



Bay Area

# Commuter Benefits Program

*Find a better way to work!*

## 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 new regulation requiring employers with 50 or more full-time employees within the jurisdiction\* 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 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.

#### Q: What benefits will be offered to employees?

A: The employer must offer one (or more) of the four 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 \$265 per month allowed by the federal tax code.
- **Option 2: Employer-provided transit or vanpool subsidy** (or transit pass) which 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 that is as effective in reducing single-occupancy commute trips (or motor vehicle emissions) as Options 1-3.

#### 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. Most employers are expected to choose Option 1. With Option 1, the amount that an employee can save depends upon her monthly transit or vanpool cost and tax bracket, as shown in the table below.

Transit or Vanpool Cost	Estimated Savings **	Federal Income Tax Bracket			
		10%	15%	25%	40%
\$130/month	Annual Savings	\$257	\$335	\$491	\$725
\$265/month	Annual Savings	\$524	\$683	\$1,002	\$1,479

\* 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](https://mapsengine.google.com/map/edit?mid=zEtIldN2taQk.kBcuja_KVQNU).

\*\* Assume a 6.5% average state income tax bracket.



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**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 other alternative commute modes such as carpool, bicycling, walking, telework, or compressed work week schedules.

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

A: If your employer already provides a commuter benefits program that includes one or more of the four 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 an alternative commute mode, you may find that it is easier and more convenient, and that the alternative mode saves you both money and time compared to driving alone to work.

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

A: The focus of the Program is to achieve voluntary compliance by employers by providing education and compliance assistance to employers. Free assistance is available to help employers comply with the Program: contact the HelpLine at [commuterbenefits@511.org](mailto:commuterbenefits@511.org) or (510) 285-3182. However, all employers that are subject to the Program are required to participate. If an employer refuses to comply, then 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, based upon factors that 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](http://511.org) and click **Bay Area Commuter Benefits Program**.

