

Ways to get from POINT A to POINT B efficiently











Dear Employer:

As part of the Sustainable DC Omnibus Amendment Act of 2014, the Council of the District of Columbia passed a Commuter Benefits Law which requires businesses with 20 or more employees in Washington, DC to offer commuter transit benefits.

The purpose of this toolkit is to inform DC business owners and employer benefits representatives about complying with this new requirement. This is an opportunity for employers to offer additional employee benefits, gain recognition as a sustainable member of the community and attract and retain talent. It also gives employees a chance to save money by doing something they already do every day – commute to and from work.

As of January 1, 2016, DC employers with 20 or more employees are required to provide at least one of the following commuter benefit options, all of which are outlined in this guide:

- **01.** Employee-Paid Pre-Tax Benefit
- 02. Employer-Paid Direct Benefit
- **03.** Employer-Provided Transportation

Beyond offering transit benefits, there is much your organization can do to encourage sustainable and cost-effective commuting. From offering corporate Capital Bikeshare memberships to improving telework policies, goDCgo's Employer Services team is here to support you every step of the way. goDCgo is an initiative of the District Department of Transportation.

We hope you will take this opportunity to see this program as a benefit to your employees, the community and your organization!

Sincerely,



Leif A. Dormsjo

DDOT Director





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DID YOU KNOW

33,000

VEHICLES

Each workday, goDCgo's services have proven impacts by removing the equivalent of more than 33,000 vehicles* from our region's roadways, reducing traffic congestion and improving air quality in the DC metro area.

*Source: goDCgo 2014 annual impact evaluation report

What is goDCgo?

goDCgo is an initiative of the District Department of Transportation (DDOT) that encourages the use of sustainable transportation. Our award-winning Employer Services team provides complimentary consultation to businesses starting or enhancing their commuter benefits programs, making it easier for your employees to choose sustainable, affordable and healthy ways to get to work.

Background

The DC Commuter Benefits Law was included in the of the Sustainable DC Omnibus Amendment Act of 2014 to expand transit benefits access to more Washington, DC employees and to make the District-in one generation-the healthiest, greenest and most livable city in the United States.

The goals of the law are to improve air quality and reduce carbon emissions by encouraging District workers to shift their commute trips from driving alone to taking public transit, bicycling or vanpooling. Similar to laws in San Francisco, New York and other metropolitan cities, this measure will help to reduce rush hour demands on our region's roadways and expand opportunities for public transit while helping to reduce employees commute costs and offering bottom line savings for employers.

WHAT ARE COMMUTER BENEFITS?

Commuter Benefits are transportation fringe benefits regulated under Section 132(f) of the IRS Tax Code. As of January 1, 2016, federal law allows employers to offer employees up to \$255 per month as a pre-tax deduction or tax-free subsidy for use on mass transit or vanpools. Employers can also offer a tax-free bicycle commuter subsidy of up to \$20 per month.

Thousands of employers in the DC area already offer commuter benefits to their employees. DC employers are now required to offer commuter benefits in one or more of the following ways:

01. Employee-paid, pre-tax benefit

Allow employees to set aside income on a pre-tax basis to cover the cost of commuting by mass transit or vanpools, up to \$255 per month.

02. Employer-paid, direct benefit

Offer a tax-free subsidy for transit up to \$255 per month and for bicycling up to \$20 per month.

03. Employer-provided transportation

Provide shuttle or vanpool service at no cost to employees.

WHAT ARE THE ADVANTAGES?

Reduced Costs and Tax Savings

- Employees can save up to 40% on their commute costs by reducing their taxable income and the out-of-pocket expense of commuting
- ° Employers see tax savings on FICA payroll taxes

Recruitment and Retention

- Increases job satisfaction and improves employee retention
- Promotes healthy, active transportation and lower healthcare costs
- Helps reduce employee stress from commuting and related expenses

• Sustainability and Recognition

- Be seen as forward-thinking and committed to being a green workplace
- ° Compete for the Best Workplaces for Commuters award
- ° Earn Leadership in Energy and Environmental Design (LEED) credits





Who is required to comply?

Businesses (including non-profits) with 20 or more employees based in the District of Columbia are required to comply.

For more information about covered employers and employees, please contact the Department of Employment Services, Office of Wage-Hour at does.dc.gov, 202-671-1880 or OWH.ask@dc.gov.

FAQs

Visit *goDCgo.com/employer* to view a current list of frequently asked questions.

DID YOU KNOW

Providing pre-tax, subsidized or free parking alone does NOT make your organization compliant with this law. To comply, employers must provide transit benefits as outlined in Options 1 through 3 of this toolkit.

Offering transit and bicycling incentives instead of free or subsidized parking is a great way to help reduce your organization's carbon footprint by removing factors that make driving alone the easiest way to get to work.



Official Language from the SUSTAINABLE DC OMNIBUS AMENDMENT ACT OF 2014



TITLE III.

EQUITY AND DIVERSITY.

SUBTITLE A.

REDUCING SINGLE OCCUPANCY VEHICLE USE BY ENCOURAGING TRANSIT BENEFITS



SEC. 301. DEFINITIONS

For the purpose of this subtitle, the term:

- **01.** "Covered employer" means an employer with 20 or more employees; provided that the Mayor may issue rules pursuant to section 303 to expand the definition to include employers with fewer than 20 employees.
- **02.** "Employee" shall have the same meaning as provided in section 3(2) of the Minimum Wage Act Revision Act of 1992, effective March 25, 1993 (D.C. Law 9-248; D.C. Official Code 32-1002(2)).
- **03.** "Employer" shall have the same meaning as provided in section 3(3) of the Minimum Wage Act Revision Act of 1992, effective March 25, 1993 (D.C. Law 9-248; D.C. Official Code 32-1002(3)).
- O4. "Transit pass" shall have the same meaning as provided in section 132(f)(5)
 (A) of the Internal Revenue Code, approved July 18, 194 (98 Stat. 877; 26
 U.S.C. & 132(f)(5)(A)) ("Internal Revenue Code"), and shall include transit
 passes for travel by bus, streetcar, or train by the Washington Metropolitan
 Area Transit Authority, Maryland Area Regional Commuter, Virginia
 Railway Express, or the National Railroad Passenger Corporation (Amtrak).
- **05.** "Vanpool" means a "commuter highway vehicle" within the meaning of section 132(f)(5)(B) of the Internal Revenue Code.

SEC. 302. TRANSPORTATION BENEFIT PROGRAM.

By January 1, 2016, a covered employer shall provide at least one of the following benefit programs to its employees:

- O1. A pre-tax election transportation fringe benefits program that provides commuter highway vehicle, transit, or bicycling benefits consistent with section 132(f)(1)(A), (B), and (D) of the Internal Revenue Code at benefit levels at least equal to the maximum amount that may be deducted for those programs from an employee's gross income pursuant to section 132(f)(2) of the Internal Revenue Code;
- **02.** An employer-paid benefit program whereby the employer supplies, at the election of the employee, a transit pass for the public transit system requested by each covered employee or reimbursement of vanpool or bicycling costs in amount at least equal to the purchase price of a transit pass for an equivalent trip on a public transit system; or
- **03.** Employer-provided transportation at no cost to the covered employee in a vanpool or bus operated by or for the employer.

O1

Implementing Option 1. Employee-Paid Pre-Tax Benefits

- Step 1: Coordinate within your organization
- Step 2: Conduct a commute survey (optional)
- Step 3: Decide how to administer the program
- Step 4: Create a Commuter Benefits Policy
- Step 5: Promote the program to your employees
- Step 6: Set up payroll deductions
- Step 7: Enroll employees in the program

NOTES







Employee-Paid, Pre-Tax Benefits

With employee-paid commuter transit benefits, employees have the option to set aside up to \$255 per month in pre-tax funds from their paycheck each month for their transit and vanpool expenses. By doing so, taxable income is reduced, which translates to a savings of up to 40 percent on daily commute costs. As a result, business payroll taxes decrease, so you may see up to nine percent savings for each employee participating in the benefit.

Allow employees to deduct up to \$255/month, pre-tax, for transit and vanpool fares.



Transit benefits can be administered in-house at no cost through Metro's **SmartBenefits®** program. Third-party benefits vendors are also available for hire to manage your SmartBenefits® program for you.

Reimburse or provide voucher for bike expenses, up to \$20/month)



Employers may mix-and-match with pre-tax and subsidized benefits. Employers may also offer a **bicycle commuter subsidy** of up to **\$20 per month (up to \$240 per year)** to employees who do not elect to receive a transit benefit. Please see **Option 2** for more information about the subsidized bike benefit.

HOW TO IMPLEMENT AN EMPLOYEE-PAID, PRE-TAX TRANSIT BENEFIT

STEP 1

Coordinate within your organization

- Choose a staff member to coordinate and/or administer your program
- Consult with your payroll or accounting team to determine how payroll deductions will be made and whether deductions will be monthly or bi-weekly

STEP 2

Conduct a commute survey (optional)

- Find out how many employees are currently taking transit to work, how much they are spending each month, and what transportation options they would like to learn more about
- Contact goDCgo for support in administering your survey and evaluating the results



STEP 3

Decide how to admimister the benefit

ADMINISTER IN-HOUSE:

- » What you do: Set up a free SmartBenefits® account with Metro, communicate with employees, take employee orders, make payroll deductions, enter employee benefits in SmartBenefits®, make monthly account payment and answer questions about benefits
- » Pros: Free program; all payroll tax savings go directly to company's bottom line; the same order is automatically placed each month
- » Cons: May require a higher level of staff time to administer, especially in industries with high employee turnover; requires an additional step from employees taking transit that does not accept SmarTrip®

GET STARTED:

- » Visit wmata.com/smartbenefits to learn about Metro's free program for administering transit benefits in the DC area
- » Register for a free account
- » In a week or so, your account will be approved and an account representative will be assigned
- » Attend a training seminar at Metro or view a recording of a webinar version at goDCgo.com/employer



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HIRE A VENDOR:

- » What you do: Make payroll deductions and coordinate with benefits vendor
- » What the vendor does: Take employee orders, provide communications materials, distribute benefit to employee SmarTrip® cards or other fare vouchers, answer questions about benefits
- » Pros: Minimal staff time to administer; employees may manage their commuter accounts via the vendor's online platform; payroll tax savings almost always cover the cost of vendor fees
- » **Cons:** More costly option than employer-managed benefits; vendors may require minimum purchase

GET STARTED:

- » Contact vendors for program options and pricing information specific to your organization's needs. View a list of vendors at wmata.com/smartbenefits
- » Select a vendor
- » The vendor you choose will help you through the rest of the process.

DID YOU KNOW?

9 %

Employer payroll taxes decrease by as much as 9% for each participating employee.

\$1,182

Employees may save up to \$1,182 on commuting costs each year.



STEP 4

Create a Commuter Benefits Policy

Create a written company policy to clearly define procedures and provide information to employees.

Topics may include:

- Important dates and deadlines such as monthly enrollment, cancellation and change dates
- Contact information for internal and/or vendor support
- Availability of funds when an employee leaves the company or transfers
- Probationary period, if allowed

STEP 5

Promote the program to your employees

- Create an enrollment and payroll deduction authorization form
- Send out an email announcement to staff
- Include notices in employee paychecks, mailboxes and/or intranet sites
- Post flyers in break rooms, bathrooms, kitchen, conference rooms or other communal areas
- Update employee handbook to reflect new transit benefits and policies
- Announce at an all-staff meeting
- Include commuter benefits information in new-hire orientation
- Encourage employees to sign up for the free Guaranteed Ride Home (GRH) program: *commuterconnections.com*
- Visit *goDCgo.com* to download templates and contact goDCgo for additional customized materials

STEP 6

Set up payroll deductions

- Coordinate with your payroll department to set up the pre-tax deductions requested by employees
- Set aside deducted funds to be paid to SmartBenefits® or your benefits provider

STEP 7

Enroll employees in the program

- If administering in-house through SmartBenefits®:
 - ° Collect employee SmarTrip® serial numbers and desired benefit amounts
 - ° Log into your organization's SmartBenefits® account and finalize all employee benefits by the 15th of the month
 - ° Payment is made to Metro on the 16th of the month
 - Employee benefits are auto-loaded onto employee SmarTrip® cards on the 1st of the following month
 - o If employees use a form of transit that does not accept SmarTrip®, such as MARC, VRE, or vanpool fares, employees will use a personal SmarTrip® allocation account
 - ° The same benefits will recur each month on the 1st unless you make changes by the 15th of the previous month
 - ° Visit *goDCgo.com/employer* for sample enrollment materials
- If using a benefits administrator, they will walk you through the enrollment process and take your payment



O2 Employer-Paid, Tax-Free Benefits FOR TRANSIT AND BICYCLING

- Step 1: Coordinate within your organization
- Step 2: Conduct a commute survey (optional)
- Step 3: Decide how to administer the program
- Step 4: Create a Commuter Benefits Policy
- Step 5: Promote the program to your employees
- Step 6: Enroll employees in the program

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Employer-Paid, Tax-Free Benefits

Subsidize up to \$255/ month, tax-free, for transit and vanpool fares



With employer-paid commuter benefits, organizations let employees choose a **tax-free subsidy of up to \$255 per month for transit and vanpool expenses or \$20 per month for bicycle expenses.** Many employers choose to help offset the costs of commuting by providing these tax-free benefits in full or in combination with pre-tax benefits. As with the employee-paid benefit, the benefit amount is not counted as taxable income.

Reimburse or provide voucher for bike expenses, up to \$20/month or \$240/year



Transit benefits can be administered in-house at no additional cost through Metro's SmartBenefits® program. Benefits vendors are also available for hire to manage your SmartBenefits® program for you.

Unspent funds can be rolled back to the employer at the end of the month. **Turn to page 14 to get started with employer-paid transit benefits.**

HOW TO IMPLEMENT AN EMPLOYER-PAID, TAX-FREE **BICYCLE** BENEFIT

Employers may provide a subsidy for bicycle commuters of up to \$20, tax-free, for each month a bicycle is used for transportation to and from the employee's home and place of employment. Per IRS code, the benefit may be used toward reasonable expenses incurred throughout the year for the purchase of a bicycle, repair, improvements and storage. *Commuters who elect to receive the bicycle subsidy are not eligible to receive any other transportation fringe benefit in the month they receive the bicycle subsidy.*

HOW TO GET STARTED WITH THE BIKE COMMUTER BENEFIT:

ADMINISTER IN-HOUSE:

- » Collect employee receipts monthly OR at the end of the year
- » Reimburse employees for eligible expenses, tax-free, up to the \$20 per month (\$240 per year) limit



HIRE A BENEFITS ADMINISTRATOR:

- » Your benefits administrator may be able to handle the reimbursement process for you
- » You may also purchase \$20 vouchers from a benefits vendor, redeemable in local bike shops

Jump ahead to Transit Benefit Steps 4 and 5 for ideas on promoting this new benefit to your employees. Visit *bikeleague.org/content/bicycle-commuter-benefit* to learn more about the bicycle benefit and qualified vendors and to download sample materials from the League of American Bicyclists.

To learn more about bicycling in DC and encourage employees to bicycle to work, visit *goDCgo.com/employer* and click "BikeBrand Your Biz".

DID YOU KNOW?

\$255

With employer-paid commuter benefits, organizations let employees choose a tax-free subsidy of up to \$255 per month for transit and vanpool expenses or \$20 per month for bicycle expenses.

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HOW TO IMPLEMENT AN EMPLOYER-PAID, TAX-FREE **TRANSIT** BENEFIT

STEP 1

Coordinate within Your Organization

- Choose a staff member to coordinate and/or administer your program
- Determine whether to administer a program inhouse or hire a third-party benefits administrator
- Dedicate funding for the subsidy

STEP 2

Conduct a commute survey (optional)

- Find out how many employees are currently taking transit to work, how much they are spending each month, and what transportation options they would like to learn more about
- Contact goDCgo for support in administering your survey and evaluating the results



STEP 3

Decide How to Administer the Benefit

ADMINISTER IN-HOUSE:

- » What you do: Set up a free SmartBenefits® account with Metro, communicate with employees, take employee orders, enter employee benefits in SmartBenefits®, make monthly account payment and answer questions about benefits
- » Pros: Free program; the same order is automatically placed each month
- » Cons: May require a higher level of staff time to administer, especially in industries with high employee turnover; requires an additional step from employees taking transit that does not accept SmarTrip®

GET STARTED:

- » Visit wmata.com/smartbenefits to learn about Metro's free program for administering transit benefits in the DC area
- » Apply for an account
- » In a week or so, your account will be approved and an account representative will be assigned
- » Attend a training seminar at Metro or view a recording of a webinar version at goDCgo.com

HIRE A VENDOR:

- » What you do: Coordinate with benefits administrator
- » What the vendor does: Take employee orders, provide communications materials, distribute benefit to employee SmarTrip® cards or other fare vouchers, answer questions about benefits
- » Pros: Minimal staff time to administer; employees manage their commuter accounts via the vendor's online platform
- » Cons: More costly option than employer-managed benefits; vendors may require minimum purchase

GET STARTED:

- » Contact vendors for program options and pricing information specific to your organization's needs. View a list of vendors at wmata.com/smartbenefits
- » Select a vendor
- » The vendor you choose will help you through the rest of the process.



STEP 4

Create a Commuter Benefits Policy

- Create a written company policy to clearly define procedures and provide information to employees. Topics may include:
 - ° Important dates and deadlines such as enrollment, cancellation and change dates
 - ° Contact information for internal and/or vendor support
 - ° Availability of funds when an employee leaves the company or transfers
 - ° Probationary period, if required

STEP 5

Promote the Program to Your Employees

- Create an enrollment form
- Send out an email announcement to staff
- Include notices in employee paychecks, mailboxes and/or intranet sites
- Post flyers in break rooms, bathrooms, kitchen, conference rooms or other communal areas
- Update employee handbook to reflect new transit benefits and policies
- Announce at an all-staff meeting
- Include commuter benefits information in new-hire orientation
- Encourage employees to sign up for the free Guaranteed Ride Home (GRH) program: commuterconnections.com
- Visit goDCgo.com to download templates and contact goDCgo for additional customized materials

STEP 6

Enroll Employees in the Program

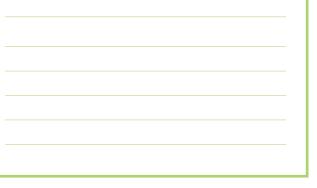
- If administering in-house through SmartBenefits®:
 - ° Collect employee SmarTrip® serial numbers and desired benefit amounts
 - ° Log into your organization's SmartBenefits® account and finalize all employee benefits by the 15th of the month
 - ° Payment is made to Metro on the 16th of the month
 - ° Employee benefits are auto-loaded onto employee SmarTrip® cards on the 1st of the following month
 - ° If employees use a form of transit that does not accept SmarTrip®, such as MARC, VRE, or vanpool fares, employees will use a personal SmarTrip allocation account
 - $^{\circ}$ $\;$ The same benefits will recur each month on the 1st unless you make changes by the 15th of the previous month
 - ° Visit *goDCgo.com* for sample enrollment materials
- · If using a benefits administrator, they will walk you through the enrollment process and take your payment



CHEKLIST

Implementing Option 3. Employer-Provided Transportation Service

- Research local transportation options
- Conduct a commute survey and/or map employee home locations
- Decide what type of transportation service to offer
- Select a provider
- **Create a Commuter Benefits Policy**
- Promote the program to your employees







Employer-Provided Transportation Service

Employer-provided transportation service can include vanpools from outside of DC limits or shuttles from Metro stations, park-and-ride lots, major hubs or anywhere else employees are commuting – at no cost to your workforce.

BENEFITS OF SHUTTLES INCLUDE:

- Easy last-mile access for employees and clients taking transit
- Maximum savings and convenience for employees when combined with pre-tax or subsidized transit benefits
- Visibility for organization's support of sustainable transportation

Provide shuttle or vanpool service at no cost to employees



BENEFITS OF VANPOOLING INCLUDE:

- Reduced commute costs
- Potentially shorter commutes (if able to take HOV or HOT lanes)
- Provides options for those without transit access
- Preferred parking
 - Less time driving means more time to read, work, sleep or catch up on the news
- Economical solution to reduce company parking needs
- Lowers employee commute stress

HOW TO IMPLEMENT AN EMPLOYER-PROVIDED TRANSPORTATION SERVICE

- Research local transportation options and other employer-provided services
 - ° Commuter Connections offers ridematching services for carpools and vanpools, administers the free Guaranteed Ride Home (GRH) program and offers information on shuttle and vanpool providers
- Conduct a commute survey and/or map employee residential locations
 - Evaluate number of employees, determine high density locations, observe nearby transit options available and existing shuttles/vanpools,
 - ° Gauge employee interest in a shuttle or vanpool service
- Determine the service to implement and select a provider
 - ° If possible, partner with nearby employers to save on costs
- Create a commuter benefits policy to clearly define procedures and provide information to employees, including:
 - ° Important dates and deadlines
 - ° Availability of service
 - ° Employee eligibility
 - ° Conditions of use
 - ° Contact info for provider and emergency numbers

PROMOTE THE PROGRAMS TO YOUR EMPLOYEES:

- ° Send out an email announcement to staff
- Include notices in employee paychecks, mailboxes and/or intranet sites

- ° Post flyers in break rooms, bathrooms, kitchen, conference rooms or other communal areas
- ° Update employee handbook to reflect new transit benefits and policies
- ° Announce at an all-staff meeting
- ° Include commuter benefits information in new-hire orientation
- Encourage employees to sign up for the free Guaranteed Ride Home (GRH) program: commuterconnections.com
- ° Contact goDCgo to help you create customized marketing materials for your organization

Complimentary consultation From goDCgo

- » Guidance on implementing commuter transit benefits
- » Communications tools, templates and custom marketing materials
- » Design and analysis of employee commute surveys
- » Support with the tax-free bicycle commuter benefit
- » Help setting up carpools and vanpools
- » Transportation brochures and info sessions for your employees
- » Monthly news you can use and timely updates for employers

More ways to encourage sustainable commuting

- Encourage telework, compressed work weeks and flexible scheduling
- Promote and facilitate carpooling
- Provide office relocation assistance
- Gain a "Bicycle Friendly Business" designation
- Join the Capital Bikeshare Corporate Partner program
- Provide discounted carshare memberships
- Supplement the free Guaranteed Ride Home program
- Offer a parking cash-out program
- Host a goDCgo commuter "lunch and learn"
- Provide commute information to new hires



CONTACT US TODAY: (202) 299-2186 | INFO@GODCGO.COM

GUARANTEED RIDE HOME



USE THE FREE GRH UP TO FOUR TIMES PER YEAR. ENCOURAGE YOUR EMPLOYEES TO ENROLL IN GUARANTEED RIDE HOME

Guaranteed Ride Home (GRH) provides DC metro area commuters who regularly vanpool, carpool, bike, walk or take transit (at least two days a week) with a FREE ride home when one of life's unexpected emergencies arises. Commuters can use the free GRH benefit for personal emergencies and unscheduled overtime up to four times per year.

Employees may register in advance at commuterconnections.org or call 1-800-745-RIDE

GODCGO

Employer Services goDCgo.com/employer (202) 299-2186, info@godcgo.com

goDCgo, a program of the District Department of Transportation (DDOT), provides complimentary support to employers starting or enhancing a commuter benefits program.



DEPARTMENT OF EMPLOYMENT SERVICES (DOES)

Office of Wage-Hour does.dc.gov (202) 671-1880, OWH.ask@dc.gov

DOES is enforcing the Commuter Benefits Law and can answer questions regarding compliance, reporting and enforcement.



WASHINGTON METROPOLITAN AREA TRANSIT **AUTHORITY (WMATA)**

SmartBenefits® wmata.com/smartbenefits (202) 962-1326, smartbenefits@wmata.com

SmartBenefits® is the DC region's free program for administering transit benefits in-house, with funds auto-loaded monthly onto employee SmarTrip cards at no additional cost to the employer. A number of third-party benefits administrators compatible with SmartBenefits® are available for hire.



1-800-745-RIDE

www.commuterconnections.org

COMMUTER CONNECTIONS

commuterconnections.org 1-800-745-RIDE (7433)

Commuter Connections provides ride-matching services for individuals wishing to join a carpool or vanpool and administers the region's free Guaranteed Ride Home program.



THE LEAGUE OF AMERICAN BICYCLISTS

bikeleague.org/content/bicycle-commuter-benefit

The League has guidance and administrative templates for the Bicycle Commuter Benefit available on their website.

EMPLOYER

Commuter Benefits

TOOLKIT







