



FACT SHEET

Fact Sheet for Your Employees

Q: What is the Bay Area Commuter Benefits Program?

A: The Bay Area Commuter Benefits Program (Program) is a regulation requiring employers with 50 or more full-time employees within the jurisdiction¹ of the Bay Area Air Quality Management District to offer commuter benefits to their employees. This program will help to reduce air pollution and traffic congestion by decreasing single-occupant (drive-alone) commute trips to Bay Area worksites, while potentially providing tax saving for employees and employers.

Q: Which employers are required to participate in this Program?

A: This regulation applies to all employers in the Air District's jurisdiction — whether they are private-sector companies, public agencies or nonprofit organizations — as long as they have 50 or more full-time employees in the Bay Area. For purposes of the Program, a “full-time employee” is an employee who normally works 30 or more hours per week.

Q: Which employees are eligible to receive the commute benefit?

A: Employers must provide the commuter benefit to all employees who normally work 20 hours or more per week and are not defined as field or seasonal/temporary employees by the rule definitions.

Q: What benefits will be offered to employees?

A: The employer must offer one (or more) of the five commuter benefit options described below. The employer decides which benefit to provide.

- **Option 1: Pre-Tax Benefit.** The employer allows you to exclude your transit or vanpooling expenses from taxable income, up to the maximum of \$315 per month allowed by the federal tax code.
- **Option 2: Employer-Provided Transit or Vanpool Subsidy (or transit pass).** Covers the monthly cost of the employee's commute (up to \$75 per month).
- **Option 3: Employer-Provided Transit.** The employer provides a free or low-cost transit service for employees, such as a bus, shuttle, or vanpool service.
- **Option 4: Alternative Commuter Benefit.** The employer provides an alternative commuter benefit(s) that reduces single-occupancy commute trips (or motor vehicle emissions).
- **Option 5: Company-Wide Telework Policy.** A policy permitting telework one or more days a week for all employees whose assignments can be performed remotely.

Q: How much money can I save?

A: Potential tax savings depends upon your commute mode and the commuter benefit that your employer chooses to provide. It is expected most employers will choose Option 1. With Option 1, the amount that an employee can save depends upon their monthly transit or vanpool cost and tax bracket.

¹ The District's jurisdiction includes 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). See https://mapsengine.google.com/map/edit?mid=zEtIldN2taQk.kBcuja_KVQNU.

² Assume a 6.5% average state income tax bracket.



FACT SHEET

Fact Sheet for Your Employees

Q: Are there any incentives for alternative commute modes such as carpool, biking, and walking?

A: The Program is focused on expanding the number of employers that provide commuter tax benefits in the federal tax code. The federal tax benefits primarily apply to transit and vanpooling. However, pursuant to Option 4, employers can comply with the Program by offering measures to promote a variety of commute modes such as carpool, bicycling, walking, telework, or compressed work week schedules.

Q: My employer already offers commuter benefits. Will the regulation affect me?

A: If your employer already provides a commuter benefits program that includes one or more of the five commuter benefits options described above, then this regulation will not affect you.

Q: When are employers required to register?

A: The Program requires all employers (public, private, or nonprofit) in the San Francisco Bay Area with 50 or more full-time employees (i.e., employees who work 30 or more hours per week) at all Bay Area worksites combined to provide commuter benefits to their employees within six months of becoming subject to the Program.

Q: Am I required to use the commuter benefit that my employer offers, or to change my commute mode?

A: You are not required to change your commute mode or to use the commuter benefit that your employer offers. However, if you take advantage of the commuter benefit and try using a different commute mode, you may find that the new transportation is less stressful and saves you money compared to driving alone to work.

Q: Are there any penalties for employers who do not participate in the Program?

A: Complying with the Commuter Benefits Program is simple and easy. The focus of the Program is to encourage a commute partnership between employers and employees. Free assistance is available to help employers comply with the Program: contact the Help Line at commuterbenefits@511.org or (510) 285-3182.

All employers subject to the Program are required to participate. If an employer refuses to comply, the Air District can impose a financial penalty as authorized by the California Health and Safety Code. The penalty for failure to comply would be determined on a case-by-case basis including factors such as the length of time the employer has been out of compliance, number of full-time employees, number of worksites, and other factors the Air District is required to consider pursuant to the California Health and Safety Code.

For more information about the Commuter Benefits Program, go to 511.org and click **Bay Area Commuter Benefits Program**.

