provide commuter benefits at all their Bay Area worksites. Multi-site employers have flexibility in terms of how to administer their commuter benefits. In most cases a multi-site employer will probably

¹ In the event that an employer reaches the 50 or more full-time employee threshold after the Program goes into effect, the employer will have six months from the date that it becomes subject to the Program, to register, select a commuter benefit option and comply with the Program.

² Employers with fewer than 50 full-time employees in the Bay Area are not required to comply with the Bay Area Program. However, employers with worksites in Berkeley, Richmond, San Francisco, or San Francisco International Airport must comply with the local ordinance if they exceed the applicable threshold in the local ordinance, as described in the appendix entitled “Coordination with Local Commuter Benefit Ordinances”.

choose to offer the same commuter benefit to employees at all its Bay Area worksites. However, the employer can choose to provide different benefits at different sites in order to provide benefits that are most appropriate to the context at each site (depending on workforce demographics, business needs, etc.)

Employers Already Offering Commuter Benefits

Many employers already offer commuter benefits that are consistent with one (or more) of the four commuter benefit options for the Program. These employers will simply need to register in order to comply. Some employers may need to modify or enhance their existing commuter benefits in order to achieve consistency with one (or more) of the four commuter benefit options. If your company already offers some type of commuter benefits, compare the offered benefit to the four program options to see if you will need to make any changes to your company's current commuter benefits.

Select a Commuter Benefit Option

The first step in complying with the Program is to register at www.511.org. The next step is to evaluate and choose a commuter benefit option to offer to your employees. Detailed information on the four options is available below, including potential savings to employers. A brief

[transportation survey](#) of employees to determine what type of commuter benefit employees are most interested in may be helpful. Factors to consider in deciding which commuter benefit to offer include:

- [potential tax savings](#);
- budget and available resources;
- business needs;
- worksite location(s);
- employee home locations;
- available transportation options;
- employee preferences.

A summary of [potential tax savings](#) to employers and employees for the various commuter benefit options is available; **however, employers should consult with their tax advisor.**

If you have additional questions on choosing a commuter benefit option, you may find the [frequently asked questions](#) document helpful.

Click the Get Started tab under the commuter benefit of your choice for a step-by-step guide in complying with the Program.

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³Employers that do not pay Social Security taxes, such as some public agencies in California, would still save by not paying Medicare taxes, but these employers would not experience the full payroll tax savings described above. Click here for more information in the IRS's "*Federal, State and Local Government Fringe Benefit Guide*."

OPTION 1: PRE-TAX BENEFIT

The employer allows employees to exclude their transit or vanpooling expenses from their taxable income, to the maximum amount allowed by federal law.

The maximum amount that employees can set aside for transit or vanpool costs is currently <http://511.org/employers/commuter/program>. Also, see current IRS tax code for any updates or changes at: <https://www.irs.gov/uac/about-publication-15b>. The Pre-Tax Benefit is similar to the Flexible Spending Account (FSA) which allows employees to set aside dollars on a pre-tax basis to pay for qualified medical expenses. For most employers, Option 1 should be the most economical of the four options, as explained below.

Potential tax savings for Option 1: Employers save approximately 8% on payroll taxes, because they do not pay FICA taxes (Social Security and Medicare) on the money that employees use for transit or vanpooling.³ Depending on their tax bracket, employees can save as much as 40% on their transit or vanpool.

[Frequently asked questions: Option 1](#)

[Click here to Get started with Option 1.](#)

OPTION 2: EMPLOYER-PROVIDED SUBSIDY

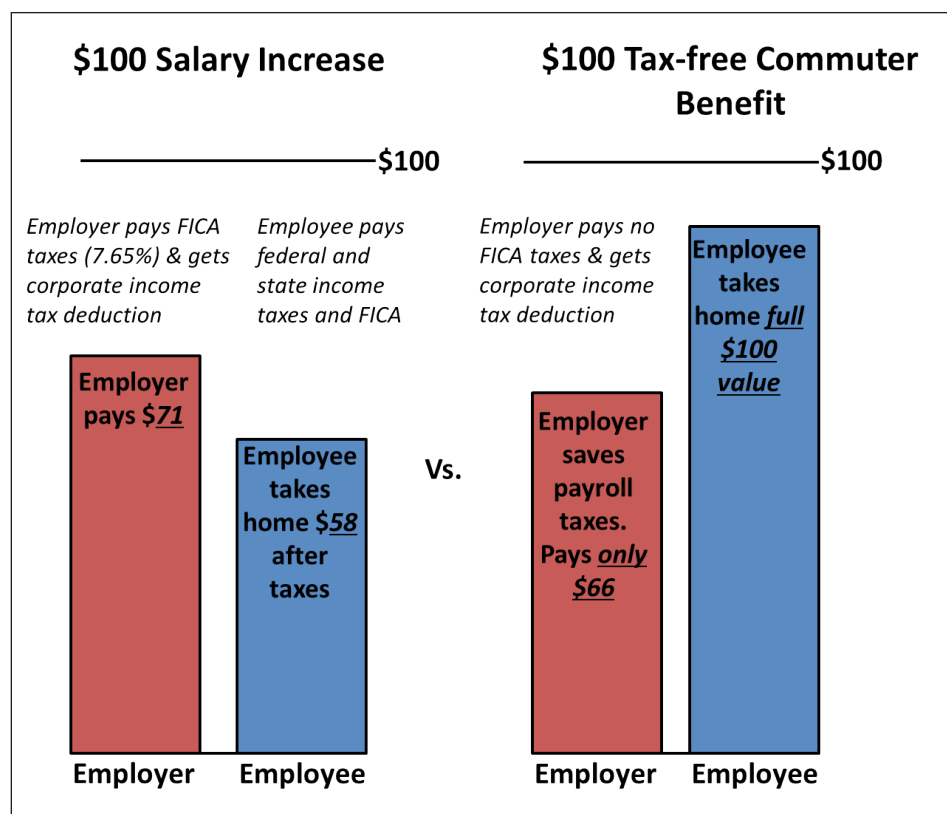
The employer provides a transit or vanpool subsidy to cover or reduce the employee's monthly transit or vanpool costs. The amount provided is to cover the total cost of the commute up to an inflation adjusted maximum ([click here for the current maximum amount](#)).

However, an employer may choose to offer a higher subsidy amount on a voluntary basis.

increase, the employer and the employee both come out well ahead with the transit subsidy.

Potential tax savings for Option 2: Employers do not pay payroll taxes, and employees do not pay income taxes or payroll taxes, on the amount of the subsidy, up to the IRS limit <http://511.org/employers/commuter/program>. If an employer provides a subsidy that exceeds this limit, the portion of the subsidy amount above the pre-tax limit is

subject to taxation. Note: the federal tax code {IRS Section 132(f)} also allows the employer to provide a subsidy for eligible bicycle commuting expenses on a tax-free basis (see current tax code for any updates or changes). For purposes of complying with the Program, an employer may choose to provide a subsidy for employees who commute by bicycle as an enhancement to Option 2, in addition to providing a subsidy for transit and vanpooling. (Note: According to IRS guidelines, an employee can receive either a tax-free subsidy for transit or vanpool, or a tax-free bicycle subsidy, but not both). The employer may also elect to offer a subsidy or incentive for employees who use other types of alternative commute modes, such as carpooling or walking. However, the federal commuter tax benefits only



The cost to implement Option 2 will be higher than Option 1, since the subsidy represents an out-of-pocket cost to the employer. However, Option 2 provides a very tax-efficient way, from the standpoint of both the employer and the employee, to improve an employee compensation package. Providing a transit/vanpool subsidy is more cost-effective than providing a salary increase of the same amount. As shown in the figure, comparing the after-tax value of a \$100 per month transit subsidy versus a \$100 per month pay

apply to transit, vanpooling, and bicycling.

It should be noted that Option 2 provides a very tax efficient way, from the standpoint of both the employer and the employee, to improve an employee compensation package.

[Frequently asked questions: Option 2](#)

[Click here to Get started with Option 2 \(page 12\).](#)

OPTION 3: EMPLOYER-PROVIDED TRANSIT

The employer provides free or low- cost transportation for its employees (via service operated by or for the employer).



Employers who select Option 3 can choose to provide transportation from the employee's home community to the worksite in buses or vans, or a shuttle service from one or more transit stations to the worksite. Providing transportation for employees can be an expensive proposition. However, for employers who are willing to make the financial commitment, Option 3 can be a highly effective means to attract and retain employees, and to reduce vehicle trips to the worksite.

Potential tax savings for Option 3: For tax purposes, employers may be able to deduct the costs of employer-provided transportation as a business expense. Employers should consult with their tax adviser to determine potential tax savings. Per IRS Code Section 132(f), employer-provided transportation in a "commuter highway vehicle" (such as a bus, shuttle vehicle, or vanpool) is treated as a "qualified transportation fringe benefit." This means that the employee does not pay taxes on the value of the employer-provided transportation, nor does the employer have to pay payroll taxes on the value of this benefit.

Employers may be able to reduce their costs by providing a shared bus or shuttle service in collaboration with other nearby businesses, or by purchasing seats for their employees on an existing transportation service. In

addition, employers that select Option 3 could recoup a portion of their costs by charging employees a modest user fee to employees who use the bus or shuttle, provided that the fee does not exceed the "low-cost" threshold defined below.

Definition of "low cost": Employers may charge a fare to their employees, provided that the fare is "low cost". The Air District and MTC define "low cost" as follows:

Short-distance transportation: For short-distance transportation, such as a shuttle from a nearby transit station to the worksite, the employer may charge a maximum of \$2.00 per employee for a one-way trip.

Long-distance transportation: For long-distance transportation, such as buses or van service from the employee's home community to the worksite, the employer may charge a one-way fare of no more than \$0.20 per mile times the one-way trip distance. For example, in the case of an employer providing a bus service for a 30-mile trip from the employee's home to the worksite, the "low-cost" threshold for the purpose of the Program means that the employer could charge the employee a maximum of \$6.00 per one-way trip.

Note: Available information indicates that among employers who currently provide bus or shuttle service for their employees, very few currently charge a fee to users. If an employer wants to charge a user fare that exceeds "low cost" as defined here, then the employer could not use Option 3 to comply with the Program. The employer would need to comply with the Program by means of one of the other options.

[Frequently asked questions: Option 3](#)

[Click here to Get started with Option 3.](#)

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OPTION 4: ALTERNATIVE COMMUTER BENEFIT

The employer may propose an alternative commuter benefit that would be as effective in reducing single-occupancy commute trips (or vehicle emissions) as any of the three options outlined above.



The Air District must evaluate and approve any alternative commuter benefit proposed by the employer. Option 4 may be most appropriate for employers located in areas that are not well served by transit. Option 4 provides a means to promote the use of alternative commute modes that are not directly addressed in Options 1, 2 or 3, such as carpooling, walking, telecommuting, compressed work week schedules, or promoting the use of electric vehicles by employees.

To help employers develop alternative benefits for purposes of Option 4, the Air District and MTC have defined a menu of possible measures that employers can choose from to submit a “pre-approved” alternative. The measures are categorized as “Primary Measures” and “Secondary Measures.”

Two menu-style options are described below: Option 4A and Option 4B.

Option 4A: Employer selects one Primary Measure plus at least two Secondary Measures from the list of measures in Table 1.

Option 4B: Employer selects at least four Secondary Measures from the list of measures in Table 1.

Option 4C: In addition to this menu approach, employers may propose their own alternative commuter benefit. For Option 4C, the Air District must evaluate the proposed alternative benefit to determine that it would be as effective as Options 1, 2 or 3 in reducing single-occupant vehicle trips (and/or vehicle emissions) to the worksite. During the registration process, an employer

Table 1 - Option 4 Measures

Primary Measures	Secondary Measures
<input type="checkbox"/> Carpool Subsidy (\$3/day that employee carpools) <input type="checkbox"/> Bicycle Subsidy (\$20/month) <input type="checkbox"/> Telecommute Schedule <input type="checkbox"/> Compressed Workweek <input type="checkbox"/> Parking Cash-Out (for employer’s who are subject to California’s statewide Parking Cash-Out law or if the employer opts to offer Parking Cash-Out even if it is not subject to the law). <input type="checkbox"/> Electric Vehicle Implementation (fleet changeover, EV car share, charging stations for employees, etc.)	<input type="checkbox"/> Preferred parking for carpools <input type="checkbox"/> Provide employer-specific carpool match service <input type="checkbox"/> Employer-provided membership in a car-sharing program <input type="checkbox"/> Participation in an emergency/guaranteed ride home program <input type="checkbox"/> Secure, on-site bicycle parking <input type="checkbox"/> Showers and bicycle lockers for employees <input type="checkbox"/> Employer-sponsored Bike Share Program <input type="checkbox"/> Employee commuting awards program (ex: bonus vacation day; free lunch; gift card; etc.) <input type="checkbox"/> On-site amenity (ATM; café; catered lunch; on-site childcare, dry cleaning, etc.) <input type="checkbox"/> Provision of a shared mechanism for viewing real time commuting info (ex: flat screen monitor in lobby) <input type="checkbox"/> Lunchtime shuttle

selecting Option 4C must describe its proposed benefit and explain why the proposed alternative benefit would be appropriate and effective at its worksite(s).

Examples of potential alternative commuter benefit programs that are available:

- [Option 4A: Carpool Subsidy](#)
- [Option 4B: Carpool Promotion](#)
- [Option 4A: Bicycle Subsidy](#)

Potential tax savings for Option 4: The potential tax savings for Option 4 would depend upon which measures an employer chooses to implement. Employer-provided

subsidies for carpooling or walking are not included in the federal commuter tax benefits; therefore, the value of subsidies for these modes would be treated as taxable to both the employer and the employee. However, an employer may be able to deduct as a business expense the costs associated with implementation of measures included in Table 1. Employers should consult with their tax advisor regarding potential tax saving for implementation of measures pursuant to Option 4.

[Option 4 Guide](#)

[Click here to Get started with Option 4.](#)

GETTING STARTED: OPTION 1: PRE-TAX BENEFIT

The basic steps to comply with the Program can be summarized as follows:

Step 1. Choose an option:

Evaluate the four commuter benefit options and select one to offer to your employees. If you are here, you are selecting Option 1.

Step 2. Designate a Commuter Benefits Coordinator.

For purposes of the Program, this is simply the person at your company who will complete the registration form for your company. (This is the same person who will be responsible for the employer's annual registration update.)

Most employers are expected to assign this role to an existing employee in their Human Resources department. However, this role can be assigned to anyone within the organization that the employer deems appropriate. An employer may also contract with a third party to serve as the Commuter Benefits Coordinator.⁴ In the case of employers who belong to a [Transportation Management Association \(TMA\)](#), the TMA may serve as the Commuter Benefits Coordinator.

Step 3. Go to the Program [webpage](#) and register.

Through 511.org, employers will be provided with easy access to a secure, online automated registration process. In order to complete the registration process, an employer will need the following information:

- Name and contact information for Reporting Commuter Benefits Coordinator
- Contact information for an alternative contact person
- Number of full-time employees and covered employees at each Bay Area worksite. ([Please refer to Page 3](#)).
- The commuter benefit option that the employer will provide
- Means used to notify employees about the commuter benefit and how to apply for the benefit

Employers will also be required to provide updates to their registration information on an annual basis. Employers will receive an annual follow-up notice requesting that the employer confirm (or update, as needed) the data provided in the original registration submittal.



Step 4. [Notify](#) employees about the commuter benefit that your company will provide and how to take advantage of the benefit, and make the benefit available.

Employee notification is one of the key requirements of the Program. Since the goal of the Program is to encourage employees to use alternative commute modes, it is essential that employers inform employees about the commuter benefit they offer, and how employees can take advantage of the benefit. Employee notification is required at the following times:

- When the commuter benefit is first made available
- At least once per year thereafter, in conjunction with the employer's annual registration update
- On an on-going basis, for newly-hired employees; as part of the explanation of employee benefits provided during new employee orientation

Employers must indicate the method(s) used to notify employees as part of the registration process. See the [Helpful Resources for your Employees](#) for examples of employee notification documents, including email and hard copy posters.

Step 4a. Making Option 1 available to employees:

Employers may choose to administer the pre-tax benefit in-house, or to use a payroll service or third-party vendor to administer the benefit. Employers who elect to administer the pre-tax benefit in-house should consult IRS guidelines to ensure that they are complying with IRS guidelines and record-keeping requirements. For employers administering Option 1 in-house, typical tasks include:

⁴ Because some large, multi-site employers may have more than one employee who serves as a Commuter Benefits Coordinator (another term often used is "Employee Transportation Coordinator"), the registration process uses the term "Reporting Commuter Benefits Coordinator" to refer to the Commuter Benefits Coordinator who will serve as the primary contact for purposes of registering the various worksites.

- Taking employee orders, making payroll deductions, purchasing the benefit from the vendor, distributing the benefit to employees, answering employee questions about the benefit.

For employers using a vendor to administer Option 1, typical tasks include:

- Selecting a vendor, coordinating with the vendor, and making payroll deductions.
- The vendor will take responsibility for the bulk of the tasks involved in offering a pre-tax commuter benefit
- Vendors generally charge fees to administer the benefit; the fees may vary based upon the number of employees who elect to participate, and the scope of services that the vendor provides.
- In most cases, the cost to administer Option 1 should be fully offset by the employer's payroll tax savings, and in many cases an employer should experience an overall net savings by offering Option 1 to their employees (even when using a vendor).

Step 4b. Set-up pre-tax deductions:

Work with your company's payroll administrator to set up a pre-tax deduction code. Consider how will you conduct the payroll deduction (e.g., do you need a new deductions code?); and when will the money for transit/vanpool be deducted from the employee's paycheck.

Step 4c. Enroll employees in the Program:

Distribute an [enrollment form](#) to collect orders. If working with a vendor, compile employee order information into the format specified by the vendor.

Step 4d. Distribute the benefit:

Distribute the benefit (e.g., Clipper Card, transit vouchers) to employees using the process you (and/or the vendor) have decided on.

Step 5. Keep records to document implementation of your commuter benefits program and make these records available in response to any request from the Air District.

The employer must retain the records for a period of three years, and must make records available to the Air District upon request. Employers should maintain documentation to demonstrate that:

- The commuter benefit selected by the employer has been implemented and made available to employees,
- Employees have been notified about the commuter benefit and how to request the benefit (1) at the time the benefit was initially made available and (2) as part of the "new employee orientation" process for newly hired employees.
- The employer participated in a pre-tax option as per Section 132(f) of the Internal Revenue Code. Note: If the employer is using ClipperDirect or a vendor, such as a payroll service or commuter benefits specialist, to administer Option 1, then the vendor should be able to maintain and provide the required documentation. [Click here](#) for a sample checklist of the steps to complete the registration process.

GETTING STARTED: OPTION 2: EMPLOYER-PROVIDED SUBSIDY

The basic steps to comply with the Program can be summarized as follows:

Step 1. Choose an option:

Evaluate the four commuter benefit options and select one to offer to your employees. If you are here, you are selecting Option 2.

Step 2. Designate a Commuter Benefits Coordinator.

For purposes of the Program, this is simply the person at your company who will complete the registration form for your company. (This is the same person who will be responsible for the employer's annual registration update.)

Most employers are expected to assign this role to an existing employee in their Human Resources department. However, this role can be assigned to anyone within the organization that the employer deems appropriate. An employer may also contract with a third party to serve as the Commuter Benefits Coordinator.⁵ In the case of employers who belong to a [Transportation Management Association \(TMA\)](#), the TMA may serve as the Commuter Benefits Coordinator.

Step 3. Go to the Program [webpage](#) and register.

Through 511.org, employers will be provided with easy access to a secure, online automated registration process. In order to complete the registration process, an employer will need the following information:

- Name and contact information for Reporting Commuter Benefits Coordinator
- Contact information for an alternative contact person
- Number of full-time employees and covered employees at each Bay Area worksite
- The commuter benefit option that the employer will provide
- Means used to notify employees about the commuter benefit and how to apply for the benefit

Employers will also be required to provide updates to their registration information on an annual basis. Employers will receive an annual follow-up notice requesting that the employer confirm (or update, as needed) the data provided in the original registration submittal.

**Step 4. [Notify](#) employees about the commuter benefit that your company will provide and how to take advantage of the benefit, and make the benefit available.**

Employee notification is one of the key requirements of the Program. Since the goal of the Program is to encourage employees to use alternative commute modes, it is essential that employers inform employees about the commuter benefit they offer, and how employees can take advantage of the benefit. Employee notification is required at the following times:

- When the commuter benefit is first made available
- At least once per year thereafter, in conjunction with the employer's annual registration update
- On an on-going basis, for newly-hired employees, as part of the explanation of employee benefits provided during new employee orientation

Employers must indicate the method(s) used to notify employees as part of the registration process. See the [Helpful Resources for your Employees](#) for examples of employee notification documents, including email and hard copy posters.

Step 4a. Making Option 2 available to employees:

An employer-paid subsidy can be provided through vouchers, debit/credit cards linked to a commuter account, or directly loaded on to a Clipper® card. The employer can administer a transit or vanpool subsidy much the same as the pre-tax benefit in Option 1, by either directly purchasing and providing the voucher or passes to employees, or by using a third-party vendor

⁵ Because some large, multi-site employers may have more than one employee who serves as a Commuter Benefits Coordinator (another term often used is "Employee Transportation Coordinator"), the registration process uses the term "Reporting Commuter Benefits Coordinator" to refer to the Commuter Benefits Coordinator who will serve as the primary contact for purposes of registering the various worksites.

to administer this program. Employers who elect to administer the subsidy on their own should consult IRS guidelines to ensure that they are complying with IRS guidelines and record-keeping requirements. For employers administering Option 2 in-house, typical tasks include:

- Taking employee orders, making payroll deductions, distributing the subsidy to employees, answering employee questions about the subsidy

For employers using a vendor to administer Option 2, typical tasks include:

- Selecting a vendor, coordinating with the vendor, and providing the subsidy.
- With this option, the vendor will take responsibility for the bulk of the tasks involved in offering a (pre-tax) subsidy.
- Vendors generally charge fees to administer the benefit, which may vary based upon the number of employees who elect to participate, and the scope of services that the vendor provides.

Step 4b. Set up the subsidy distribution:

Work with your company's payroll administrator to set up the subsidy. Things to think about include: how will the subsidy be offered to employees; and who will administer the subsidy and/or coordinate with the vendor.

Step 4c. Enroll employees in the Program:

Distribute an [enrollment form](#) to collect orders. If working with a vendor, compile employee order information into the format specific by the vendor.

Step 5. Keep records to document implementation of your commuter benefits program and make these records available in response to any request from the Air District.

The employer must retain the records for a period of three years, and must make records available to the Air District upon request. Employers should maintain documentation to demonstrate that:

- The commuter benefit selected by the employer has been implemented and made available to employees,
- Employees have been notified about the commuter benefit and how to request the benefit (1) at the time the benefit was initially made available and (2) as part of the "new employee orientation" process for newly hired employees.
- The employer offered a subsidy to employees to offset the monthly cost of commuting via transit or by vanpool. For example, a company can maintain receipts for transit purchases for transit such as BART, Santa Clara VTA's EcoPass, or AC Transit's EasyPass. Note: If the employer is using ClipperDirect or a vendor, such as a payroll service or commuter benefits specialist, to administer Option 2, the vendor should be able to maintain and provide the required documentation. [Click here](#) for a sample checklist of the steps to complete the registration process.

GETTING STARTED: OPTION 3: EMPLOYER-PROVIDED TRANSIT

The basic steps to comply with the Program can be summarized as follows:

Step 1. Choose an option:

Evaluate the four commuter benefit options and select one to offer to your employees. If you are here, you are selecting Option 3.

Step 2. Designate a Commuter Benefits Coordinator.

For purposes of the Program, this is simply the person at your company who will complete the registration form for your company. (This is the same person who will be responsible for the employer's annual registration update.)

Most employers are expected to assign this role to an existing employee in their Human Resources department. However, this role can be assigned to anyone within the organization that the employer deems appropriate. An employer may also contract with a third party to serve as the Commuter Benefits Coordinator.⁶ In the case of employers who belong to a [Transportation Management Association \(TMA\)](#), the TMA may serve as the Commuter Benefits Coordinator.

Step 3. Go to the Program webpage and register.

Through 511.org, employers will be provided with easy access to a secure, online automated registration process. In order to complete the registration process, an employer will need the following information:

- Name and contact information for Reporting Commuter Benefits Coordinator
- Contact information for an alternative contact person
- Number of full-time employees and covered employees at each Bay Area worksite
- The commuter benefit option that the employer will provide
- Means used to notify employees about the commuter benefit and how to apply for the benefit

Employers will also be required to provide updates to their registration information on an annual basis. Employers will receive an annual follow-up notice requesting that the employer confirm (or update, as needed) the data provided in the original registration submittal.

**Step 4. Notify employees about the commuter benefit that your company will provide and how to take advantage of the benefit, and make the benefit available.**

Employee notification is one of the key requirements of the Program. Since the goal of the Program is to encourage employees to use alternative commute modes, it is essential that employers inform employees about the commuter benefit they offer, and how employees can take advantage of the benefit. Employee notification is required at the following times:

- When the commuter benefit is first made available
- At least once per year thereafter, in conjunction with the employer's annual registration update
- On an on-going basis, for newly-hired employees, as part of the explanation of employee benefits provided during new employee orientation

Employers must indicate the method(s) used to notify employees as part of the registration process. See the [Helpful Resources for your Employees](#) for examples of employee notification documents, including email and hard copy posters.

Step 4a. Determine what transportation providers are available for bus, shuttle, or vanpool service:

Go to [Transit Benefit Providers List](#) for more information or consult your local county employer outreach staff for free assistance and support, as shown in [Table 2](#).

⁶ Because some large, multi-site employers may have more than one employee who serves as a Commuter Benefits Coordinator (another term often used is "Employee Transportation Coordinator"), the registration process uses the term "Reporting Commuter Benefits Coordinator" to refer to the Commuter Benefits Coordinator who will serve as the primary contact for purposes of registering the various worksites.

Step 4b. Based on where your employees live and their work schedules, analyze which transportation option(s)

would be most viable, which employee home location areas would be best-suited as the point of origin (for bus or vanpool service), and the morning and evening commute times that would serve the greatest number of employees.

Step 4c. Employers who are interested in Option 3 may want to join forces with neighboring employers to share the costs of an employer-provided transportation program.

For an example of employer participation in “last mile” shuttle programs with neighboring employers go to: samtrans.com/schedulesandmaps/shuttles.html

Step 5. Keep records to document implementation of your commuter benefits program and make these records available in response to any request from the Air District.

The employer must retain the records for a period of three years, and must make records available to the Air District upon request. Employers should maintain documentation to demonstrate that:

- The commuter benefit selected by the employer has been implemented and made available to employees,
- Employees have been notified about the commuter benefit and how to request the benefit (1) at the time the benefit was initially made available and (2) as part of the “new employee orientation” process for newly hired employees.
- The employer is providing commuter transportation to employees by means of bus, shuttle, vanpool, or ferry service. Records should demonstrate that the employer either directly provided transit service to employees, contracted with a transportation company to provide such service, or contributed to the funding of such service through payments to a property manager or Transportation Management Association that provides such service. [Click here](#) for a sample checklist of the steps to complete the registration process.

GETTING STARTED: OPTION 4: ALTERNATIVE COMMUTER BENEFIT

The basic steps to comply with the Program can be summarized as follows:

Step 1. Choose an option:

Evaluate the four commuter benefit options and select one to offer to your employees. If you are here, you are selecting Option 4.

Step 2. Designate a Commuter Benefits Coordinator.

For purposes of the Program, this is simply the person at your company who will complete the registration form for your company. (This is the same person who will be responsible for the employer's annual registration update.)

Most employers are expected to assign this role to an existing employee in their Human Resources department. However, this role can be assigned to anyone within the organization that the employer deems appropriate. An employer may also contract with a third party to serve as the Commuter Benefits Coordinator.⁷ In the case of employers who belong to a [Transportation Management Association \(TMA\)](#), the TMA may serve as the Commuter Benefits Coordinator.

Step 3. Go to the Program [webpage](#) and register.

Through 511.org, employers will be provided with easy access to a secure, online automated registration process. In order to complete the registration process, an employer will need the following information:

- Name and contact information for Reporting Commuter Benefits Coordinator
- Contact information for an alternative contact person
- Number of full-time employees and covered employees at each Bay Area worksite
- The commuter benefit option that the employer will provide
- Means used to notify employees about the commuter benefit and how to apply for the benefit

Employers will also be required to provide updates to their registration information on an annual basis. Employers will receive an annual follow-up notice requesting that the employer confirm (or update, as needed) the data provided in the original registration submittal.

**Step 4. [Notify](#) employees about the commuter benefit that your company will provide and how to take advantage of the benefit, and make the benefit available.**

Employee notification is one of the key requirements of the Program. Since the goal of the Program is to encourage employees to use alternative commute modes, it is essential that employers inform employees about the commuter benefit they offer, and how employees can take advantage of the benefit. Employee notification is required at the following times:

- When the commuter benefit is first made available
- At least once per year thereafter, in conjunction with the employer's annual registration update
- On an on-going basis, for newly-hired employees, as part of the explanation of employee benefits provided during new employee orientation

Employers must indicate the method(s) used to notify employees as part of the registration process. See the [Helpful Resources for your Employees](#) for examples of employee notification documents, including email and hard copy posters.

Step 4a. Making Option 4 available to employees:

Employers can find out more information on carpools, biking, telework programs, and examples of employee award programs by reviewing [Option 4 Guide](#) and by reviewing [case studies](#), [frequently asked questions](#), and [informational materials for employees](#) provided later in this Employer Guide.

⁷ Because some large, multi-site employers may have more than one employee who serves as a Commuter Benefits Coordinator (another term often used is "Employee Transportation Coordinator"), the registration process uses the term "Reporting Commuter Benefits Coordinator" to refer to the Commuter Benefits Coordinator who will serve as the primary contact for purposes of registering the various worksites.

There may be services, such as an Emergency (or Guaranteed) Ride Home Program, that employers can tap into as a component of a broader alternative commuter benefit program. To learn more about the Emergency Ride Home Program in your county, go to: <http://511.org/carpool-vanpool/benefits/county>.



Step 5. Keep records to document implementation of your commuter benefits program and make these records available in response to any request from the Air District.

The employer must retain the records for a period of three years, and must make records available to the Air District upon request. Employers should maintain documentation to demonstrate that:

- The commuter benefit selected by the employer has been implemented and made available to employees,
- Employees have been notified about the commuter benefit and how to request the benefit (1) at the time the benefit was initially made available and (2) as part of the “new employee orientation” process for newly hired employees.
- The employer provided each of the Option 4 measures described in its registration form submittal. Record-keeping requirements for Option 4 will depend upon the specific commuter benefit(s) provided to employees. Please contact us for assistance regarding compliance with the record-keeping requirements under Option 4. [Click here](#) for a sample checklist of the steps to complete the registration process.

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EXAMPLES: OPTION 4

Carpool Subsidy Option: Pursuant to Option 4A, an employer could offer one Primary Measure and two Secondary Measures, with a focus on carpooling:

- ☐ Carpool Subsidy (\$3/day that employee carpools)
- ☐ Preferred parking for carpools

Plus one additional Secondary Measure of the employer's choice.

Bicycle Option: Pursuant to Option 4A, an employer could offer one Primary Measure and two Secondary Measures, with a focus on bicycling:

- ☐ Bicycle Subsidy
- ☐ Secure, on-site bicycle parking

Plus at least one additional Secondary Measure of the employer's choice.

Carpool Promotion Option: Pursuant to Option 4B, an employer could offer four Secondary Measures, with a focus on carpooling:

- ☐ Preferred parking for carpools
- ☐ Participation in an emergency/guaranteed ride home program

Plus 2 additional Secondary Measures of the employer's choice.

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EMPLOYER ASSISTANCE

For registration assistance, employers may contact the 511 Commuter Benefits Specialist at:

commuterbenefits@511.org or dial 511 and say “**Commuter Benefits**” to reach a helpline specialist. For more information on employer assistance services available in each county, see this [link](#).

- **Worksite Events** – Visit <http://511.org/employers/services/worksite> if you are interested in to requesting a rideshare staff participation at your next worksite event (e.g., health and benefits, environmental, or transportation fairs); rideshare staff can speak to your employee about various commute options.
- **Ridematching** – The 511 RideMatch Service is an interactive, on-demand system that helps people find carpools, vanpools, or bicycle partners. 511 also works with private ride-matching companies to provide the best carpool match. Visit <http://511.org/carpool-vanpool/carpool/overview> for additional ridematching information.

- **Vanpool Formation and Support** – Vanpool services staff can help employers form and maintain vanpools. Employees who join vanpools can save money and reduce their commute stress. Employers who promote vanpooling can save on payroll taxes (see Option 1), reduce the space needed for employee parking, and attract and retain productive employees. Visit <http://511.org/carpool-vanpool/vanpool/overview> for more information.
- **Rewards** – Employees using alternatives to driving alone can qualify for local and regional rewards. Visit <http://511.org/carpool-vanpool/benefits/county> for the latest information.

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ENFORCEMENT

Employers subject to the Commuter Benefits Program must comply with its requirements. The Air District and MTC will focus on providing information and assistance to help employers understand the Program and comply with its requirements. However, the Air District does have authority to enforce its regulations, including the Commuter Benefits Program (Regulation 14, Rule 1) pursuant to the California Health & Safety Code. The Air District enforcement program

typically utilizes a cooperative working relationship with the regulated entities, in conjunction with graduated levels of enforcement actions, in order to maintain compliance with air quality regulations. In most cases, an enforcement action can be settled by taking prompt corrective actions and paying a monetary penalty. [Click here](#) for the Air District’s March 2017 Compliance Advisory regarding Commuter Benefits Regulation.

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COORDINATION WITH LOCAL COMMUTER BENEFIT ORDINANCES

The Bay Area Commuter Benefits Program is modeled on local ordinances that have been established in recent years in several Bay Area cities, including the city of San Francisco, the city of Richmond, the city of Berkeley, and the San Francisco International Airport, as shown below. The substantive provisions of these local ordinances are

very similar to the requirements of the regional Program. However, the local ordinances have a more stringent applicability threshold. These local ordinances apply to employers with either 10 or more or 20 or more employees nationwide that have a worksite in the relevant city.

Commuter Benefits Ordinances Adopted by Bay Area Cities		
Jurisdiction	Applicability Threshold	Effective Date of Ordinance
City & County of San Francisco	20 or more employees nationwide	January 19, 2009
San Francisco International Airport	20 or more employees nationwide	July 7, 2009
City of Berkeley	10 or more employees nationwide	December 2009
City of Richmond	10 or more employees nationwide	December 8, 2009

To avoid duplication of effort, the four local jurisdictions shown above have agreed that all employers that are subject to the Bay Area Program (i.e., employers with 50 or more full-time employees in the Bay Area) should report to the Bay Area Program. To avoid the need for employers in these

cities to report to multiple entities, the Bay Area Program will verify employer compliance and provide information to the local jurisdictions on how the employers in their area are complying with the Bay Area Program.

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ROLE OF TRANSPORTATION MANAGEMENT ASSOCIATIONS

The Program provides that, if an employer participates in a Transportation Management Association (TMA) which provides a commuter benefit consistent with Program requirements, the TMA may represent the employer for

purposes of the Program. Employers who are served by a TMA are encouraged to contact their TMA to determine what role, if any, the TMA will play in helping its member employers comply with the Program.

Bishop Ranch Transportation Management Association One Annabel Lane, Suite 201 San Ramon, CA 94583 bishopranch.com/about-br/transportation brtc@bishopranch.com	Emeryville TMA 1300 67th Street Emeryville, CA 94608 emerygoround.com info@emerygoround.com	Mission Bay TMA 255 Channel Street San Francisco, CA 94107 missionbaytma.org transit@missionbaytma.org	San Mateo Rail Corridor Association TMA commute.org john@commute.org
Contra Costa Centre Transit Village 1350 Treat Boulevard, Ste. 180 Walnut Creek, CA 94597 http://www.contracostacentre.com/commuter-programs/ ccca@contracostacentre.com	Hacienda Business Park 4473 Willow Road, Suite 105 Pleasanton, CA 94588 hacienda.org/amenities-employees-residents/commute-solutions info@hacienda.org	Moffett Business Park TMA P.O. Box 60995 Sunnyvale, CA 94088 http://www.mpbg.org/ kerry@mpbg.org	TMA of San Francisco 180 Montgomery Street, Suite 2360 San Francisco, CA 94104 tmasfconnects.org kmartinson@tmasfconnects.org

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POTENTIAL TAX SAVINGS FOR THE FOUR COMMUTER BENEFIT OPTIONS

Potential tax savings to employer and employees for the various commuter benefit options are summarized in the table below. Employers should consult with their tax advisor regarding potential tax savings related to their commuter

benefit program. [Note: this information is an example based on 2014 tax information. See IRS tax code for current rates and limits.]

OPTION	Employer Tax Benefit	Employee Tax Benefit
OPTION 1: Pre-Tax: Employer allows employee to exclude transit or vanpool fare from taxable income	Employer saves on payroll taxes: 7.79% on employee's transit/vanpool costs ⁸ . Employer saves up to \$238 per employee per year.	Employee saves on federal and State income taxes, and the Social Security and Medicare taxes (7.65%), yielding average savings of 40% or more on transit/vanpool costs per year. Depending on tax bracket, employee can save up to \$964 per year.
OPTION 2: Employer Provides Subsidy: to cover or reduce the employee's transit or vanpool fare. The amount provided is to cover the total cost of the commute up to an inflation adjusted maximum (click here for the current maximum amount)	Employer does not pay payroll taxes on subsidy for transit or vanpool (see IRS tax code for any updates or changes). Employers may also deduct the subsidy as a business expense.	Employer-provided subsidy is tax-free to employee (see IRS tax code for any updates or changes). Employee takes home the entire value of the subsidy (saving on federal and State income taxes, and FICA taxes).
OPTION 3: Employer provides transportation for employees in bus, shuttle or van	Employer may be able to deduct cost of transportation such as a bus, shuttle or vanpool service as a business expense.	The value of the employer-provided transportation is treated as a tax-free fringe benefit by the IRS. In addition, if employee pays part of the cost, the employee share can be excluded from taxable wages , per Option 1, thus saving on federal and State income taxes, and FICA taxes.
OPTION 4: Alternative Commuter Benefit	<p>Bicycle Subsidy- Employers can provide a monthly limit for qualified bicycle expenses. The subsidy is not subject to payroll taxes. Employers may also deduct the subsidy as a business expense. (See IRS tax code for current limits.)</p> <p>Employer may be able to deduct as a business expense costs associated with implementation of various measures outlined in Option 4a and Option 4b. Note: If employer provides a subsidy for carpooling or walking, the value of this subsidy is taxable to both the employer and the employee.</p>	<p>Bicycle Subsidy- Employee receives up to a monthly limit for qualified bicycling expenses tax-free, saving on federal and State income taxes, and FICA taxes.</p> <p>Note: If employer provides a subsidy for carpooling or walking, the value of this subsidy is taxable to both the employer and the employee.</p>

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⁸ The FICA tax consists of the Social Security (6.2 percent) and Medicare (1.45 percent) taxes. Social Security: Employers and employees each pay 6.2 percent of employee's income up to \$117,000 in 2014. Medicare: Employers and employees each pay 1.45 percent of employee's income, with no limit in 2014. For current FICA rates and limits see: <http://www.irs.gov/>

CHECKLIST FOR EMPLOYERS

Besides the free, in-person assistance available to employers, written materials are available online to assist employers in selecting one of the four options to comply with the Bay Area Commuter Benefits Program: commuterbenefits.511.org.

(This checklist is intended as a tool to help employers document their compliance with the Program. Employers are not required to fill out this form.)

The Bay Area Air Quality Management District Board of Directors adopted Regulation 14, Rule 1: Bay Area Commuter Benefits Program, in collaboration with the Metropolitan Transportation Commission. The Program requires employers with 50 or more full-time employees within the Air District's jurisdiction to select one (or more) of four commuter benefit options to offer their employees. If you have questions regarding this Program, please go to 511.org, click on Bay Area Commuter Benefits Program.

Program Checklist

1. Designate a commuter benefits coordinator

2. Select a commuter benefit: Choose one (or more) of the commuter benefit options to offer to employees:

- ☐ Option 1: Allow employees to exclude their transit or vanpool costs from taxable income, to the maximum amount, as allowed by federal law.
- ☐ Option 2: Employer-provided transit or vanpool subsidy. The amount provided is to cover the total cost of the commute up to an inflation adjusted maximum ([click here for the current maximum amount](#)).
- ☐ Option 3: Employer-provided free or low cost bus, shuttle or vanpool service operated by or for the employer.
- ☐ Option 4: An alternative employer-provided commuter benefit that is as effective as in reducing single occupant vehicles as Options 1-3.
- Enter the date the selected commuter benefit option was made available to employees: / /

- Maintain records to document that the commuter benefit(s) has been provided. See the Commuter Benefit Program Employer Guide for additional information on record-keeping requirements.
- Keep track of the number of employees participating in or receiving the commuter benefit.

3. Employee Notification:

- Notify employees of the commuter benefit(s) and how to take advantage of it.
- Maintain records to document how and when employees were notified about the commuter benefit(s).

4. Employer Registration: Register by going to 511.org and clicking on "Commuter Benefits Program". Complete the on-line registration process by providing the following information:

- contact information for the commuter benefits coordinator
- an alternate contact person
- all Bay Area worksites and the number of employees per worksite; the commuter benefit(s) offered to employees.
- If the commuter benefit was offered prior to Program adoption (March 26, 2014) provide the date and number of employees who are already using this commuter benefit.
- the means used to notify employees about the benefit

Note: At the time of registration, we recommend that employers print a copy of the summary page (screen 4) and print the message acknowledging their registration.

5. Annual registration update: Employers who complete the initial registration will be notified when it is time to submit an annual registration update.

- Notice will be provided by means of an email addressed to the commuter benefits coordinator.

6. Record-keeping: Maintain records to document compliance for a period of three years, as described above. Provide records to the Air District upon request.

FREQUENTLY ASKED QUESTIONS

Frequently Asked Questions (FAQs) and answers have been compiled based on those received during the public outreach process. [Click here for Frequently Asked Questions.](#)

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LIST OF COMMUTER BENEFIT PROVIDERS

A comprehensive list of vendors providing commuter benefit services for employers to contact directly. [Click here for a list of Commuter Benefit Providers.](#)

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CASE STUDIES

Examples of various sized employers successfully launching commuter benefit programs for their employees are provided. [Click here for examples of employer commuter benefit programs.](#)

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PROGRAM OVERVIEW

A summary outline of this Employer Guide to use as a reference tool and to utilize internally at an employer worksite is available. [Click here for the Program Overview.](#)

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SAMPLE EMPLOYEE NOTIFICATION

This is a sample email or letter to your employees to announce your company's promotion of Option #1, the Pre-Tax Commuter Benefit:

TO: All Employees
FROM: High-level Official at 'your company name here'
SUBJECT: Commuter Benefits Open Enrollment

Do you want to s-t-r-e-t-c-h your dollars? Are you tired of traffic delays and tie-ups on your commute to work? Would you like to ease your commute and make it less stressful? Well, 'your company name here' would like to help you.

To help save money on commuting costs and provide a stress-free way for employees to arrive at work on time, 'your company name here' is implementing a tax-free commuter benefit program. With this benefit, all employees who commute to work by public transit (bus, rail, or ferry) or vanpool can pay their fare with pre-tax dollars. The federal tax code allows employees to exclude **up to \$255 per month (\$3,060 per year)** in transit or vanpool costs from their taxable income. This means that you can save \$1,200 or more per year in taxes, depending on your tax bracket and your monthly fare.

Representatives from **XXX** will be on site **specific date** from **TIME – TIME P.M.** for an employee orientation on commuter benefits and to answer any questions you might have. Please plan to attend.

To enroll in the commuter benefits program, contact 'your company name here's staff person by **specific date**. The transportation benefit will begin on **specific date**.

In addition to saving money, by commuting to work by transit or vanpool you can avoid traffic congestion and help to protect the environment. This program will help 'your company name here' to comply with the Bay Area Commuter Benefits Program adopted by the Bay Area Air Quality Management District and the Metropolitan Transportation Commission.

SAMPLE COMPANY POSTER

This is a sample poster to announce your company's promotion of Option #1, the Pre-Tax Commuter Benefit:

Don't Miss Out on 'your company name here's Commuter Tax Benefit

Available for All Employees

Meet Susan...



- An employee of 'your company name here'
- In the 25% Federal Income Tax Bracket
- Rides BART to work

By deducting the \$255 maximum for her BART fare from her pre-tax earnings, Susan saves \$83 per month or \$964 per year.*

How Susan benefits from the pre-tax option:

- Saves money on her monthly BART pass
- Enjoys the convenience of getting her pass at work
- Is reminded monthly that her employer is providing her a benefit

How 'your company name here' benefits from giving Susan a pre-tax option:

- Provides a visible and valued employee benefit at minimal cost
- Enhances Susan's wage and benefits package
- Saves on FICA taxes
- Offers a benefit that is simple to set up and manage

*Don't Miss Out! It's a Win, Win for You and for the Company!
Sign Up Now by contacting XXX, at 'your company name here'.*

Federal Income Tax Brackets		10%		15%		25%		40%	
Monthly Vanpool/Transit Costs		\$130	\$255	\$130	\$255	\$130	\$255	\$130	\$255
Federal Income Tax Savings (annual)		\$156	\$306	\$234	\$459	\$390	\$765	\$620	\$1,224
FICA Savings (annual)	Social Security*	\$97	\$190	\$97	\$190	\$97	\$190	---	---
	Medicare	\$23	\$44	\$23	\$44	\$23	\$44	\$23	\$44
State Income Tax Savings** (annual)		\$199	\$199	\$199	\$199	\$199	\$199	\$199	\$199
Total Annual Employee Savings		\$475	\$739	\$553	\$892	\$709	\$1,198	\$842	\$1,467

*The Social Security tax is currently imposed on the first \$118,500 (in 2016) of an employee's income. Therefore, employees whose annual salary exceeds \$118,500 will not experience any Social Security savings.

**Assumes a 6.5% average state income tax bracket.