

# Employer Commuter Benefits Toolkit

Brought to you by goDCgo

Updated January 2020



get from  
**POINT A**  
to  
**POINT B**  
efficiently

## *Commuter Benefits*

Offer tax savings and incentives that ease the cost and stress of commuting and help employees find new ways to get to work.





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 that 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 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 (including non-profits) 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, an initiative of the District Department of Transportation, is a complementary service for employers.

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

Sincerely,

**Jeff Marootian**  
DDOT Director





# Table of Contents

What is goDCgo? .....	4
Background .....	5
Official Language from the Sustainable DC Omnibus Amendment Act of 2014 .....	7
Official Language from the Department of Employment Services .....	8
Benefit Option #1: Employee-Paid, Pre-Tax Benefits .....	11
Benefit Option #2: Employer-Paid, Direct Benefits .....	15
Benefit Option #3: Employer-Provided Transportation Service .....	19
Optional: Employer-Paid, Taxable Bike Benefits .....	22
Continue Your Journey to a Commute-Friendly Workplace .....	24
Resources .....	25

# 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.

## **How goDCgo can help you:** Complimentary consultation from goDCgo

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



### **Contact us today:**

202-299-2186

[info@goDCgo.com](mailto:info@goDCgo.com)



## *Did You Know?*

**800**  
**employers**

goDCgo engages with over 800 DC employers each year, providing them with free services that have proven to help reduce traffic congestion and improve air quality in the District.

# Background

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

The law aims to reduce congestion and improve air quality by encouraging District workers to shift their commute trips from driving alone to taking public transit, bicycling, and vanpooling. Similar to laws in San Francisco, New York, and other metropolitan cities, DC's Commuter Benefits Law helps to reduce rush hour demands on our region's roadways, reduces employees' commute costs, and leads to payroll tax savings for employers.

A Notice of Final Rulemaking adopted on August 2, 2019 included more details about how fines will be assessed, which records covered employers must maintain, and how to notify covered employees of the available transit benefits.

## What are commuter benefits?

**Commuter Benefits are transportation fringe benefits regulated under Section 132(f) of the IRS Tax Code. As of January 1, 2020, federal law allows employers to offer employees up to \$270 per month as a pre-tax deduction or tax-free subsidy for use on mass transit or vanpools. DC employers are required to offer commuter benefits in one or more of the following ways:**

### 1. 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 \$270 per month.

### 2. Employer-paid, direct benefit

Offer a tax-free subsidy for transit or vanpools, up to \$270 per month.

### 3. 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 to 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 Workplace for Commuters award
- Earn Leadership in Energy and Environmental Design (LEED) credits
- Earn recognition for your commuter benefits program by becoming a goDCgo Employer Ambassador for sustainable transportation

## Who is required to comply?

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

Covered employees include full-time and part-time employees:

- a. Who perform 50% or more of their work in the District of Columbia; or
- b. Whose employment is based in the District of Columbia and a substantial amount of their work is performed in the District of Columbia with less than 50% of their work performed in any other state.

## Unrelated Business Income Tax (UBIT)

The provision that required tax-exempt employers (universities, hospitals, religious institutions, etc.) to declare expenses tied to providing transportation fringe benefits as unrelated business income was repealed as a part of the Further Consolidated Appropriations Act, 2020 (<https://www.congress.gov/bill/116th-congress/house-bill/1865/text>). Since this repeal is retroactive, exempt employers can file an amended return seeking a refund on the taxes paid since enactment of the Tax Cuts and Jobs Act on January 1, 2018. Consult with your organization's tax advisor to best understand the changes and impact on your organization.

## FAQs

**For more information about compliance and to get a copy of the rulemaking, please contact the Department of Employment Services, Office of Wage-Hour at [does.dc.gov](https://does.dc.gov), 202-671-1880 or [OWH.ask@dc.gov](mailto:OWH.ask@dc.gov).**

## Guaranteed Ride Home

# 4X

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](https://commuterconnections.org) or call 1-800-745-RIDE.

# 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:

1. **“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.
2. **“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)).
3. **“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)).
4. **“Transit pass”** shall have the same meaning as provided in section 132(f)(5)(A) of the Internal Revenue Code, approved July 18, 1984 (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).
5. **“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 transportation benefit programs to its employees:

1. 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;
2. 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
3. **Employer-provided transportation** at no cost to the covered employee in a vanpool or bus operated by or for the employer.

For complete information, refer to the Sustainable DC Omnibus Amendment Act of 2014 on the Council of the District of Columbia’s website: <https://code.dccouncil.us/dc/council/laws/20-142.html>.

# Official Language

## from the Department of Employment Services

### Notice Of Final Rulemaking 2019

#### Chapter 7-33. Transit Benefit Programs

##### Sec. 3302. Penalties and Fines

1. Covered employers who fail to offer at least one (1) transportation benefit program to each covered employee as required by Subsection 3301.1 shall be subject to civil fines and penalties, pursuant to Section 302(b) of the Sustainable DC Omnibus Amendment Act of 2014, effective December 17, 2014 (D.C. Law 20-142; D.C. Official Code § 32-152(b) (2012 Repl. & 2018 Supp.)).
2. The failure to offer at least one (1) transportation benefit program option to each covered employee is a Class 4 infraction pursuant to the Department of Consumer and Regulatory Affairs Civil Infractions Act of 1985, effective October 5, 1985 (D.C. Law 6-42; D.C. Official Code §§ 2-1801.01 et seq. (2016 Repl. & 2018 Supp.)) and 16 DCMR §§ 3200 and 3201.

The fines under Class 4 infractions are as follows:

- a. For the first offense, \$100;
  - b. For the second offense, \$200;
  - c. For the third offense, \$400; and
  - d. For the fourth and subsequent offenses, \$800
3. The amount of the fine imposed under Subsection 3302.2 shall be assessed against a covered employer for each covered employee to whom the employer fails to offer at any point during a calendar month at least one (1) transportation benefit program and shall be reassessed for each subsequent calendar month in which such failure continues to exist.

##### Sec. 3303. Notice Requirements

1. The Department shall post an electronic notification on its website that explains the requirements of the Act.
2. Covered employers shall notify covered employees of the available transit benefit program using commercially appropriate means, such as email, internal documents (such as memos, newsletters, or bulletins), or conventional or electronic bulletin boards.
3. Covered employers shall provide information to covered employees as to how they may apply for and receive the transit benefit and how to submit a complaint to the Department.
4. Covered employers shall provide a point of contact for covered employees to obtain further information about the transit benefit.
5. Covered employers shall provide commuter benefits documents to each covered employee as part of the employee benefits package or with the Notice of Hire form required by the Wage Theft Prevention Amendment Act of 2014, approved February 26, 2015 (D.C. Law 20-0157; D.C. Official Code §§ 32-1301 et seq.).



### Sec. 3304. Calculation of Number of Employees

1. In determining whether it is a covered employer under this chapter, an employer shall use the greater of;
  - a. The number of full-time and part-time employees as of December 31st of the previous year; or
  - b. the average number of employees during the previous calendar year, to determine its number of employees.

### Sec. 3305. Recordkeeping Requirements

1. Covered employers shall maintain any documentation necessary to establish compliance with the requirements of the Act for a minimum of three (3) years.
2. Covered employers shall be responsible for providing any documentation necessary to prove compliance with the Act to the Department.

For complete information, refer to the Notice of Final Rulemaking on the DC Department of Employment Services website: [https://does.dc.gov/sites/default/files/dc/sites/does/page\\_content/attachments/Commuter%20Benefits%20Rules.pdf](https://does.dc.gov/sites/default/files/dc/sites/does/page_content/attachments/Commuter%20Benefits%20Rules.pdf).



## *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 on page 5 of this toolkit.

Failure to offer at least one transportation benefit option to each covered employee is a Class 4 infraction pursuant to DC Law 6-42.

# *Checklist* **01**

## Implementing Option 1.

### Employee-Paid, Pre-Tax Benefits

#### *Step 1*

Coordinate within your organization

#### *Step 2*

Conduct an employee transportation 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

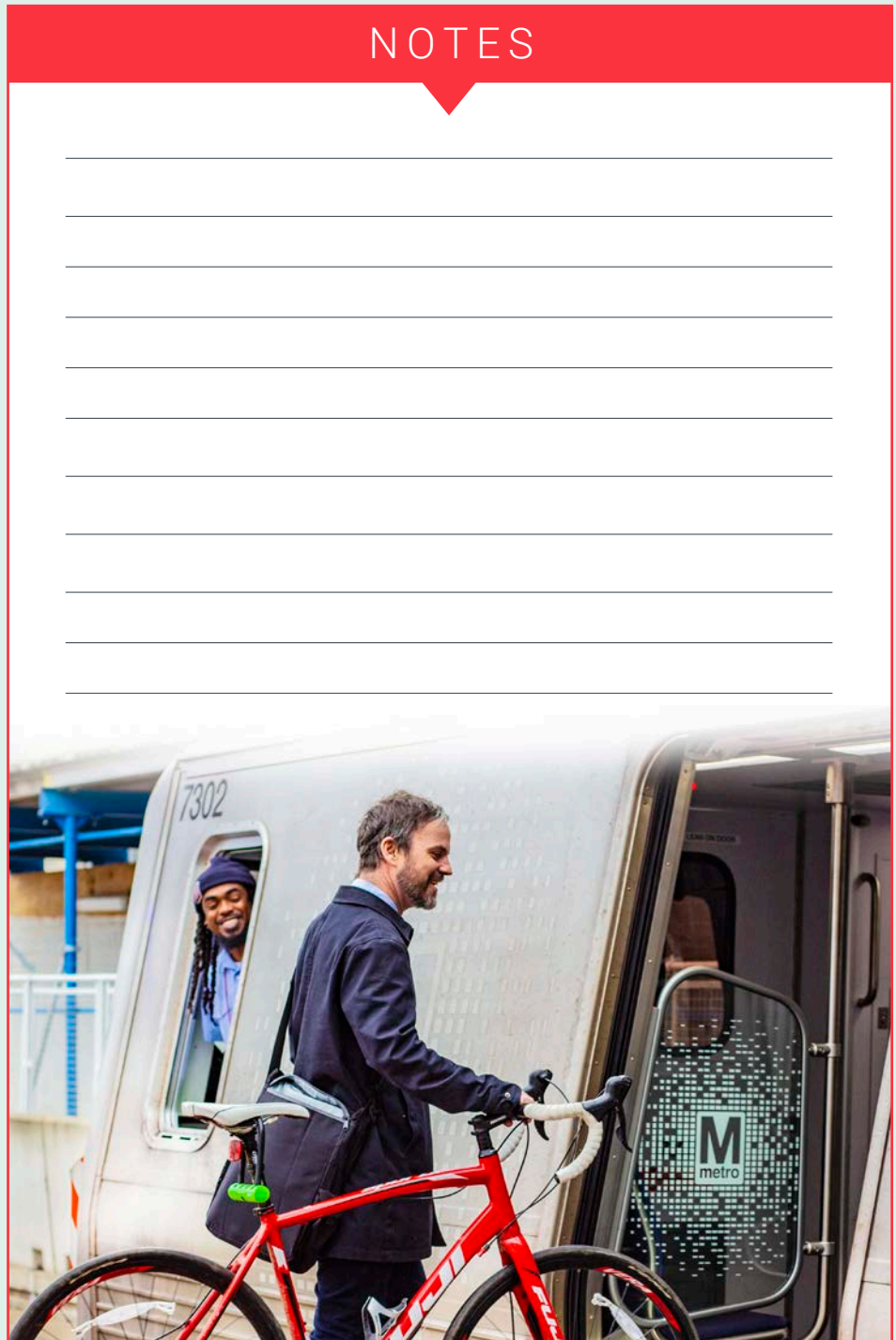
#### *Step 6*

Set up payroll deductions

#### *Step 7*

Enroll employees in the program

#### NOTES



# Option 01

## Employee-Paid, Pre-Tax Benefits

With **employee-paid** commuter transit benefits, employees have the option to set aside up to \$270 per month in **pre-tax** funds from their paycheck to cover their transit and vanpool expenses. By doing so, taxable income is reduced, which translates to a **savings** of up to **30 percent** on daily commute costs. As a result, business payroll taxes decrease, so you may see up to **seven percent savings** for each employee participating in the benefit.



**Allow employees to deduct up to \$270/month, pre-tax, for transit and vanpool fares**

Transit benefits can be administered in-house at no cost through WMATA'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**

Employers may mix-and-match with pre-tax and subsidized benefits. Although the Bicycle Commuter Benefit has been suspended until January 1, 2026, employers may still offer a bicycle direct benefit of any amount to employees. Those employees who participate in an employer-provided bicycle benefit must report the benefit as taxable income. The only possible tax benefit for bicycling is the deduction for costs associated with the benefit, which can be claimed by an employer. Please turn to page 20 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 free support to administer your survey and evaluate the results

## Step 3:

### Decide how to administer the benefit

#### Administer In-House:

- **What you do:** Set up a free SmartBenefits® account with WMATA, communicate with employees, take employee orders, make payroll deductions, enter employee benefits in SmartBenefits®, make monthly account payments, and answer questions about benefits
- **Pros:** Free program; the same order is automatically placed each month. The SmartBenefits® self-service feature allows employees to use their SmarTrip® account to submit changes to their employer on their benefit status or monthly benefit

#### GET STARTED:

- Visit [wmata.com/smartbenefits](http://wmata.com/smartbenefits) to learn about WMATA's free program for administering transit and Metrorail parking benefits in the DC area
- Apply for a free SmartBenefits® account
- A WMATA account executive will help you through the rest of the process

#### 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
- **Cons:** More costly option than employer-managed benefits; vendors may require minimum purchase

OR

#### GET STARTED:

- Contact vendors for program options and pricing information specific to your organization's needs. To view a list of vendors, visit [goDCgo.com/employer](http://goDCgo.com/employer)
- Select a vendor
- The vendor you choose will help you through the rest of the process



## Did You Know?

7.65%

Employer payroll taxes decrease by as much as 7.65% for each participating employee.

\$1,296

Employees may save up to \$1,296 on commuting costs each year with pre-tax benefits.



## ***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 orientations and packets
- Encourage employees to sign up for the free Guaranteed Ride Home (GRH) program at [commuterconnections.com](http://commuterconnections.com)
- Visit [goDCgo.com/employer](http://goDCgo.com/employer) 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 WMATA's free SmartBenefits® program:
  - Collect employee SmarTrip® serial numbers and desired benefit amounts (take advantage of WMATA's online enrollment feature)
  - Log into your organization's SmartBenefits® account and finalize all employee benefits by the 15th of the month
  - Payment is made to WMATA 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, MTA Commuter Bus, MetroAccess or vanpools, then they can take advantage of the SmartBenefits® transit allocation account to pay the fare
  - The same benefits will recur on the 1st of each month unless you make changes by the 15th of the previous month
  - Visit [goDCgo.com/employer](http://goDCgo.com/employer) for sample enrollment materials
- If using a third-party benefits administrator, they will walk you through the enrollment process and take your payment

# ★ ★ ★ Checklist 02

## 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

# Implementing Option 2.

## Employer-Paid, Tax-Free Benefits

### NOTES

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## Option 02

# Employer-Paid, Tax-Free Benefits

With employer-paid commuter benefits, organizations let employees choose a direct benefit (a subsidy that is tax-free for the employee, taxable for the employer) of up to \$270 per month for transit and vanpool expenses. Many employers choose to help offset the costs of commuting by providing these benefits in full or in combination with employee-paid pre-tax benefits.



**Subsidize up to \$270/  
month, tax-free, for  
transit and vanpool fares**

Transit benefits can be administered in-house at no additional cost through WMATA'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.

The Bicycle Commuter Benefit is only available as an employer-paid benefit, see page 20 for more information.

## 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 in-house or to 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 free support to administer your survey and evaluate the results

## *Did You Know?*

# \$270

**With employer-paid commuter benefits, organizations let employees choose a tax-free subsidy of up to \$270 per month for transit and vanpool expenses.**





## Step 3:

### Decide how to administer the benefit

#### Administer In-House:

- **What you do:** Set up a free SmartBenefits® account with WMATA, communicate with employees, take employee orders, enter employee benefits in SmartBenefits®, make monthly account payments, and answer questions about benefits
- **Pros:** Free program; the same order is automatically placed each month. The SmartBenefits® self-service feature allows employees to use their SmarTrip® account to submit changes to their employer on their benefit status or monthly benefit

#### GET STARTED:

- Visit [wmata.com/smartbenefits](http://wmata.com/smartbenefits) to learn about WMATA's free program for administering transit and Metrorail parking benefits in the DC area
- Apply for a free SmartBenefits® account
- A WMATA account executive will help you through the rest of the process

#### Hire a Vendor:

- **What you do:** Coordinate with a third-party 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 [goDCgo.com/employer](http://goDCgo.com/employer)
- Select a vendor
- The vendor you choose will help you through the rest of the process

OR



## 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 orientations and packets
- Encourage employees to sign up for the free Guaranteed Ride Home (GRH) program at [commuterconnections.com](http://commuterconnections.com)
- Visit [goDCgo.com/employer](http://goDCgo.com/employer) 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 (take advantage of WMATA's online enrollment feature)
  - Log into your organization's SmartBenefits® account and finalize all employee benefits by the 15th of the month
  - Payment is made to WMATA 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, MTA Commuter Bus, MetroAccess or vanpools, then they can take advantage of the SmartBenefits® transit allocation account to pay the fare
  - 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](http://goDCgo.com/employer) for sample enrollment materials
- If using a benefits administrator, they will walk you through the enrollment process and take your payment



## Employer-Provided Transportation Service

Research local transportation options

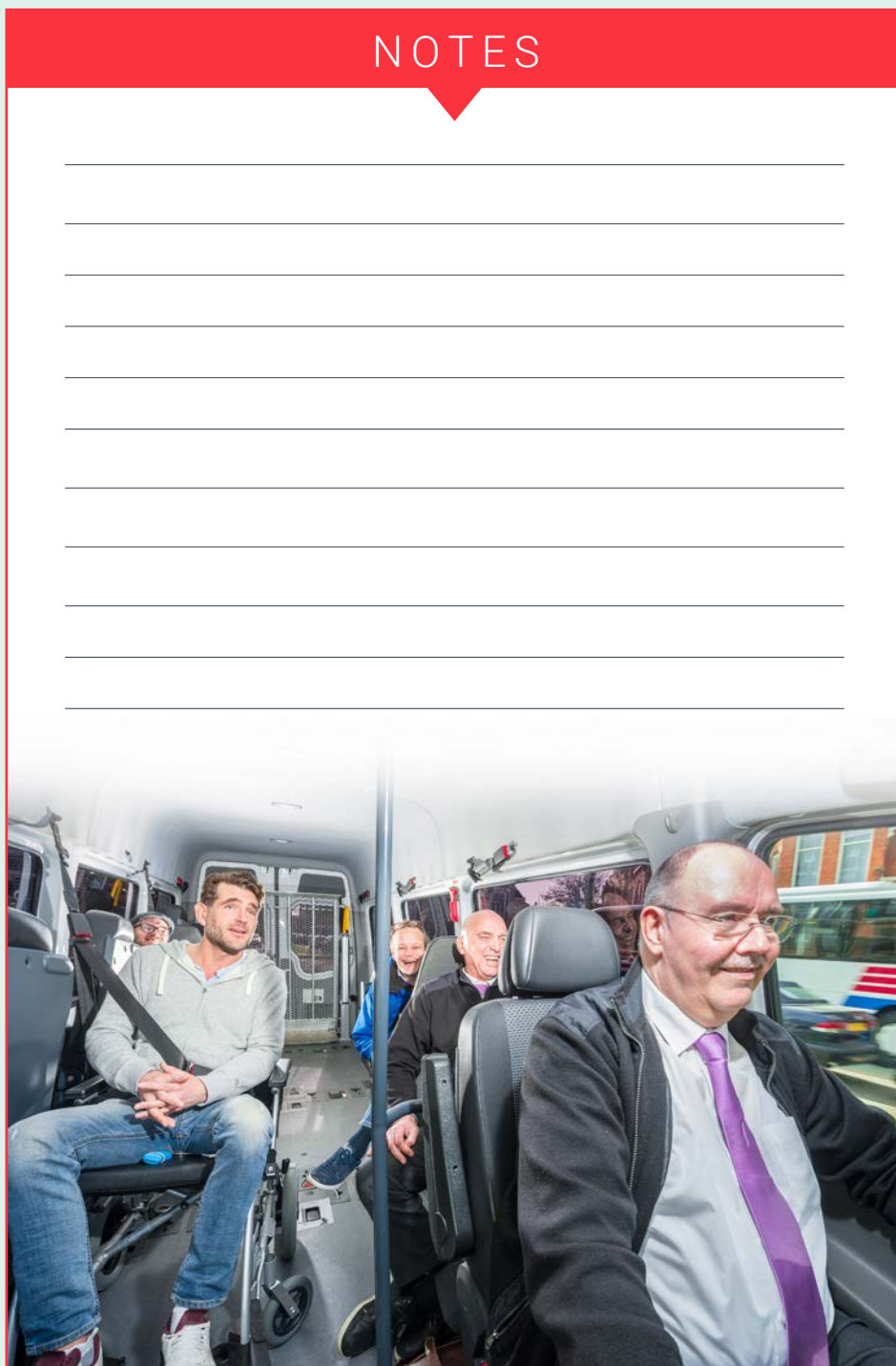
Conduct a commute survey and/or map employee home locations

Decide what type of transportation service to offer and select a provider

## Create a Commuter Benefits Policy

Promote the program to your employees

## NOTES



## Option 03

# Employer-Provided Transportation Service

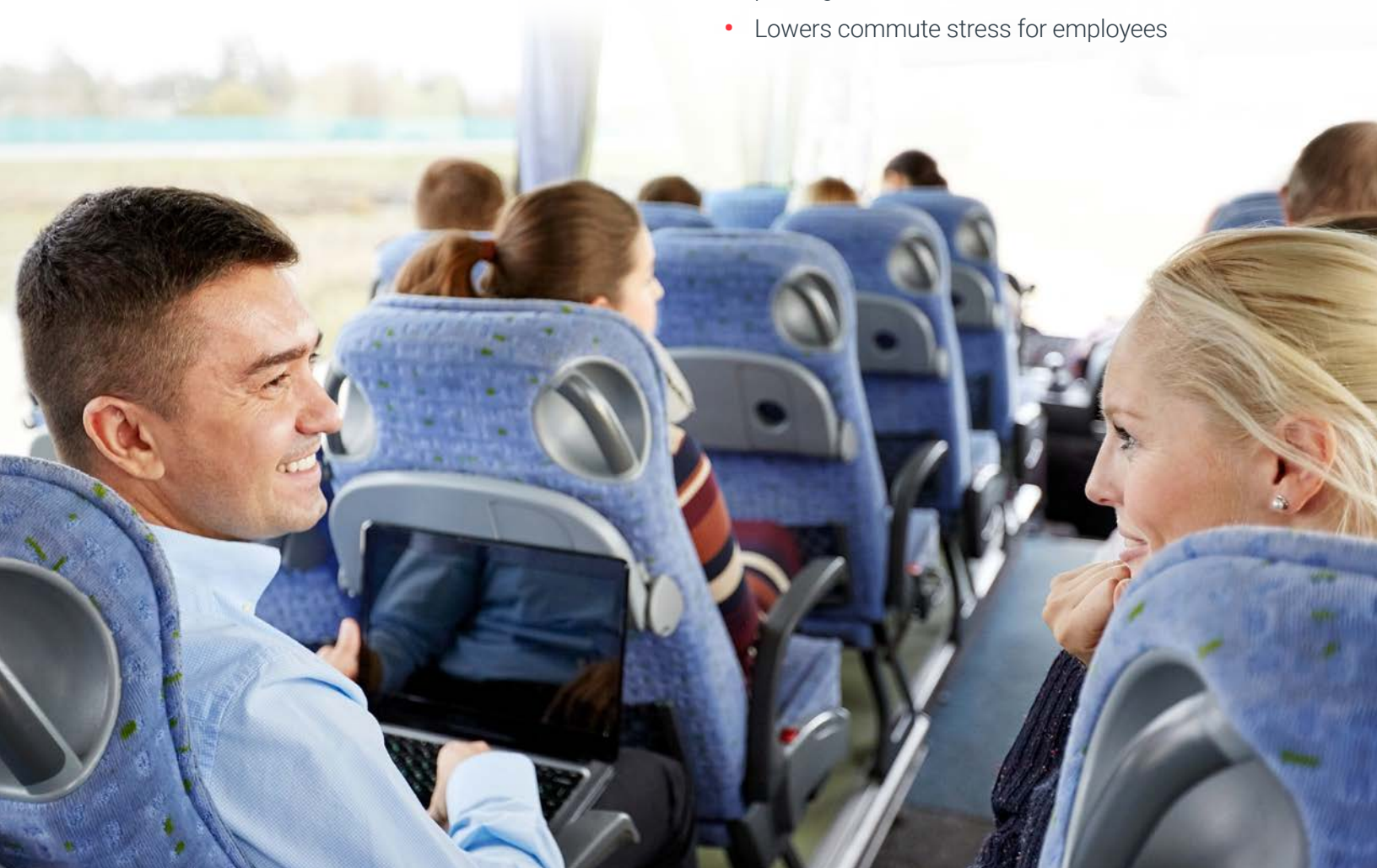
Employer-provided transportation service can include vanpools from outside of DC limits or shuttles from Metro stations, park-and-ride lots, major transit hubs, or anywhere else employees are commuting – at no cost to your workforce.

### 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

### Benefits of Vanpools include:

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





# How to Implement An Employer Provided Transportation Service

## *Step 1:*

### **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

## *Step 2:*

### **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

## *Step 3:*

### **Determine the service to implement and select a provider**

- If possible, partner with nearby employers to save on costs

## *Step 4:*

### **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

## *Step 5:*

### **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 orientations and packets
- Encourage employees to sign up for the free Guaranteed Ride Home (GRH) program at [commuterconnections.com](http://commuterconnections.com)
- Contact goDCgo to help you create customized marketing materials for your organization







# Employer-Paid, Taxable Bike 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 Bike  
Benefit Policy

## *Step 5*

Promote the program  
to your employees

## NOTES

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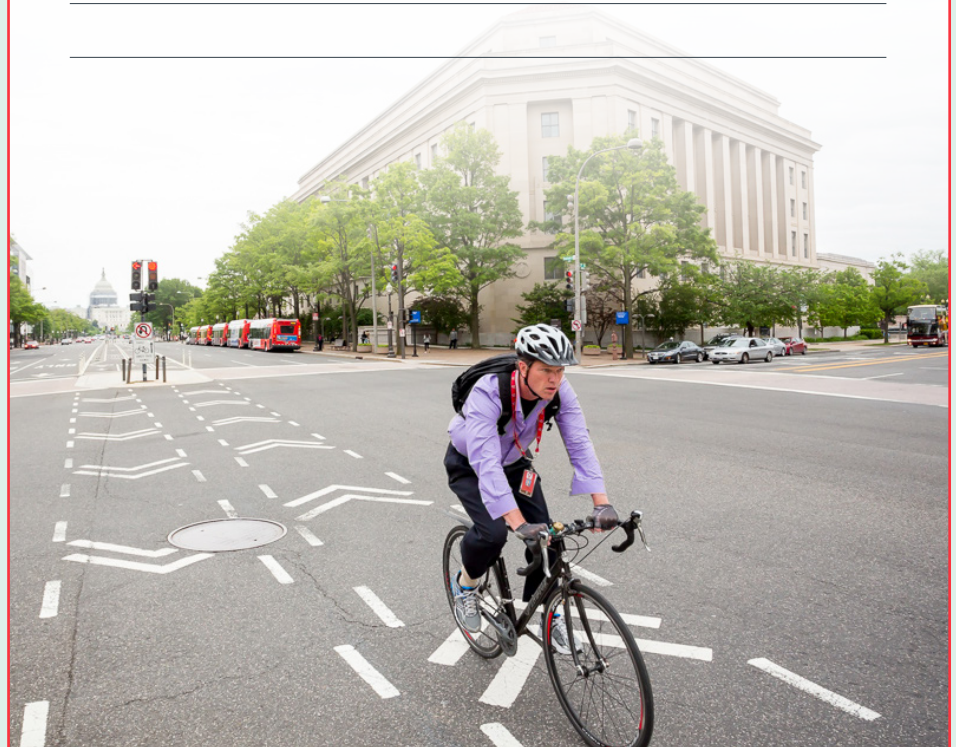
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# Employer-Paid, Taxable Bike Benefits



**Reimburse or  
provide voucher for  
bike expenses**

Employers may mix-and-match pre-tax and subsidized benefits. Although the tax exemption for the Bicycle Commuter Benefit has been suspended until January 1, 2026, employers may still offer a bicycle direct benefit of any amount to employees. Employees who participate in an employer-provided bicycle benefit must report the benefit as taxable income.

Providing an employer-paid taxable bike benefit is optional. Employers are not required to provide a taxable bike benefit, and choosing to provide a bike benefit does not make an employer compliant with the DC Commuter Benefits Law (to comply with the law employers must offer one of the three options described in this toolkit).

## How to Get Started with Bike Commuter Benefits

Employers may provide a direct benefit for bicycle commuters (taxable for the employee) for bicycle expenses during each month a bicycle is used for transportation to and from the employee's home and place of employment. Commuters who elect to receive the bicycle direct benefit are also eligible to receive any other transportation fringe benefit in the month they receive the bicycle direct benefit.

Visit [bikeleague.org/content/bicycle-commuter-benefit](https://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 creating a bike-friendly workplace to encourage employees to bike to work, visit [goDCgo.com/employer](https://goDCgo.com/employer).

## Did You Know?

5%

**5% of DC residents bike to work. By offering employer-paid bicycle benefits, employees can cover bike-related commute expenses and continue to bike to work with confidence.**



# How To Implement An Employer-Paid Bike Benefit

## *Step 1:*

### **Coordinate within your organization**

- Choose a staff member to coordinate and/or administer your program
- Dedicate funding for the subsidy

## *Step 2:*

### **Conduct a commute survey**

- Evaluate number of employees, determine high density locations, observe nearby bikeshare options and bike routes
- Gauge employee interest in a bike benefit

## *Step 3:*

### **Determine how to administer the program**

- **Administer In-House:**
  - Decide the benefit amount you want to offer to employees who bike to work
  - Collect employee receipts monthly OR at the end of the year
  - Reimburse employees for eligible expenses

**OR**

- **Hire a Vendor:**
  - Your benefits administrator may be able to handle the reimbursement process for you
  - You may also purchase vouchers in any amount from a benefits vendor, redeemable in local bike shops

## *Step 4:*

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

Topics may include:

- Important dates and deadlines
- Contact information for internal and/or vendor support
- Employee eligibility and conditions of use
- Availability of any corporate bikeshare discounts
- Probationary period, if required

## *Step 5:*

### **Promote the program 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 bike benefits and policies
- Announce at an all-staff meeting
- Include bike benefits information in new-hire orientations and packets
- Encourage employees to sign up for the free Guaranteed Ride Home (GRH) program at [commuterconnections.com](http://commuterconnections.com)
- Contact goDCgo to help you create customized marketing materials for your organization

# Continue Your Journey To A Commute-Friendly Workplace

Creating a commute-friendly workplace extends beyond offering pre-tax transit benefits. By implementing complementary transportation programs that encourage sustainable commuting, your company can become an Employer Ambassador, an official designation from goDCgo. By enhancing your commuter benefits program you can help your company maintain a competitive edge in today's market while enjoying the benefits of a happier, less stressed, and more productive workforce. Explore the many ways to encourage sustainable commuting at your workplace.

## 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 Membership program at [capitalbikeshare.com/corporate](https://capitalbikeshare.com/corporate)
- Provide discounted carshare memberships
- Supplement the free Guaranteed Ride Home program
- Offer a parking cash-out program
- Host a goDCgo commuter lunch-and-learn event
- Provide transportation information to new hires
- Become a goDCgo Employer Ambassador



## *Did You Know?*

Offering transit benefits is a great way to help reduce your organization's carbon footprint. By promoting the convenience and cost-effectiveness of taking transit, employees will be more likely to choose it as a sustainable transportation option.



# Resources



## goDCgo

### Employer Services

[godcgo.com/employer](https://godcgo.com/employer)

(202) 299-2186

[info@godcgo.com](mailto: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](https://does.dc.gov)

(202) 671-1880

[OWH.ask@dc.gov](mailto:OWH.ask@dc.gov)

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



## Washington Metropolitan Area Transit Authority (WMATA)

### SmartBenefits®

[wmata.com/smartbenefits](https://wmata.com/smartbenefits)

(202) 962-1326

[smartbenefits@wmata.com](mailto:smartbenefits@wmata.com)

SmartBenefits® is the DC metro 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](https://www.commuterconnections.org)

## Commuter Connections

[commuterconnections.org](https://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.



**goDCgo Employer Services**

202.299.2186

info@goDCgo.com

[goDCgo.com/employer](https://goDCgo.com/employer)