

Requirements of San Francisco's Commuter Benefits Ordinance

Effective January 19, 2009, San Francisco employers are required to offer a commuter benefits program to encourage employees to use public transit or vanpools.



San Francisco's new Commuter Benefits Ordinance allows employers and workers to tap into an existing federal program to pay for transit passes and van pool expenses. Employers save up to 9% on payroll taxes and employees save up to 40% on their transit costs. The benefit works like other pre-tax plans such as retirement, dependent care, and medical reimbursement, except that it's much simpler.

Employers can offer commuter tax benefits as a payroll deduction, a subsidized benefit, or a combination of the two. Employers can administer the benefit themselves, purchasing the transit tickets or vouchers each month and distributing them to employees. Some employers may find it more practical to hire a third-party administrator to manage their program.

What are the requirements of the new commuter benefits law?

All employers in San Francisco that have 20 or more persons performing work for compensation on a full-time, part-time, or temporary basis and who work an average of at least 10 hours a week while working for the same employer within the previous calendar month, must offer one of the following options:

1. **Pre-tax Transit:** Employer sets up a deduction program under existing Federal Tax Law 132(f), which allows employees to use up to \$~~115~~¹²⁰ a month in pretax wages to purchase transit passes or vanpool rides. SF Environment (San Francisco's Environment Department) is available to assist businesses in self-administering a benefit program or can offer assistance with hiring a third-party administrator.
2. **Employer Paid Transit Benefits:** Employer pays for workers' transit fares on any of the San Francisco Bay Area mass transit systems or reimburses workers for their vanpool expenses. Reimbursements for transportation expenses must be of at least an equivalent value to the purchase price of a San Francisco MUNI Fast Pass, which is presently \$45.
3. **Employer Provided Transit:** Employer offers workers free shuttle service on a company-funded bus or van between home and place of business.



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What modes of transportation can pre-tax dollars be used for?

For a complete list of qualified transit operators, rail lines, ferry services, please visit commuterbenefits.org



With commuter benefits, you or your employees can purchase **bus** passes with pre-tax dollars for Muni, AC Transit, Golden Gate Transit, SamTrans, and others.



With commuter benefits, you or your employees can purchase **rail** passes with pre-tax dollars for BART, Caltrain, Muni, ACE, and others.



With commuter benefits, you or your employees can purchase **ferry** passes with pre-tax dollars for Golden Gate, Blue & Gold, etc.



With commuter benefits, you can use **shuttle** services to pick up your employees at home and take them to work.



Vanpool

Employees can use pre-tax dollars from their commuter benefits to pay for **vanpool** expenses.

In participation with 511.org, SF Environment can assist your employees with setting up a carpool or vanpool. Typically, vanpoolers have 7 or more passengers, including the driver. The van can either be owned or rented. Vanpoolers qualify for a discounted \$74/year on street parking space in San Francisco.

What are the penalties for non-compliance?

Non-compliance may result in fine: \$100 for a first violation, \$200 for a second violation within the same year, \$500 for each additional violation within the same year.

What else can employers do to encourage smart commute options?

Employers can sign up for San Francisco's free Emergency Ride Home Program. Employees who use the bus, train, ferry, vanpool, carpool, bicycles, or walk to work on the day of an unexpected emergency can take a taxi or rental car, or other form of transportation home to deal with the crisis and SF Environment will reimburse them. To enroll in this free City-administered program, please visit SFERH.org.

Contact Information:

CommuterBenefits.org

Commuter Benefits Hotline: (415) 355-3727



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