



**SF Environment**

**Our home. Our city. Our planet.**

A Department of the City and County of San Francisco

**CommuteSmart**

# How to Implement a Commuter Benefits Program 2014 Guide for San Francisco Employers



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# 1 Background

## 1.1 What are Commuter Benefits?

Commuter Benefits are federally approved employer-provided incentives for employees to reduce their monthly commuting expenses for transit, vanpool, biking and parking (IRS code 132(f)).<sup>1</sup> You can offer employees a:

- Pre-tax employee-paid payroll deduction, or
- Tax-free employer-paid subsidy.

### What are the Advantages?

#### 1) Reduced Cost and Tax Savings

- Companies realize savings through reductions in FICA, Medicare, Federal income and State income taxes
- Benefit is low cost or cost neutral for companies to offer, compared to other employee benefits
- Employees incur lower transit, vanpool or bike<sup>2</sup> costs than paying out of pocket

#### 2) Recruitment and Retention

- Commuter benefits have proven to be a cost-effective tool for increasing job satisfaction and helping recruit and retain talent
- Employees who use sustainable commute modes to and from work are healthier, potentially reducing health insurance claims and sick leave. They arrive at work relaxed, less stressed from traffic congestion and ready to be productive, boosting morale and enhancing the work environment

#### 3) Be recognized as a community leader and neighbor

- The award for the [Best Workplaces for Commuters](#) is given to organizations that offer commuter programs and meet the National Standard of Excellence criteria. Join other San Francisco Bay Area employers in attaining this mark of excellence in environmental leadership
- The [US Green Building Council \(USGBC\)](#) provides Leadership in Energy and Environmental Design (LEED) credits for sustainable employee transportation program
- By encouraging commuting by a variety of transportation options, commuter benefits help reduce traffic congestion and improve air quality, making our cities and regions better places to live

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<sup>1</sup> To see the full federal regulations, please visit the IRS' Employer's Tax Guide to Fringe Benefits ([Publication 15-B](#)).

<sup>2</sup> The \$20/month bicycle benefit can currently only be offered as a tax-free employer paid subsidy, employees cannot receive both the bike benefit and pre-tax benefits, according to IRS regulations, with the transit benefit

#### **4) Save on parking needs**

- As more employees use a variety of transportation modes, fewer parking spaces are needed. Organizations can reinvest the savings back into the company or free parking spaces up for customers or clients

**Thousands of employers in San Francisco and across the country already offer commuter benefits to their employees.**

**This guide assists you in becoming one of these benefit-savvy employers.**

## 1.2 What is CommuteSmart?

[CommuteSmart](#) is part of the City and County of San Francisco's Department of the Environment, and provides low- or no-cost consulting services and programs to make it easy for businesses to provide transportation benefits to their employees:

**CommuteSmart newsletter.** Our quarterly newsletter provides updates on commuter legislation, transportation developments in the Bay Area as well as offers, incentives and discounts. Subscribe [here](#).

**Consultations.** Meet with CommuteSmart staff to discuss how to implement or add to your transportation programs for employees, as well as how to become electric-vehicle ready. [Request a consultation](#).

**Custom ridematching site.** Request [a custom ridematching site](#) that fits seamlessly with your company's website to assist employees find carpool and vanpool partners.

**Direct employee outreach.** [Invite](#) CommuteSmart to table at your health fair or company event

**Employer Guides.** Step-by-step guidance on setting up a commuter benefits program and [becoming EV ready](#).

**Employee transportation survey.** Request a [survey](#) to understand employee commute needs and concerns. We will compile [the results](#) for you.

**Employee residential density map.** Request [a map](#) based on ZIP codes to help you identify the best ways to help your employees commute smart.

The Department of the Environment (SF Environment) creates visionary policies and innovative programs that promote social equity, protect human health, and lead the way toward a sustainable future. Learn more at [SFEnvironment.org](#).

## 1.3 San Francisco Commuter Benefits Ordinance

The [San Francisco Commuter Benefits Ordinance](#) has been in effect since 2009, and requires businesses with locations in San Francisco and 20 or more employees nationwide to offer commuter benefits to their employees.

Businesses are required to provide at least one of the following transportation benefit programs to Covered Employees:

1. An Employee-Paid Pre-Tax Deduction: A program allowing employees to elect to exclude transit passes or vanpool commuting costs from taxable wages and compensation, up to maximum level allowed by IRS code 132(f).<sup>3</sup>;
2. Employer-Paid Subsidy: A program whereby the employer supplies a transit pass or reimbursement for equivalent vanpool charges at least equal in value to the purchase price of a monthly Muni "A" Pass<sup>4</sup>; or
3. Employer-Provided Transportation Service: Transportation furnished by the employer at no cost to the employee in a vanpool or bus.

**New in 2014:** The Bay Area Commuter Benefits Program was adopted by the Bay Area Air Quality Management District and the Metropolitan Transportation Commission in March 2014. Although the requirements are essentially the same as the San Francisco Ordinance, the businesses covered by each ordinance are different. You will only have to report to one program.

**If you have 50 or more employees across all sites in the Bay Area<sup>5</sup>, including San Francisco,** you will register and report **only** to the new Bay Area Commuter Benefits Program at <http://commuterbenefits.511.org>. *Businesses that are subject to the new Bay Area Commuter Benefits Program do not need to submit a compliance form to the SF Department of the Environment.*

**If you have fewer than 50 employees in the Bay Area but more than 20 nationwide, and a location in San Francisco only,** you should complete the San Francisco Commuter Benefits Program compliance reporting form at [SFEnvironment.org/CBOcompliance](http://SFEnvironment.org/CBOcompliance). To avoid penalties, please submit the Compliance Reporting form by April 30, 2014.



<sup>3</sup> To see the full federal regulations, please visit the IRS' Employer's Tax Guide to Fringe Benefits ([Publication 15-B](#)).

<sup>4</sup> "A" pass cost is \$76 in 2014

<sup>5</sup> \*The Bay Area Commuter Benefits Program covers the nine Bay Area counties, including all of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, and Santa Clara counties, as well as the western portion of Solano County (including Fairfield and points west) and the southern portion of Sonoma County (including Windsor and points south).

## 2 What Are the Options for Commuter Benefits?

### 2.1 Employee-Paid Pre-Tax Benefit

Commuter Benefits in the form of employee-paid pre-tax deductions are federally approved employer-provided incentives for employees to reduce their monthly commuting expenses for transit, vanpool, biking and parking (IRS code 132(f))<sup>6</sup>.

Through their paycheck, employees have the option to set aside pre-tax funds each month to pay for their transit, vanpool and parking expenses. By doing so, taxable income is reduced, translating into travel savings for employees of up to 40 percent. As a result, business payroll taxes decrease, so you may see up to nine percent savings for each employee participating in the benefit.

A [savings calculator](#) helps to illustrate the FICA savings businesses could generally experience through commuter benefits. The more employees that participate, the greater the savings to the employer. See Figure 1 for an illustration of employer savings based on employee deductions of \$130/month<sup>7</sup>.

**Figure 1: Employer Payroll Savings Based on Number of Employees Participating in the Commuter Benefits Program**

<b>Employer Payroll Savings by # of Employees*</b>			
<b>Employees</b>	<b>Deductions per Month</b>	<b>Deductions per Year</b>	<b>Payroll Savings per Year</b>
1	\$130.00	\$1,560.00	\$19.34
5	\$650.00	\$7,800.00	\$596.70
20	\$2,600.00	\$31,200.00	\$2,386.80
50	\$6,500.00	\$78,000.00	\$5,967.00

\* This example is intended to demonstrate typical tax savings based on a FICA tax rate of 7.65%. Actual savings is based on individual tax situations.

Transit/vanpool benefits may be combined with parking benefits under federal tax law. An employee who parks at a transit station or park-and-ride lot to take transit or a vanpool to work may receive both transit/vanpool and parking benefits. The IRS allows \$250 per month for parking in addition to the \$130 maximum for transit deductions. Please note that while parking is included in IRS section 132(f), it is not required by the Commuter Benefits Ordinance.

**Get started** with the employee-paid pre-tax benefit.

<sup>6</sup> To see the full federal regulations, please visit the IRS' Employer's Tax Guide to Fringe Benefits ([Publication 15-B](#))

<sup>7</sup> Effective January 1, 2014, the IRS pre-tax limit is \$130/month for transit and vanpool expenses and \$250/month for parking expenses, including parking at or near public transportation

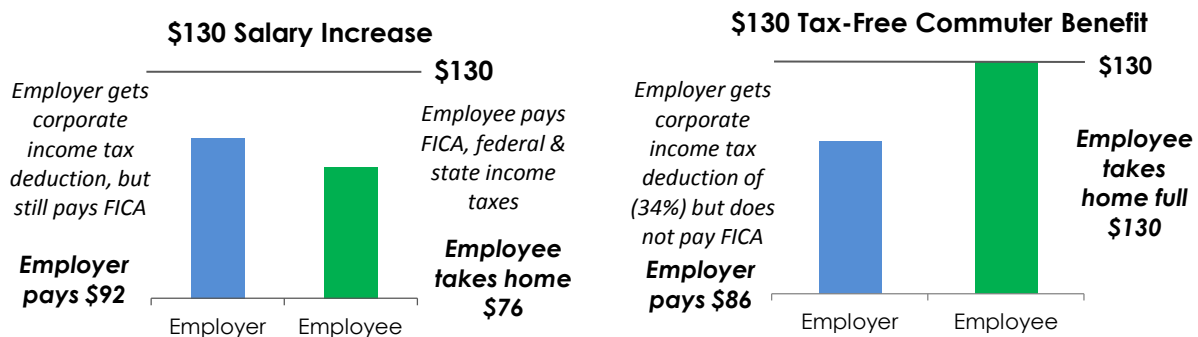
## 2.2 Employer-Paid Subsidy

Commuter Benefits in the form of an employer-paid subsidy are federally approved employer-provided incentives for employees to reduce their monthly commuting expenses for transit, vanpool, biking and parking (IRS code 132(f)).<sup>8</sup>

Through this option, you can subsidize employee transit, vanpool and bike commuting costs. As with the Employee-Paid Benefit, you do not pay payroll taxes and employees do not pay federal or payroll taxes on the benefit amount, up to the current IRS pre-tax limit.<sup>9</sup>

The employer-paid subsidy can be more advantageous to both you and employees as compared to a pay raise of the equivalent dollar value (See Figure 2).

**Figure 2: Comparison of Taxable Salary Increase to Employer-paid Tax-free Commuter Benefit of \$130**



Source: Adapted from Transportation Research Board. "Strategies for Increasing the Effectiveness of Commuter Benefits Programs." Transit Cooperative Research Program Report 87. [http://onlinepubs.trb.org/onlinepubs/tcrp/tcrp\\_rpt\\_87.pdf](http://onlinepubs.trb.org/onlinepubs/tcrp/tcrp_rpt_87.pdf)

The San Francisco Commuter Benefits Ordinance requires that a transit or vanpool subsidy must be at least of equivalent value to the San Francisco Muni Pass 'A'<sup>10</sup>, unless offered in combination with the Employee-Paid Pre-Tax benefit or Employer-Provided transportation service. [Bicycle commuters may be offered a subsidy up to \\$20/month to cover bicycle maintenance and repairs](#), provided that they do not receive an any other transit benefit, as per IRS regulations.

As with the Employee-Paid Pre-Tax Benefit, subsidies are typically provided to employees in the form of a transit card or voucher. Subsidy programs are typically set up in one of two ways: 1) you directly purchase passes or vouchers for employees, or 2) you fund a debit/credit card or transit card for employees.

<sup>8</sup> To see the full federal regulations, please visit the IRS' Employer's Tax Guide to Fringe Benefits [\[Publication 15-B\]](#)

<sup>9</sup> Employers may offer a subsidy in excess of the monthly IRS pre-tax limit, but will be required to pay taxes on the amount of the benefit that exceeds the pre-tax limit.

<sup>10</sup> Currently \$76/month



Figure 3<sup>11</sup> shows the estimated impact of receiving \$130 raise, transit subsidy, or using pre-tax on the employer and employee.

**Figure 3: Estimated Impact of \$130 as a Raise, Transit Subsidy, or Pre-Tax**<sup>12</sup>

	<b>Annual Change: Savings (or Cost)**</b>	
	<b>Employer</b>	<b>Employee</b>
\$130/mo <b>salary increase</b>	(\$1,092)	\$1,285
\$130/mo <b>subsidy</b> (employer-paid)	(\$1,014)	\$1,560
\$130/mo <b>pre-tax deduction</b> (employee-paid)	\$119	\$275

\* Assumptions: Married, 2 exemptions at \$35,000 per year in 2014, 35% deductibility for employer

\*\* Number in parentheses represents a cost

### **Bicycle Subsidy**

You may reimburse bicycle commuters up to \$20 per month tax-free for each month a bicycle is used for transportation between the employee's home and place of employment. Reimbursement may be for reasonable expenses incurred for the purchase of a bicycle, bicycle improvements, repair and storage. Bike commuters who receive any other transportation fringe benefit under Section 132 (including pre-tax deductions or employer subsidies) are not eligible to receive the bike commuter benefit.

Reasonable expenses include the following as long as the bicycle is regularly used for travel between the employee's residence and place of employment:

- Purchase of a bicycle
- Bicycle improvements, repair, and storage

**Get started** with the employer-paid subsidy.

<sup>11</sup> TDM Program, Center for Urban Transportation Research, University of South Florida

## 2.3 Employer-Provided Transportation Service

You may choose to provide a transportation service using a bus or van between employee residential areas or transit stations and place of business. You may also consider offering a shared service with other nearby businesses, or purchasing seats on an existing shared service for employees. Many of these options include wireless internet services, allowing employees to use their commuting time to work.

**Get started** with the employer-provided shuttle service.

## 2.4 Combination of Programs

You may opt to offer a combination of any programs to your employees, or different programs to different groups of employees. For example, you may offer a small subsidy in addition to a pre-tax employee paid deduction program. Likewise, you may offer a shuttle option for employees that live in a concentrated area and also have a pre-tax or subsidy program available for those that are not able to utilize the shuttle.

You may decide on a subsidy of a lesser value if offered in tandem with pre-tax deductions. For example:

- You provide a \$40/month subsidy, and set up a pre-tax deduction program for employees
  - In addition to receiving the \$40 subsidy, employee chooses to have \$90/month deducted pre-tax from their paycheck
  - Employee receives a total benefit of \$130/month to use towards their transportation expenses

The total tax-free benefit, including subsidy and pre-tax salary, may not exceed current IRS pre-tax limits. If the employee chooses to deduct beyond this limit, they may do so with post-tax dollars.

## 2.5 Carpooling

Businesses not located near transit lines (bus, light rail, or train) may offer carpool benefits to their employees, such as subsidizing parking and toll costs or priority parking for carpoolers. To meet Ordinance requirements, a pre-tax or subsidy must also be offered for any employee who chooses to travel on transit or by vanpool must also be made available. **Please note that carpool subsidies are not tax-free under current IRS guidelines.**

If offering this program, promote to employees carpooling and vanpooling as a commute option for given the unique location of your worksite. [CommuteSmart](#), in collaboration with [511](#) Rideshare offer a free, comprehensive ridematching service to assist employees in finding carpool or vanpool partners to travel to and from work. 511 also offers a [map of regional park and ride lot locations](#) to facilitate meeting carpool partners.

## 2.6 Telecommuting

San Francisco businesses with employees who solely telecommute and do not travel to an office location are not required to provide a commuter benefits program. However, if employees telecommute on a temporary basis or part of the week only, you are required to comply with the Ordinance and offer a commuter benefits program as described in the previous sections. Businesses with all employees telecommuting and opting to not participate in a commuter benefits program should have employees complete the [Employee Voluntary Waiver Form](#) and keep the form on file to maintain a record of their decision. Businesses should also complete the annual [Reporting Form](#) for compliance with either the San Francisco or Bay Area Commuter Benefits program.

**Need assistance?**

**The CommuteSmart team  
can help you assess and  
implement your commuter  
benefits options.**

**Call us at 415-355-3727  
or email**

**[CommuteSmart@sfgov.org](mailto:CommuteSmart@sfgov.org)**

## 3 How Can My Organization Comply with the Ordinance?

In order to comply, a covered organization must offer one of the following:

- 1) [Employee-Paid Pre-Tax Benefit](#)
- 2) [Employer-Paid Subsidy](#)
- 3) [Employer-Provided Transportation Service](#)
- 4) Combination of the above

### 3.1 Getting Started – First Steps

#### 1. Meet with Staff Within Your Organization

Engage all relevant staff in conversations about the commuter benefits program as you begin to implement your program and throughout the process. Including upper level management in the decision-making process about what type of program to offer is imperative. Begin by checking in with the relevant parties to determine available budget and how the benefit will fit within company culture and enhance existing benefits. Human resources and payroll staff will also play a role in the program to assist with payroll and benefit provision.

#### 2. Conduct a Transportation Survey

To determine how many employees will participate and their current commute preferences, send a quick survey to your employees. CommuteSmart, in collaboration with 511 Rideshare offers assistance with surveying and analysis. See a [sample survey](#) and [analysis](#).

#### 3. Decide Which Type of Benefit to Offer

To make decisions about your program, you will need to coordinate with payroll, human resources and upper management and others who need to be involved.

Work with these parties to review the information gathered from the transportation survey (Step 2), and choose which type of benefit best fits your company. Factors that will affect the decision include: budget, employee transportation preferences, number of interested employees, etc.

The following benefits may be offered individually or in combination:

- Employee-Paid Pre-Tax deduction
- Employer-Paid Subsidy
- Employer-Provided Transportation Service

## 3.2 Implementing a Commuter Benefits Program

### 3.2.1 Employee-Paid Pre-Tax Benefit

Through their paycheck, employees have the option to set aside pre-tax funds each month to pay for their transit, vanpool and parking expenses. By doing so, taxable income is reduced, translating into travel savings for employees of up to 40 per cent. As a result, business payroll taxes decrease, so you may see up to nine percent savings for each employee participating in the benefit.

#### 1. Administering the Benefit

There's a program solution to fit your company's preferences! Depending on your organization's size, budget, location and staff resources you may choose to order benefits for your employees or you may prefer to use a vendor to fully administer the program. Consider the results from your transportation survey and the tasks involved in administration then choose which option is best for you. The vendor may be the same company that does your payroll or administers your other employee benefits. Talking to them is a good place to start, they may also have recommendations for you even if they cannot administer the benefit for you.

Please note that regardless of the option selected, you are encouraged to work with a commuter benefits vendor to ensure that the benefit is used for qualified transportation expenses to abide by IRS guidelines.

The program options below are examples of the solutions offered by vendors; program options and responsibilities for employers will vary with each vendor.

#### **Employer Managed:**

- **What you do:** Take employee orders, make payroll deductions, purchase benefit from vendor, distribute benefit to employees, answer employee questions about benefit
- **What the vendor does:** Has benefit available for purchase
- **Pros:** Very low-cost, easy to change orders each month
- **Cons:** Requires a higher level of staff time to administer, limited benefit options available for purchase

With this option, you will take primary responsibility for most of the legwork involved in offering a commuter benefits program. You will take orders from employees, make payroll deductions and simply purchase bulk vouchers or debit/credit cards from a vendor. This program is best for small businesses. However, please note that this program may require more staff time to coordinate administration and there is generally a small minimum fee (percentage, or mailing costs) associated with the purchase.

### **Shared Management:**

- **What you do:** Take employee orders, make payroll deductions, place benefit order with vendor, distribute benefit to employees, answer employee questions about benefit
- **What the vendor does:** Transfers benefit to employees in form of a voucher or debit card
- **Pros:** Low-cost, more options available for benefit
- **Cons:** Requires some staff time to administer

This option takes some of the burden from the previous program and involves more vendor engagement. In this type of program, you will be responsible for taking orders from employees, making payroll deductions and providing those orders and funds to the vendor. The vendor, in turn, will supply the benefit to your employees directly as a voucher, debit/credit card or direct-deposit to Clipper Cards. This option is slightly more costly than simply ordering items from a vendor but provides your employees with more options for utilizing their benefit. This option is best for employers with fewer than 50 employees.

### **Vendor Managed:**

- **What you do:** Make payroll deductions, coordinate with vendor
- **What the vendor does:** Takes employee orders, purchases benefit for employees, distributes benefit, answers employee questions about benefit
- **Pros:** Minimal staff time to administer, employees manage their commuter accounts and deductions
- **Cons:** Slightly higher cost, vendors may require a minimum number of participants

This option entrusts the bulk of program operations to the vendor of your choice. With this option, the only responsibilities for the employer are making the payroll deductions and coordinating with the vendor; the vendor will take orders from your employees, provide and distribute the benefit and answer any employee questions about the benefit. In some cases, employees can manage their own benefit through the vendor's online platform.

Though the costliest of the options (\$3-\$5 per participant per month on average) this option is often worthwhile to a larger business with more than 50 employees participating, or to any employer wanting to minimize staff time to administer the benefit.

**If your organization has fewer than 20 total employees,** contact the [CommuteSmart](#) team to learn how a commuter benefits program can be tailored for you.

## **2. Talk to Vendors**

A list of vendors is included in the [Vendor Directory](#). Please contact the vendors for program options and pricing information that is specific to your organization's needs. Please note you should contract with a vendor even if opting for an employer-managed program to ensure that pre-tax funds are being utilized only for qualified transportation purchases.

### **Possible questions for vendors include:**

- What is the cost per participant?
- In what form does the benefit come? Vouchers, Clipper cards, transit cards, etc?
- Can I purchase vouchers, Clipper cards, transit cards only? What are the shipping costs?
- How can employees use the benefit to make their transportation purchases?
- When does the vendor need the money? (This will determine which paycheck(s) deductions are taken from)
- What information does the vendor need each month? When do they need it by? What format should it be in?
- Will the vendor distribute the benefit or do you need to do this?

## **3. Coordinate within Your Organization**

Work with upper management and payroll to decide on your program administration process.

### **Possible questions for upper management include:**

1. Should the company administer the benefit, or should we have a vendor administer the program? In making this decision, remember to compare the time that employer administration will take a staff person each month versus vendor costs.
2. If management decides on the employer managed program, who will be the appointed staff person to administer the benefit?
3. If management decides on vendor administration, who will be the appointed staff person to coordinate with the vendor?

### **Possible questions for payroll include:**

1. How many pay periods do we have?
2. How will we do payroll deductions? Do we need to set up a new deductions code?
3. When do we want to deduct the money from employee's paychecks?

After you have checked in with upper management and payroll, it is finally time to make a decision!

## **4. Create a Commuter Benefits Policy**

Create a written company policy to use as reference for employee questions. Include procedures or policies for:

- Important dates or deadlines (paycheck deductions, changes to benefit order, cancellation)
- Reimbursement policy (note that IRS guidelines generally do not allow cash reimbursement of pre-tax funds)
- Lost voucher/pass/benefit
- Who employees can contact for more information
- Availability of funds when an employee terminates
- Which employees are eligible to receive the benefit (the program rules define this to some extent)
- Establishing a waiting period, if necessary

## 5. Choose a Vendor

Choose which vendor you'd like to order your transit-specific media (vouchers, debit cards, etc.) from so that you can administer your program. Contact one of the vendors in the "Employer Administration" section of the [Vendor Directory](#) to confirm logistics, including:

- Cost per participant
- Form of the benefit (vouchers, Clipper cards, debit cards, etc.)
- When the vendor must receive pre-tax deductions or employer-subsidized benefit amount and order information
- When you will receive benefit

## 6. Set Up Pre-Tax Deductions

Work with your payroll administrator to set up a commuter benefit pre-tax deduction code. From the information you have gathered from your vendor, you will already have determined when employees' paychecks will be deducted.

## 7. Promote the Program to Your Employees

Now that a program is implemented, employee outreach is critical to success and utilization. Consider using the following outreach techniques. Samples of these documents are found in the *3. Communicate to Your Employees* section on our [website](#).

- Include Commuter Benefits information in new employee orientations
- Post [flyers](#) in high-visibility places (e.g. break rooms, the front desk, the HR department, the mailroom)
- Include a notice in employee [paychecks](#), mailboxes, or on your organization's Intranet site
- Send out an [email announcement](#) to all employees
- Make an announcement at an all-staff meeting or relay the message through team managers
- Update your personnel policy handbook with your Commuter Benefits Policy

**Don't forget to periodically remind new and current employees Commuter Benefits are available to them!** You can download editable versions of the following internal communications from our website:

### Commuter Benefits:

- [Employee Enrollment Form](#)
- [Employee Interest Survey](#)
- [Employee Voluntary Waiver Form](#)
- [Sample Company E-mail for Pre-Tax Benefits](#)
- [Sample Paycheck Insert](#)
- [Sample Promotional Flyer](#)
- [Sample Promotional Flyer \(Simplified Version\)](#)



## 8. Enroll Employees in the Program

Customize and distribute our [Sample Employee Enrollment form](#) to collect orders and to inform employees about important program dates, including deadlines to change orders and the paycheck deduction dates. You will compile the employee order information into the format specified by your vendor. Employees may opt not to participate in the program; simply have them complete the [Employee Voluntary Waiver Form](#) and keep the form on file to maintain a record of their decision.

## 9. Place Benefit Order with Vendor & Distribute to Employees

Send employee order information to the vendor. Distribute the commuter benefit to your employees according to the process you and your vendor have decided on.

## 10. Report Compliance

If you have **50 or more employees across all your locations in the Bay Area combined** (including San Francisco), you need to register and report to the Bay Area Commuter Benefits Program at [Commuterbenefits.511.org](http://Commuterbenefits.511.org).

If you have **fewer than 50 employees in the Bay Area but more than 20 nationwide, and a location in San Francisco**, you are subject to the [San Francisco Commuter Benefits Ordinance](#), and should submit a [Compliance Reporting Form](#) to the San Francisco Department of Environment by April 30<sup>th</sup> of each year. Please visit our website to submit your annual [Compliance Reporting Form](#) or read more about [penalties for non-compliance](#).

## 11. Enroll in Emergency Ride Home

Emergency Ride Home is a free City program that provides a 'safety net' for San Francisco commuters using sustainable transportation, walking, biking, taking transit or ridesharing. When employees of registered businesses use a sustainable mode to travel to work and experience a personal or family emergency while at work, or a flat bike tire, they can take a taxi, shared taxi service, transit, or rental car and CommuteSmart will reimburse the cost of the ride.

Emergency Ride Home is **free to employers and employees**. Employers must [pre-register for the program](#). Once registered, all employees of that business are eligible to use the program.

### Emergency Ride Home:

- [Emergency Ride Home brochure](#)
- [Emergency Ride Home flyer](#)
- [Emergency Ride Home online claim form](#)

## EMPLOYEE-PAID PRE-TAX PROGRAM CHECKLIST

Use this handy checklist to track your progress towards successfully implementing your employee-paid pre-tax benefits program!

- Meet with staff within your organization. *Who will be involved?*
- Conduct a transportation survey to determine:
  - How many employees will participate in the commuter benefits program?
  - Which transit services do they use?
- Decide how to administer the program
  - Employer Managed
  - Shared Management
  - Vendor Managed
- Choose a vendor to work with
- Appoint a staff member to administer benefit/coordinate with vendor
- Create a Commuter Benefits Policy
- Set up pre-tax payments with payroll and vendor
- Tell employees about the program
- Employees sign up to participate
- Enroll in Emergency Ride Home (sferh.org)
- Report compliance by April 30<sup>th</sup> at <http://www.sfenvironment.org/CBOcompliance>

### Need assistance?

**The CommuteSmart team  
can help you assess and  
implement your commuter  
benefits options.**

**Call us at 415-355-3727  
or email**

**[CommuteSmart@sfgov.org](mailto:CommuteSmart@sfgov.org)**

## 3.2.2 Employer-Paid Subsidy Program

### 1. Administering the Benefit

An employer-paid subsidy can be offered to employees in a variety of ways:

- Vouchers
- Debit/credit cards linked to a commuter account
- Directly load Clipper card with Clipper cash or tickets/passes
- Monthly \$20 bicycle subsidy

Consider the results from your transportation survey and the tasks involved in administration, and then choose which option is best for you.

**Please note** that the IRS has strict regulations regarding reimbursement for transit and vanpool. Please consult your tax professional for more information about these guidelines and to ensure that your program meets all requirements.

Once you are contracted with a Commuter Benefit vendor, your employees may request enrollment in the bike benefit program to receive the \$20/month bike subsidy.

If your organization has fewer than 20 total employees, contact the [CommuteSmart](#) team to learn how a commuter benefits program can be tailored for you.

### 2. Talk to Vendors

A list of vendors is included in the [Vendor Directory](#). Please contact the vendors for pricing information that is specific to your organization's needs.

Possible questions for vendors include:

1. What is the cost per participant?
2. How will the subsidy be provided to the participants? Voucher, debit/credit card, Clipper Card, etc.?
3. Can I purchase vouchers, Clipper cards or transit cards only? What are the shipping costs?
4. When does the vendor need the money each month?
5. Will the vendor distribute the benefit or do you need to do this?

### 3. Coordinate Within Your Organization

Work with upper management and payroll to decide on your program administration process.

Possible questions for upper management include:

1. How does the company want to offer the subsidy to employees?
2. Who will be the appointed staff person to administer the benefit and coordinate with the vendor?
3. Who will send the funds to the vendor each month and how will that payment be made?

After you have checked in with upper management and payroll, it is finally time to make a decision!

#### 4. Create a Commuter Benefits Policy

Create a written company policy to use as reference for employee questions. Include procedures or policies for:

- Important dates or deadlines (changes to benefit order or cancellation)
- Who employees can contact for more information
- Availability of funds when an employee terminates

#### 5. Promote the Programs to Your Employees

Now that a program is implemented, employee outreach is critical to success and utilization. Consider using the following outreach techniques. Samples of these documents are found in the *Communicate to Your Employees* section on our [website](#).

- Include Commuter Benefits information in new employee orientations
- Post flyers in high-visibility places (e.g. break rooms, the front desk, the HR department, the mailroom)
- Include a notice in employee paychecks, mailboxes, or on your organization's Intranet site
- Send out an [email announcement](#) to all employees
- Make an announcement at an all-staff meeting or relay the message through team managers
- Update your personnel policy handbook with your Commuter Benefits Policy

**Don't forget to periodically remind new and current employees Commuter Benefits are available to them!** You can download editable versions of the following internal communications from our website:

##### Subsidy program:

- [Employee Interest Survey](#)
- [Employee Voluntary Waiver Form](#)
- [Sample Company E-mail for Subsidy](#)

#### 6. Enroll Employees in the Program

Now's the time to tell your employees about the subsidy program and have them enroll to receive the benefit! Customize our employee enrollment form to make sign-up easy. Employees may opt not to participate in the program; simply have them complete the [Employee Voluntary Waiver Form](#) and keep the form on file to maintain a record of their decision.

Remember that you can also allow employees to make pre-tax deductions from their paycheck, up to the \$130 monthly limit, if your subsidy is below that amount.

## 7. Report Compliance

If you have **50 or more employees across all your locations in the Bay Area combined** (including San Francisco), you need to register and report to the Bay Area Commuter Benefits Program at [Commuterbenefits.511.org](http://Commuterbenefits.511.org).

If you have **fewer than 50 employees in the Bay Area but more than 20 nationwide, and a location in San Francisco**, you are subject to the [San Francisco Commuter Benefits Ordinance](#), and should submit a [Compliance Reporting Form](#) to the San Francisco Department of Environment by April 30<sup>th</sup> of each year. Please visit our website to submit your annual [Compliance Reporting Form](#) or read more about [penalties for non-compliance](#).

## 8. Enroll in Emergency Ride Home

Emergency Ride Home is a free City program that provides a 'safety net' for San Francisco commuters using sustainable transportation, walking, biking, taking transit or ridesharing. When employees of registered businesses use a sustainable mode to travel to work and experience a personal or family emergency while at work, or a flat bike tire, they can take a taxi, shared taxi service, transit, or rental car and CommuteSmart will reimburse the cost of the ride.

Emergency Ride Home is **free to employers and employees**. Employers must [pre-register for the program](#). Once registered, all employees of that business are eligible to use the program.

### Emergency Ride Home:

- [Emergency Ride Home brochure](#)
- [Emergency Ride Home flyer](#)
- [Emergency Ride Home online claim form](#)

## EMPLOYER-PAID SUBSIDY CHECKLIST

Use this handy checklist to track your progress towards successfully implementing your employer paid subsidy program!

- Meet with staff within your organization.  
*Who will be involved?*
- Conduct a transportation survey to determine:
  - How many employees will participate in the commuter benefits program?
  - Which transit services do they use?
- Decide how to administer the program
  - Voucher
  - Debit/credit card
  - Clipper Card
- Choose a vendor to work with
- Appoint a staff member to administer benefit/coordinate with vendor
- Create a Commuter Benefits Policy
- Set up subsidy payment with payroll and vendor
- Tell employees about the program
  - Emails, paycheck insert, flyers
- Employees sign up to participate
- Enroll in Emergency Ride Home (sferh.org)
- Report compliance by April 30<sup>th</sup> at [www.sfenvironment.org/CBOcompliance](http://www.sfenvironment.org/CBOcompliance)

### Need assistance?

**The CommuteSmart team  
can help you assess and  
implement your commuter  
benefits options.**

**Call us at 415-355-3727**

**or email**

**[CommuteSmart@sfgov.org](mailto:CommuteSmart@sfgov.org)**

## 3.2.3 Employer-Provided Transportation Service

### 1) Research Local Transportation Options and Other Employer-Provided Services

Before you establish your own program, it will be helpful to know if any existing shuttle or vanpool services are already serving or are in close proximity to your workplace.

Contact agencies or other companies for more information:

- [511Transit](#): Lists the shuttles currently in operation
- [Transportation Management Association of San Francisco](#)
- [Mission Bay Transportation Management Association](#)

### 2) Map Employee Residential Locations

You have already conducted a general transportation survey, so you have an idea of how many employees are interested in participating in your commuter benefit program. However, to set up a shuttle or vanpool service you will need more detailed information, including employees' residential locations (zip codes), what time they usually arrive to and leave work, what mode of travel they use, etc. See a [sample map](#) CommuteSmart can create for you.

Using survey results, map employee residential locations to determine their density and proximity to transit, or contact [CommuteSmart](#) for assistance. Medium to high density of employees in a location allows for more cost-effective commuter service. For example, some companies offer a commuter bus service leaving from the Mission District in San Francisco, as they found a high concentration of employees live in the neighborhood. Other employers offer a shuttle from a BART and Muni station to the office location.

If you would like assistance to conduct a [survey](#) and create a residential density [map](#), contact [CommuteSmart](#).

### 3) Determine the Service to Implement

Now that you have gathered more information about your employees' commuting habits, assess your workplace to get a better idea of how to shape your program.

- If possible, partner with nearby companies to share costs
- If your survey found that many of your employees already ride or would like to ride transit, start your shuttle or vanpool program with a last mile shuttle that provides transportation from the nearest regional transit stop to the office

**Contract with charter bus companies:** These companies are experienced in helping determine route and schedule and provide drivers, a variety of vehicles, and overall transportation expertise. Some contractors in the Bay Area are found in the [Vendor Directory](#).

## 4) Create a Commuter Benefits Policy

Create a written company policy to use as reference for employee questions. Include procedures or policies for:

- Availability of service
- Conditions for use
- Who employees can contact for more information

## 5) Promote the Programs to Your Employees

Now that a program is implemented, employee outreach is critical to success and utilization. Consider using the following outreach techniques.

- Include your Shuttle Program in new employee orientations
- Post flyers in high-visibility places (e.g. break rooms, front desk, mailroom)
- Include a notice in mailboxes or on your organization's Intranet site
- Send out an email announcement to all employees
- Make an announcement at an all-staff meeting or relay the message through team managers
- Update your personnel policy handbook

You can download editable versions of the sample [internal communications](#) from our website, which can be adapted for shuttle services.

## 6) Report Compliance

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Emergency Ride Home is **free to employers and employees**. Employers must [pre-register for the program](#). Once registered, all employees of that business are eligible to use the program.

#### **Emergency Ride Home:**

- [Emergency Ride Home brochure](#)
- [Emergency Ride Home flyer](#)
- [Emergency Ride Home online claim form](#)

## EMPLOYER PROVIDED TRANSPORTATION SERVICE CHECKLIST

Use this handy checklist to track your progress towards successfully implementing your pre-tax employee paid benefits program!

- Meet with staff within your organization. *Who will be involved?*
- Conduct a transportation survey to determine
  - number of employees
  - high density locations
  - nearby transit stations used
  - existing shuttles/vanpools
- Decide what kind of transportation service to offer
- Choose a vendor to work with
- Appoint a staff member to administer benefit/coordinate with vendor
- Enroll in Emergency Ride Home ([sferh.org](http://sferh.org))
- Report compliance by April 30<sup>th</sup> at [www.sfenvironment.org/CBOcompliance](http://www.sfenvironment.org/CBOcompliance)

### Need assistance?

**The CommuteSmart team  
can help you assess and  
implement your commuter  
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**or email**

**[CommuteSmart@sfgov.org](mailto:CommuteSmart@sfgov.org)**

## 4 What Else Can You Do?

Employers can have a significant impact on their employees commuting choices.

Commuter Benefits are one tool to reduce any financial barrier to taking sustainable transportation – walking, cycling, riding transit or vanpooling - to work. Here are some of the other tools you can use to support these commute choices and help reduce congestion in San Francisco:

1. Promote **carpooling** amongst your employees – the free [511 RideMatching program](#) can help your employees find potential carpool and vanpool partners to share the ride to work. Send an e-mail with this [link](#) to your employees to encourage them to register.
2. Locate **secure bike parking** for your employees. Commercial property owners are required to provide secure bicycle parking, or allow tenants to bring their bicycles into the building under the [Tenant Bicycle Parking in Existing Commercial Buildings Ordinance](#).
3. Support employee access to [car share or bike share](#) services for at-work travel.
4. Support **teleworking, compressed work weeks** or **work hour flexibility**.
5. Provide [parking cash-out](#) to employees who receive free or subsidized parking.
6. **Invite CommuteSmart to company benefits fairs or presentations.** CommuteSmart is available to attend your company events to share sustainable transportation information with your employees. Submit a [free event request form on our website](#).

## 5 Glossary of Terms

**Bart High Value Ticket:** A ticket with a 6.25% discount available in two denominations: a \$48 ticket for \$45 and a \$64 ticket for \$60. These tickets now are only available by setting up the Autoload feature at [clippercard.com](http://clippercard.com). Learn more on [bart.gov](http://bart.gov).

**Bay Area:** The Bay Area Commuter Benefits Program covers the nine Bay Area counties, including all of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, and Santa Clara counties, as well as the western portion of Solano County (including Fairfield and points west) and the southern portion of Sonoma County (including Windsor and points south).

**Car Share/Bike Share:** These programs allow individuals or companies to gain the benefits of private cars or bicycles without the costs and responsibilities of ownership. Business memberships are available and can reduce the need for a corporate fleet of vehicles for business travel.

**Clipper Card:** A Bay Area wide transit card, scheduled to become the main form of fare payment on all Bay Area transit agencies. Individual Clipper Cards can be registered and loaded with e-cash or transit passes at [clippercard.com](http://clippercard.com). The Autoload feature at [clippercard.com](http://clippercard.com) allows Clipper users to link a credit card to their Clipper Card so that a monthly pass or e-cash is automatically loaded when the card balance gets low. Multiple Clipper Cards can be linked to one account.

**ERH:** San Francisco's free [Emergency Ride Home](#) program. When commuters walk, bicycle, ride transit or share a ride to work, CommuteSmart will reimburse the cost of the ride if they need to leave work for an emergency. Employers must [pre-register](#) for this program before your employees can get reimbursed.

**Muni Monthly "A" Pass:** A monthly pass to ride Muni, San Francisco's bus agency. The Muni "A" Pass costs \$76, and also allows the user to ride BART within San Francisco. The Muni "M" Pass costs \$66 and does not include BART travel.

**Parking Cashout:** Under a parking cashout program, a company gives employees a choice to keep a parking space at work, or accept a cash payment to give up the space. This program can help to manage growing employee parking demand and reduce the number of employees driving alone to work. Learn more [here](#).

**Pre-Tax Limit:** The amount of pre-tax funds that can be deducted each month to be used towards transit or parking. As of January 1, 2014, the pre-tax limit for transit/vanpool use is \$130/month and the pre-tax limit for parking is \$250/month.

**Rideshare:** This form of commuting involves sharing motor vehicle transportation with others. A carpool is two to five people riding together, while a vanpool is five to twelve people.

**Transit Card:** A transit-specific debit card onto which employee transit benefits are loaded. The card can be used to purchase transit passes or add funds to a Clipper Card. It cannot be used at establishments that sell other products besides transit media such as grocery or drug stores.

**Transit Voucher:** A paper voucher for a specified dollar amount that can be used to purchase transit passes or loaded onto a Clipper Card.

## 6 Resources

- 1) [Vendor Directory](#) – this is a listing of some of the many benefits vendors who can assist you with setting up a commuter benefits program. Don't forget to also ask your payroll provider for recommendations.
- 2) [Sample communications](#) – which you can edit to suit your company's program and needs.

[Sample Employee Interest Survey](#)

[Employee Enrollment Form](#)

[Employee Interest Survey](#)

[Employee Voluntary Waiver Form](#)

[Sample Company E-mail for Pre-Tax Benefits](#)

[Sample Company E-mail for Subsidy](#)

[Sample Paycheck Insert](#)

[Sample Promotional Flyer](#)

[Sample Promotional Flyer \(Simplified Version\)](#)