



FREQUENTLY ASKED QUESTIONS

Q: What is the purpose of the Bay Area Commuter Benefits Program?

A: The purpose of the Program is to improve air quality and reduce traffic congestion by promoting the use of alternative commute modes such as transit, ridesharing, bicycling, and walking. The Program will accomplish this by increasing the number of employers who provide commuter benefits to their employees.

Q: How will employees benefit?

A: Employees who **commute by transit or vanpool** can save in taxes by excluding their transit or vanpool costs (**up to \$260 per month**) from taxable income. In addition to saving money, employees who take advantage of a commuter benefit will free up time that would otherwise be spent behind the wheel. In addition to monetary savings, the Program may have other indirect benefits such as reduced commute stress from less driving. You can also deduct up to an additional \$260/month for costs incurred to park at your transit station or vanpool pick-up location

Q: Is the pre-tax benefit similar to a flexible spending account for medical expenses, in the sense that if “you don’t use it, you lose it”?

A: No. Under IRS Code Section 132(f), employees may carry over unused transit tickets purchased with pre-tax dollars to subsequent months, provided that the transit pass or ticket allows unused value to be carried forward.

Q: Can employees exclude carpooling costs from their taxable wages, like transit/vanpool costs?

A: No. The federal tax code does not allow carpool costs to be excluded from taxable wages.

Q: What is the difference between a vanpool and a carpool?

A: In the IRS Code, a vanpool is defined as any highway vehicle with seating capacity for at least six adults, excluding the driver that meets two requirements for mileage use:

1. At least 80 percent of the vehicle use must be for commuter transportation, and
2. When used for commuting, at least half of the seats must be occupied, on average, excluding the driver.

Note: The cost for participating in a vanpool for commuting purposes can be excluded from taxable wages, pursuant to the IRS Code. However, the IRS Code does not allow carpool commuting costs to be excluded from taxable wages.

Q: Which employers are subject to the Program?

A: The Program applies to all public, private and non-profit employers in the Bay Area with 50 or more full-time employees within the geographic boundaries of the Bay Area Air Quality Management District (Air District). The employee count is based on the total number of full-time employees (see FAQ: How is the term “full-time employee” defined?) at all Bay Area worksites combined.

Q: Is the Program mandatory?

A: Yes, the Program is mandatory for all public, private and non-profit employers in the Bay Area with 50 or more full-time employees within the geographic boundaries of the Air District

For assistance and/or other questions, please contact DSJ Benefits Dept. at 408-983-0249

For information on: Transit, Vanpool, Rideshare & Ride Match programs, please go to www.511.org