

2019 SF Wage & Benefit Laws Overview

Workshop for San Francisco Human Services Network

Attendee Resource Packet

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Participant Survey:

Your feedback helps us improve! Please fill out this survey by 11/5/19 so we can improve this workshop and our services: <https://www.surveymonkey.com/r/ZMVKNRR>

Sign up for OLSE's email lists!

OLSE sends out alerts when laws are amended, reporting deadlines near, and wage and benefit rates change: <https://sfgov.org/olse/email-sign-employers-20-or-more-employees>

City Contractors should also sign up for the MCO/HCAO email list to get information about updates, alerts, and rate changes: <https://sfgov.org/olse/email-sign-hcao-mco>

Technical Assistance contact info and websites for City Contractor Laws:

- [Minimum Compensation Ordinance](#): (415) 554-7903, mco@sfgov.org
- [21C Non-Construction Prevailing Wage](#): (415) 554-6573, prevailingwage@sfgov.org
- [Health Care Accountability Ordinance](#):
 - Enforcement—OLSE: (415) 554-7903, hcao@sfgov.org
 - Minimum Standards—Dept Public Health: (415) 554-2621, Maxwell.gara@sfdph.org.
- [Fair Chance Ordinance](#): (415) 554-5192, fco@sfgov.org
- [Consideration of Salary History Ordinance](#): (415) 554-6469, salaryhistory@sfgov.org
- Equal Pay Ordinance: mullane.ahern@sfgov.org (SF [Human Rights Commission](#))

Technical Assistance contact info and websites for other SF Labor Laws

(note: City Contractors may also need to comply with all or some of these):

- [Minimum Wage Ordinance](#): (415) 554-6292, mwo@sfgov.org
- [Paid Sick Leave Ordinance](#): (415) 554-6271, psl@sfgov.org
- [Health Care Security Ordinance](#): (415) 554-7892, hcao@sfgov.org
- [Paid Parental Leave Ordinance](#): (415) 554-4190, pplo@sfgov.org
- [Lactation in the Workplace Ordinance](#): (415) 554-6406, lactation@sfgov.org
- [Family Friendly Workplace Ordinance](#): (415) 554-6424, ffwo@sfgov.org

Commuter Benefits Laws:

- Bay Area Commuter Benefits Program: (510) 273-3610, Lashawn.Martin @wsp.com
- [Bay Area Commuter Benefits Requirements](#): (50+ FTEs Bay Area-wide)
 - Call 511 or email commuterbenefits@511.org
- [SF Commuter Benefits Ordinance](#): (20+ e'ees)
 - Call (415) 355-3700 or commutesmart@sfgov.org

Other Commuter Benefit Resources

In addition to the links below, there are several PDFs in the resource packet regarding commuter benefits.

[Emergency Ride Home Program](#) – This is a citywide program offered to any employee who works in SF and commutes via sustainable means.

- <https://sfenvironment.org/emergency-ride-home>

FAQs on Commuter Benefits

- <https://sfenvironment.org/commuter-benefits-program-faq>

[Overview of Commuter Benefits](#) with info on the Ordinance and SF Environment & Bay Area Commuter Benefits Programs

- <https://sfenvironment.org/commuter-benefits-ordinance-sf>

Telecommuting and Flex Schedules

- <https://sfenvironment.org/article/let-your-employees-flex-their-hours>

Tenant Bicycle Parking Ordinance

- <https://sfenvironment.org/tenant-bicycle-parking-in-existing-commercial-buildings/overview/tenant-bicycle-parking-in-existing-commercial-buildings-ordinance>

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Bay Area
Commuter Benefits Program

EMPLOYER GUIDE
January 4, 2016

The Bay Area Commuter Benefits Program is a partnership led by the Metropolitan Transportation Commission and the Bay Area Air Quality Management District. (January 4, 2016)



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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 to promote the use of alternative commute modes such as transit, ridesharing, bicycling, and walking. 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. Commuter benefits also provide potential tax savings for both employers and their employees.

[Senate Bill 1339](#), codified in [California Government Code section 65081](#), authorizes the Bay Area Air Quality Management District (Air District) and the Metropolitan Transportation Commission (MTC) to adopt and implement a [regional commuter benefits ordinance](#) on a pilot basis effective through December 2016.

Pursuant to SB 1339, the Air District and MTC worked together to develop a new rule: [Regulation 14: Mobile Source Emission Control Measures, Rule 1: Bay Area Commuter Benefits Program](#). The rule was approved by the governing boards of both agencies and became effective on March 26, 2014. The rule establishes the basic framework of the Bay Area Commuter Benefits Program (Program).

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 by September 30, 2014:

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 (currently a maximum of \$255 per month).

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, to a maximum of \$75 per month.

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 are working with these entities to coordinate implementation of 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

Effective **March 26, 2014**, the [Bay Area Commuter Benefits Program](#) requires employers with 50 or more full-time employees to offer a commuter benefit to their employees by **September 30, 2014**¹.

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

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”.

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 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 your benefit to the four 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 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. The [511 Regional Rideshare Program staff](#) or [local county employer outreach staff](#) are also available to help employers set up a commuter benefits program.

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 \$130 per month. 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.

For example, as shown below, if an employee elects to set aside the current maximum allowed by the IRS of \$130 per month on a pre-tax basis to cover transit or vanpool costs, the employee will save \$50 per month or \$600 per year (assuming 25% federal income tax bracket, 7.35% state/local income tax, and 7.65% of employee share of FICA), as shown in this chart. The employer will realize approximately \$11.70 per month or \$140 per year in payroll tax savings for this employee (assuming 7.65% FICA).

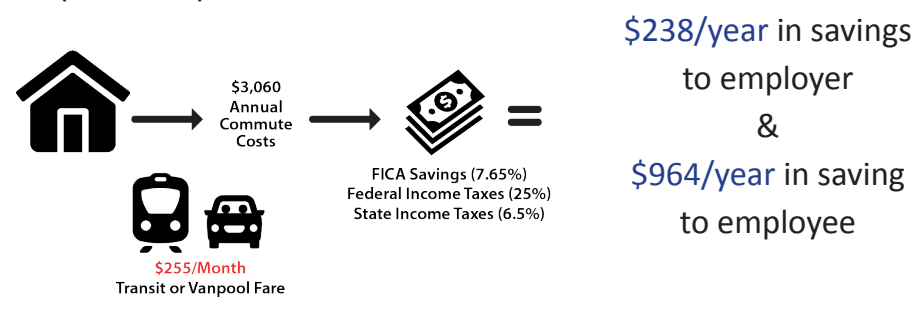
[Frequently asked questions: Option 1](#)

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

SAVINGS TO EMPLOYERS & EMPLOYEES

Option 1: By allowing use of pre-tax \$\$ for transit & vanpool

- Employers: can save ~8% (or more) in payroll tax savings
- Employees: can save on average 40% (or more) on their (after-tax) commute costs



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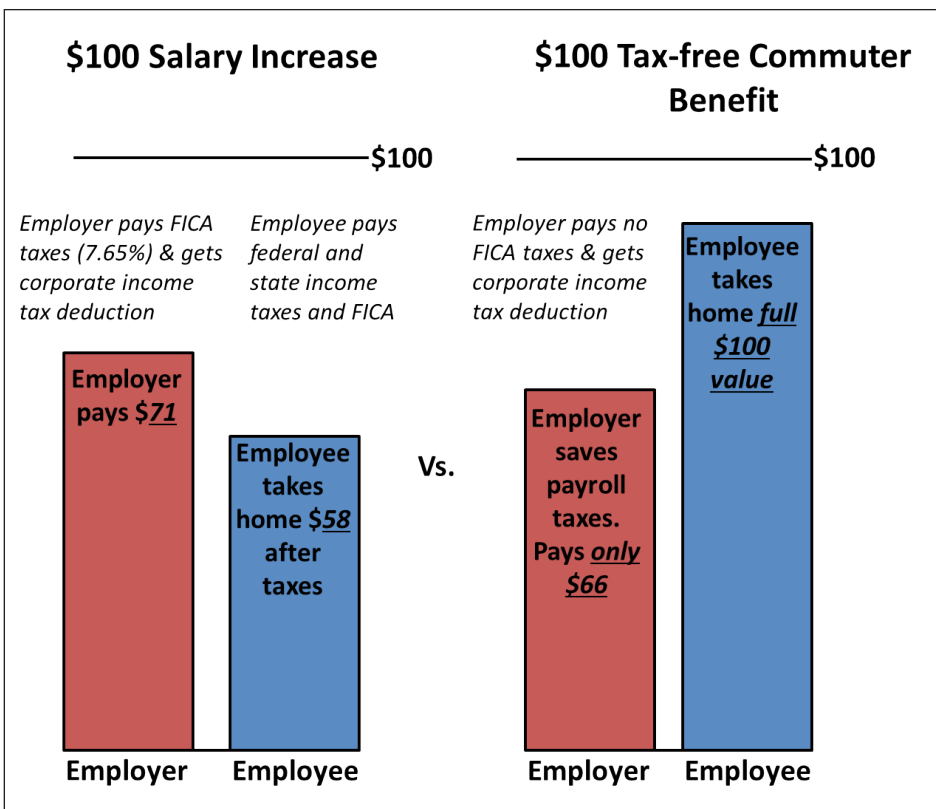
OPTION 2: EMPLOYER-PROVIDED SUBSIDY

The employer provides a transit or vanpool subsidy to cover or reduce the employee's monthly transit or vanpool costs to a maximum of \$75 per month.

The required amount of the subsidy is up to \$75 per month for purposes of complying with the Program. However, an employer may choose to offer a higher subsidy amount on a voluntary basis.

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 (currently \$255 per month). If an employer provides a subsidy that exceeds this limit, the portion of the subsidy amount above the pre-tax limit (\$255 per month) is subject to taxation. Note: the federal tax code {IRS Section 132(f)} also allows the employer to provide a subsidy of up to

\$20 per month for eligible bicycle commuting expenses on a tax-free basis. 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 apply to transit, vanpooling, and bicycling.



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

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. As shown in the figure below, comparing the after tax value of \$100 per month transit subsidy versus a \$100 per month pay increase, the employer and the employee both come out well ahead with a transit subsidy.

[Frequently asked questions: Option 2](#)

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

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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 \(page 14\).](#)

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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 work site. 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 child-care, 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 \(page 16\).](#)

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 who will complete the registration form and report to the 511 Regional Rideshare Program (511 RRP).

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 [Informational Materials for Employees](#) section below for examples of employee notification documents, including email, hard copy posters and notices, and more.

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:

⁴Because 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, etc.) 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 who will complete the registration form and report to the 511 Regional Rideshare Program (511 RRP).

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 [Informational Materials for Employees](#) section below for examples of employee notification documents, including email, hard copy posters and notices, and more.

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 who will complete the registration form and report to the 511 Regional Rideshare Program (511 RRP).

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 [Informational Materials for Employees](#) section below for examples of employee notification documents, including email, hard copy posters and notices, and more.

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

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

⁶Because 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. Map employee residential locations by utilizing the 511 Regional Rideshare Program GIS mapping service.

This free mapping service provides a transportation survey tool that can be administered to your employees to determine employee home zip codes, work schedules, and commute times.

Step 4c. 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 4d. 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 who will complete the registration form and report to the 511 Regional Rideshare Program (511 RRP).

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 [Informational Materials for Employees](#) section below for examples of employee notification documents, including email, hard copy posters and notices, and more.

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.

⁷Because 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://rideshare.511.org/benefits/county-rewards.aspx> or contact your 511 RRP or local employer outreach staff as shown in Table 2.



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 (\$20/month)
 - 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

Assistance to help employers comply with the Program is provided by MTC through the 511 Regional Rideshare Program (511 RRP). The 511 RRP offers free information and services to help employers develop commuter benefits programs to encourage the use of transit, carpooling, vanpooling, biking, walking, and telecommuting, ranging from basic information to help in developing customized worksite transportation programs.

The 511 RRP offers in-person and online employer assistance in four counties: Alameda, Marin, Sonoma, and Santa Clara. In the other five counties (Contra Costa, Napa, San Francisco, San Mateo, and Solano), staff of local employer outreach programs offer free in-person and online employer outreach assistance. For more information on the 511 RRP and the employer assistance services available in each county, see the table below.

County	Employer Assistance Program	Contact
Alameda	511 RRP	LaShawn Martin: 510-273-3610 martin@rideshare.511.org
Contra Costa	511 Contra Costa	<u>Central/East Contra Costa</u> Leona Gee: 925-969-1084 LGee@511contracosta.org <u>West Contra Costa</u> Danelle Carey: 510-210-5932 dcarey@wcctac.org <u>Southwest Contra Costa</u> Darlene Amaral: 925-973-2655 damaral@sanramon.ca.gov
Marin	511 RRP	Christy Garland: 510-273-3628 garland@rideshare.511.org
Napa	Solano/Napa Commuter Information	Solano Napa Commuter Information Sean Hurley: 707-399-3218 shurley@sta.ca.gov
San Francisco	San Francisco Department of the Environment	San Francisco Department of the Environment Commute Smart Team: 415-355-3727 commutesmart@sfgov.org
San Mateo	Commute.org	Peninsula Traffic Congestion Relief Alliance Karen Sumner: 650-588-8170, ext. 104 karen@commute.org
Santa Clara	511 RRP	Linda Furnas: 408-321-5948 furnas@rideshare.511.org
Solano	Solano/Napa Commuter Information	Solano Napa Commuter Information Sean Hurley: 707-399-3218 shurley@sta.ca.gov
Sonoma	511 RRP	Christy Garland: 510-273-3628 garland@rideshare.511.org

Free services available to employers through the 511 RRP include:

- Consultations – Employer outreach staff can consult with the organization regarding programs that save money, make employees happier and more productive, and make business “greener”.
- Worksite Events – Employer outreach staff can arrange for employees to speak directly with a 511 RRP transportation expert at health and benefits, environmental, or transportation fairs about commute options.
- Employee Surveys – Using survey data, employer outreach staff can help the organization design an effective transportation program and greener worksite.
- Density Maps – Employer outreach staff can provide large-scale, color maps that display where clusters of employees live. Density maps can help to determine which measures would be most effective in promoting the use of alternative commutes modes.
- Relocation Assistance – Moving or considering a site change? Employer outreach staff can facilitate a smooth transition for businesses and employees.
- Ridematching – The 511 RideMatch Service is an interactive, on-demand system that helps people find carpools, vanpools, or bicycle partners. The 511 RideMatch Service can be customized, free of charge, to match the look and feel of a company’s website. This allows employees to access the RideMatch Service with the added confidence of knowing that their employer supports ridesharing. Registrants have the option to limit their match results to company-only employees, or to expand their search to all regional commuters.
- Vanpool Formation and Support – Employer outreach 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 rideshare.511.org/vanpool/ for more information.
- Rewards – Employees using alternatives to driving alone can qualify for local and regional rewards. Visit <http://rideshare.511.org/benefits/county-rewards.aspx> for the latest information.
- Employer Referrals – What are other companies doing about transportation issues? Employer outreach staff can connect employers with other companies that share program advice.

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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.

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PROGRAM EVALUATION

The Air District and MTC must submit a report to the California State Legislature by July 1, 2016 to describe the effectiveness of the Bay Area Commuter Benefits Program in reducing motor vehicle trips and emissions. Much of the necessary information should be available through the

employer registration process. However, employers and/or their employees may be required to participate in a survey to determine the number of employees who changed their commute mode in response to the Program.

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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

Pursuant to SB 1339, 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. The Air District and MTC have been working with TMAs to

define their role. 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. The following is a list of Bay Area TMAs as of March 2014.

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, Suite 180 Walnut Creek, CA 94597 contracostacentre.com/transit.html 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 mpbta.org kerryh@mpbta.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.

OPTION	Employer Tax Benefit	Employee Tax Benefit
OPTION 1: Pre-Tax: Employer allows employee to exclude transit or vanpool fare from taxable income (up to \$255 per month)	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, to max of \$75 per month	Employer does not pay payroll taxes on subsidy for transit or vanpool (up to \$255 per month). Employers may also deduct the subsidy as a business expense.	Employer-provided subsidy is tax-free to employee (up to \$255 per month). 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 up to \$20 per month for qualified bicycle expenses. The subsidy is not subject to payroll taxes. Employers may also deduct the subsidy as a business expense.</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.</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>	<p>Bicycle Subsidy- Employee receives up to \$20 per month 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>

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

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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.

CHECKLIST FOR EMPLOYERS

(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, in March 2014. 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. Employers that are subject to the Program must register and comply with Program requirements by September 30, 2014 (or within six months of becoming subject to the Program). If you have questions regarding this Program, please go to 511.org, click on Bay Area Commuter Benefits Program then "Needs Assistance" to find the local contact in your county or call 511 and ask for "Commuter Benefits".

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 up to \$75 per month.
 - 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.

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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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INFORMATIONAL MATERIALS FOR EMPLOYEES

The success of the Bay Area Commuter Benefits Program ultimately depends upon employees changing their commute mode in response to the commuter benefits your company provides. Therefore, outreach to employees is critical. Materials to inform employees about the Program and to help them understand how they can benefit are provided on the Program website. Materials directed at employees include the following:

Fact Sheet for Employees: The fact sheet provides a brief overview of the Program, the reasons to consider using an alternative commute mode, and the amount of money that

the employee can potentially save. Click [here](#).

Program Poster: In order to promote the Commuter Benefit Option the employer has chosen for its employees, informational program posters are available to post at employer worksites. Click [here](#) for the program posters.

Company Intranet Email: To assist employers in promoting the Commuter Benefit Option the employer has chosen for its employees, an example email to promote the program has been created and is available by clicking [here](#).

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SF Environment

Our home. Our city. Our planet.

A Department of the City and County of San Francisco

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

Updated May 2018



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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)).¹ You can offer employees a:

- Pre-tax employee-paid payroll deduction
- Employer-paid subsidy
- Employer financed transportation (bus or van service)
- Combination of the above

What are the Advantages?

1) Reduced Cost and Tax Savings

- Companies can 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 and vanpool 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

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

- 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

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

1.2 What Resources Does the City Offer?

The City and County of San Francisco's Department of the Environment, provides low or no-cost consulting services and programs to make it easy for businesses to provide transportation benefits to their employees:

Consultations. Meet or talk with 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.](#)

Employer Guides. Step-by-step guidance on setting up a commuter benefits.

1.3 San Francisco vs Bay Area 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.

As of 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 Area², including San Francisco, you will register and report **only** to the Bay Area Commuter Benefits Program at <http://commuterbenefits.511.org>. *Businesses that are subject to the 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 a one-time registration of the San Francisco Commuter Benefits Program Compliance Reporting form at

² *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).

SFEnvironment.org/CBOcompliance. New and non-compliant businesses must complete the Compliance Reporting form to avoid penalties.

Where to report your company's compliance:



The remainder of this guide covers steps to implement a Commuter Benefits Program in compliance with the SF Commuter Benefits Ordinance. For information on the Bay Area Ordinance, please visit: <https://511.org/employers/commuter/overview>

To comply with the SF Commuter Benefits Ordinance, 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).³;
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" Pass⁴; or
3. Employer-Provided Transportation Service: Transportation furnished by the employer at no cost to the employee in a vanpool or bus.

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

⁴ To see the current price, go to: www.sfmta.com/fares/monthly-adult

2 What Are the Options for Commuter Benefits?

2.1 Employee-Paid Pre-Tax Benefit

This option allows employees to set aside money for their transit, vanpool and parking expenses from their taxable income, to the maximum amount allowed by federal law.

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. The more employees that participate, the greater the savings to the employer.

Transit/vanpool benefits may be combined with parking benefits under federal tax law. Please note that while parking is included in IRS section 132(f), it is not required by the SF Commuter Benefits Ordinance. For more information on transportation and parking benefits available under federal tax law, see “Transportation (Commuting) Benefits” in [IRS Guide 1.5-B](#).

2.2 Employer-Paid Subsidy

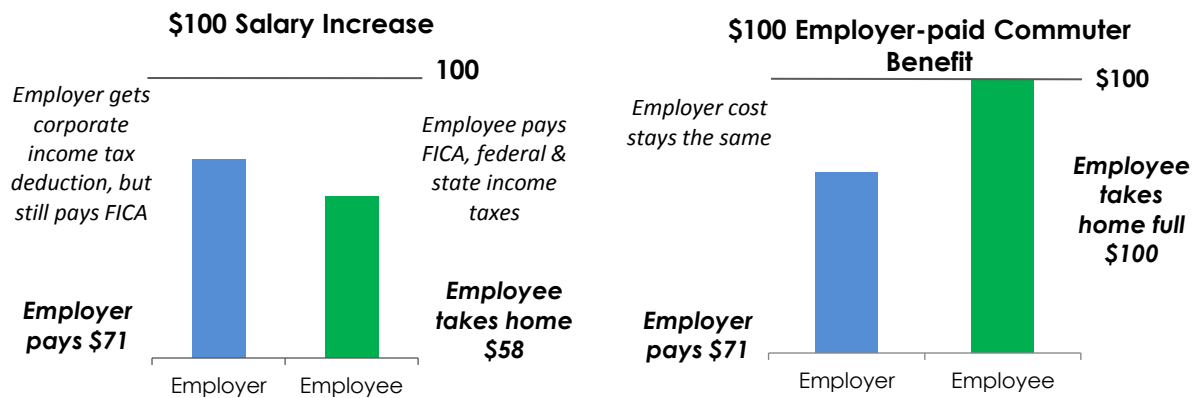
Commuter Benefits in the form of an employer-paid subsidy are federally approved employer-provided incentives for employees to reduce their monthly commuting expenses for transit, vanpool and parking (IRS code 132(f)).⁵ The amount provided must be equivalent to the price of the San Francisco [Muni “A” Pass](#) (including BART travel).

Through this option, you can subsidize employee transit and vanpool commuting costs. As with the Employee-Paid Benefit, employees do not pay federal or payroll taxes on the benefit amount, up to the current IRS pre-tax limit. Unlike the Employee-Paid Benefit, this option does not contribute to payroll tax savings for the employer.

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

⁵ To see the full federal regulations, please visit the IRS’ [Employer’s Tax Guide to Fringe Benefits](#)

Figure 1: Comparison of Taxable Salary Increase to Employer-paid Commuter Benefit of \$100



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

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'](#), unless offered in combination with the Employee-Paid Pre-Tax benefit or Employer-Provided transportation service.

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.

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.

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 have a pre-tax or subsidy program available for those who 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 deduct money from their paycheck pre-tax to cover their full transportation costs

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. *Please note that carpool subsidies are not tax-free under current IRS guidelines.*

2.6 Bicycling

To encourage sustainable commuting, employers may offer bicycling benefits to their employees, such as secure-on-site bike parking, or bikeshare membership. To meet Ordinance requirements, a pre-tax or subsidy must also be offered. *Please note that under current IRS guidelines, bicycle subsidies are not tax-free, nor are bicycle-related expenses eligible for pre-tax dollars.*

2.7 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 [Reporting Form](#) for compliance with either the San Francisco or Bay Area Commuter Benefits program.

3 How Can My Organization Comply with the Ordinance?

3.1 Getting Started – First Steps

1. Meet with your Staff

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.

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 from 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 percent. As a result, business payroll taxes decrease, so you may see up to nine percent savings for each employee participating in the benefit.

1. Ways to Administer the Benefit

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 in accordance with 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 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 Department of the Environment 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.

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. Please visit our website to submit your [Compliance Reporting Form](#).

If your organization has fewer than 20 total employees, you are not required to comply with the Ordinance. However, we still encourage you to report your program in the [Compliance Reporting Form](#) to the Department of the Environment.

11. Notify Employees of the Emergency Ride Home Program

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 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 or transit, and the City will reimburse the cost of the ride.

Emergency Ride Home is **free to employers and employees**.

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
- Tell employees about the Emergency Ride Home program (sfenvironment.org/erh)
- Report compliance at <http://www.sfenvironment.org/CBOcompliance>

Need assistance?

**SF Department of the
Environment can help you
assess and implement your
commuter benefits options.**

Visit

sfenvironment.com/commutesmart

or email

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

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.

If your organization has fewer than 20 total employees, contact the San Francisco Department of the Environment 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 your 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 IRS 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.

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. Please visit our website to submit your [Compliance Reporting Form](#).

If your organization has fewer than 20 total employees, you are not required to comply with the SF Commuter Benefits Ordinance. However, we still encourage you to report your program in the [Compliance Reporting Form](#) to the Department of the Environment.

8. Notify Employees of 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 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 or transit, and the City will reimburse the cost of the ride.

Emergency Ride Home is **free to employers and employees**.

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
- Tell employees about Emergency Ride Home (sfenvironment.org/erh)
- Report compliance at www.sfenvironment.org/CBOcompliance

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.

Using survey results, map employee residential locations to determine their density and proximity to transit. 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.

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

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.

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. Please visit our website to submit your [Compliance Reporting Form](#).

If your organization has fewer than 20 total employees, you are not required to comply with the SF Commuter Benefits Ordinance. However, we still encourage you to report your program in the [Compliance Reporting Form](#) to the Department of the Environment.

7) Notify Employees of 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 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 or transit, and the City will reimburse the cost of the ride.

Emergency Ride Home is **free to employers and employees.**

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
- Tell employees about the free Emergency Ride Home program provided by the City and County of San Francisco:
<https://sfenvironment.org/emergency-ride-home>
- Report compliance at www.sfenvironment.org/CBOcompliance

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, carpooling 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. 511.org can help your employees find potential carpool and vanpool partners to share the ride to work.
2. Provide **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.

5 Glossary of Terms

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. Individual Clipper Cards can be registered and loaded with e-cash or transit passes at clippercard.com. The Autoload feature at 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, the City will reimburse the cost of the ride if they need to leave work for a personal emergency.

Muni Monthly "A" Pass: A monthly pass to ride Muni, San Francisco's bus agency. The Muni "A" Pass also allows the user to ride BART within San Francisco. The current cost can be found at: <http://www.sfmta.com/fares/monthly-adult>.

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. The IRS regulates the maximum deduction. Current regulations can be found at: www.irs.gov/publications/p15b.

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 \(Simplified Version\)](#)



1 FREE
RIDE HOME
in case of emergency...

Do you walk, bike, take transit, or carpool to work? If you experience an emergency at work, we'll reimburse the cost of your ride home up to \$150.

Find out how: SFEnvironment.org/ERH

Brought to you by:



BAY AREA AIR QUALITY
MANAGEMENT DISTRICT



SFEnvironment

Our home. Our city. Our planet.

A Department of the City and County of San Francisco




This card was printed on 100% post-consumer recycled paper.



Tenant Bike Parking Access in Your Building

Does your building support tenants who bike to work? In San Francisco, the **Tenant Bicycle Parking in Existing Commercial Buildings Ordinance** encourages commuting to work by bicycle and requires commercial property owners to allow tenants to bring their bicycles into their building, or designated area.

Here is how you can easily comply:

- 1** Allow tenants to bring their bicycles into the building without restriction.  **Great! No further action necessary.**
- 2** Allow tenants to bring their bicycles into the building, but have some rules on bicycle storage and transport.  **The next step is to fill out a Bicycle Access Plan at: SFEnvironment.org/BikeAccess**
- 3** I do not allow my tenants to bring their bicycles into the building because there is covered, no-cost, off-site bicycle parking available to them within 750 ft of my building.  **Fill out an Exception Form at: SFEnvironment.org/BikeAccess**

If you believe your building's elevators may not accommodate bicycles due to substantial safety risks, please call CommuteSmart at (415) 355-3727 or email CommuteSmart@sfgov.org.



SF Environment
Our home. Our city. Our planet.
A Department of the City and County of San Francisco

Commute safely.
Commute together.
CommuteSmart

CommuteSmart@sfgov.org
(415) 355-3727
SFEnvironment.org/BikeAccess