Item #6



## DC Employer Transit Benefits Ordinance Overview

October 21, 2014 Presented by: Megan McCarty, goDCgo

# **Official Language**



Sec. 302. Transportation benefit program.

1) By January 1, 2016, a covered employer shall provide at least one of the following 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."

Let's break that down now...

#### What's the Deal?





- By January 1, 2016 employers in DC with 20 or more employees will be required to offer one of three transit benefit options:
  - Employee-Paid Pre-Tax Benefit
  - Employer-Paid Direct Benefit
  - Employer-Provided
    Transportation Service

# **Opportunity vs. Ordinance**







- Focusing on how this can benefit companies
- Opportunity to increase TDM awareness around the region
- No direct penalties for noncompliance
- Encouraging rather than enforcing employers to comply

### Let's Focus on the Benefits





- Reduced Cost and Tax Savings
  - Company saves on: FICA, Medicare, Federal and state income taxes
  - Employees save money
- Recruitment and Retention
  - Increased job satisfaction
  - Less stress than driving alone
- Recognition
  - LEED
  - Competitive
  - Awards

### Option #1: Employee-Paid Pre-Tax Benefit

- Employees set aside pre-tax money from their paycheck to use for commuter transit
- Up to \$130/month directly from paycheck
- Costs the employer very little to set up
- Vendor or employer managed options
- Many DC employers are already offering this benefit







# Option #2: Employer-Paid Direct Benefit

- Employer contribute up to \$130/month for transit or \$20/month for bicycling costs
- Employer subsidized benefits to reduce commuting costs associated with:
  - Transit
  - Bicycling
  - Vanpooling









# Option #3: Employer-Provided Transportation Service

- Includes:
  - Vanpools
  - Shuttles
- "Last Mile" Service
- Best for: employers with majority of employees coming from outside of the District





### Want to learn even more?





- Employer Transit Ordinance Workshop:
  - Hosted by goDCgo
  - Thursday, November 6, 2014
  - 8:00am-10:00am
  - Busboys and Poets, 5<sup>th</sup> and K St NW
  - RSVP via www.goDCgo.com
- Experts include:
  - Sam Zimbabwe, DDOT
  - Larry Filler, LF Consulting
  - Lorraine Taylor, WMATA
  - Michelle Landrum, Enterprise