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San Francisco 2015-16 Commuter Benefits Ordinance Annual Report



January 2017



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EXECUTIVE SUMMARY

In 2016, over 2,600 businesses reported offering commuter benefits to their employees under the San Francisco Commuter Benefits Ordinance. Commuter benefits offer a financial incentive to employees to take public transit such as trains, buses, and ferries to work instead of driving alone in their cars.

Analysis of the Commuter Benefits Ordinance from 2014-2016 identified a few positive conclusions -- that the Ordinance:

1. Supports clean transportation choices for employees
2. Is effective in reducing greenhouse gas emissions
3. Promotes non-personal vehicle commute modes to help relieve congestion

Areas for Future Improvement:

Although the Ordinance has demonstrated substantial positive results in the seven years it has been in effect, the following potential improvements have been identified:

1. Enhance visibility
2. Help businesses to increase employee participation
3. Shine a spotlight on businesses that have successful programs, with the aim of promoting commuter benefits to other San Francisco employers

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1. INTRODUCTION

Every day, nearly 600,000 employees work in San Francisco County.¹ The majority of these workers are commuting from San Mateo, Alameda, and Contra Costa counties.² Additionally, over 100,000 San Francisco residents leave the city to work in nearby counties.³ When compared to the national average, San Francisco commuters are utilizing more sustainable transportation modes (walking, biking, taking transit and ridesharing).⁴ About 38 percent of these commuters drive alone and 32 percent take public transportation, compared to the national averages of about 76 percent and 5 percent, respectively.⁵

Although many San Francisco residents and commuters travel sustainably to and from work, roughly 40 percent of greenhouse gas emissions in the city are due to the transportation sector.⁶ To address the growing concern of global climate change, the San Francisco Board of Supervisors passed the Greenhouse Gas Emissions Reduction Resolution (Resolution Number 158-02), establishing a goal of reducing greenhouse gas (GHG) emissions to 20 percent below 1990 levels by the year 2012. Six years later, San Francisco adopted the 2008 GHG Reduction Ordinance which amended the San Francisco Environment Code and established city-wide GHG emission targets. The current reduction goal is 80 percent below 1990 levels by 2050.⁷

Additionally, San Francisco attracts businesses from a wide range of industries. The most common industries are the *service providing* industries such as *professional, scientific & technical services* and *trade, transportation & utilities*.⁸ The *professional & business services* sector is the fastest growing individual sector in San Francisco.⁹

1.1 SAN FRANCISCO COMMUTER BENEFITS ORDINANCE BACKGROUND

To reduce the number of commuters driving alone to San Francisco and the greenhouse gas emissions from the transportation sector, former Supervisor Mirkarimi introduced the Commuter Benefits Ordinance as an amendment to the San Francisco Environment Code, Section 4.¹⁰ The Ordinance furthers San Francisco's Transit First Policy by requiring San Francisco employers to offer commuter benefits to eligible employees.¹¹

¹ U.S. Census Bureau, "Commuter Adjusted Daytime Population: 2006-2010 5-year ACS," December 29, 2016.

http://www.census.gov/hhes/commuting/data/acs2006_2010.html

² U.S. Census Bureau, "Census Bureau Reports 265,000 Workers Commute into San Francisco County, Calif., Each Day," December 29, 2016. <http://www.census.gov/newsroom/press-releases/2013/cb13-r22.html>

³ Ibid.

⁴ Ibid.

⁵ Ibid.

⁶ Bay Area Air Quality Management District, "Source Inventory of Bay Area Greenhouse Gas Emissions," February 2010.

http://www.baaqmd.gov/~/media/Files/Planning%20and%20Research/Emission%20Inventory/regionalinventory2007_2_10.ashx

⁷ City and County of San Francisco, "Greenhouse Gas Reduction Strategy," November 2010.

⁸ State of California Employment Development Department, "Labor Market Information for San Francisco," December 12, 2016.

<http://www.calmis.ca.gov/htmlfile/county/sanfran.htm>

⁹ Ibid.

¹⁰ City of San Francisco, "San Francisco Environment Code Chapter 4: Healthy Air and Clean Transportation Program," March 13, 2013.

[http://www.amlegal.com/nxt/gateway.dll/California/environment/environmentcode?f=templates\\$fn=default.htm\\$3.0\\$vid=amlegal:sanfrancisco_ca\\$sync=1](http://www.amlegal.com/nxt/gateway.dll/California/environment/environmentcode?f=templates$fn=default.htm$3.0$vid=amlegal:sanfrancisco_ca$sync=1)

¹¹ City of San Francisco, "Transit First Policy," June 29, 2012.

[http://www.amlegal.com/nxt/gateway.dll/California/charter_sf/articleviiiathemunicipaltransportationag?f=templates\\$fn=altmain-nf.htm\\$3.0?f=templates\\$fn=altmain-nf.htm\\$3.0#ID_8A.115](http://www.amlegal.com/nxt/gateway.dll/California/charter_sf/articleviiiathemunicipaltransportationag?f=templates$fn=altmain-nf.htm$3.0?f=templates$fn=altmain-nf.htm$3.0#ID_8A.115)

The mandate passed with support from the San Francisco business community, including the Chamber of Commerce and the Building Owners and Managers Association of San Francisco (BOMA).¹² The SF Board of Supervisors passed the San Francisco Commuter Benefits Ordinance on the first reading with 11 votes and zero dissents on August 8, 2008. The Ordinance became effective on January 19, 2009.

1.2 ORDINANCE REQUIREMENTS

Businesses subject to the Commuter Benefits Ordinance must have a location in San Francisco, 20 or more employees nationwide, and a San Francisco business registration certificate number. Employers must offer commuter benefits to employees who perform an average of at least ten hours of work per week for compensation in San Francisco for the same employer within the previous calendar month.

The Commuter Benefits Ordinance requires covered employers to provide at least one of the following transportation benefit programs to covered employees:

- **Employee-Paid Pre-Tax Deduction:** Employees have the option to set aside pre-tax funds from their paycheck each month for transit, vanpool, or parking expenses. The IRS Code defines the pre-tax limits in Section 132 (f). The parking deduction is separate from the transit deduction, and the parking deduction is not required under the Ordinance.
- **Employer-Paid Transportation Subsidy:** This benefit allows employers to subsidize employee transit or vanpool costs. Subsidies are typically provided to employees in the form of a transit card or voucher. The monthly subsidy for transportation expenses must be equivalent to the price of the San Francisco MUNI Fast Pass 'A', currently \$91 per month, and may not exceed the current IRS pre-tax spending limits. Employers may also choose to provide a bicycle benefit of up to \$20 per month for employees. Per IRS regulations, employees cannot claim both the transit and bicycle subsidy in the same month, and the bicycle subsidy is not required under the Ordinance.
- **Employer-Provided Transportation:** Employers may provide a transportation service using a dedicated bus or van, or paying into a shared bus service, between employee residential areas or transit stations and their office location.

Companies may qualify for an exemption to the Ordinance if they meet certain criteria. Businesses with fewer than 20 employees nationwide are not required to comply and local, state, and federal government agencies are also exempt. Other exemptions are provided on a case by case basis for companies with employees who solely telecommute, have contract work in San Francisco less than six months in duration, or drive specialty vehicles to project sites.

1.3 BENEFITS FOR EMPLOYERS AND COMMUTERS

Commuter benefits programs provide financial savings for both employees and businesses. Employees who deduct pre-tax funds from their paychecks reduce their taxable income. As a result, business payroll taxes also decrease - up to nine percent per participating employee. Companies who choose to provide a transportation subsidy also

¹² Association of Bay Area Governments (ABAG), "Model Ordinance – Commuter Benefits," March 13, 2013. http://www.abag.ca.gov/abag/events/agendas/1111909a-ABAG_Model_Ordinance-Commuter_Benefits.pdf

do not pay payroll taxes and employees do not pay federal or payroll taxes on the benefit amount, up to the current IRS pre-tax deduction limit.

Businesses not only experience tax savings with each employee participating in commuter benefits, but they also can see gains in employee recruitment, retention, and corporate citizenship. Employees participating in a commuter benefits program save money, and often experience decreased stress, enhanced work productivity, and improved health resulting from using more sustainable commute modes.

Commuter Benefits through the Years

- **2009-2011:** Pre-tax deduction limits for transit/vanpool and parking are equal at \$230/month.
- **2012:** Without an extension to the parity provision, deductions for transit or vanpool dropped to \$125/month.¹ Parking increased with inflation to \$240/month.
- **2013:** The American Taxpayer Relief Act of 2012 became effective on January 1, 2013. Parity effective through December 31, 2013, and retroactive to January 1, 2012. Commuters can deduct up to \$245/month for transit or vanpool expenses and up to an additional \$245/month for parking expenses.
- **2014:** The American Taxpayer Relief Act of 2012 expired and the parity between transit/vanpool and parking benefit levels was lost. New deduction limit reverted to \$130/month for transit or vanpool and \$250/month for parking expenses.
- **2014:** The Bay Area Commuter Benefits Program became effective on September 30, 2014. This program affects employers with 50 or more full-time employees in the Bay Area, with similar benefit programs to the San Francisco counterpart.
- **2015:** The IRS pre-tax limit increases to \$255/month for transit or vanpool expenses.

¹Pre-tax funds can be used to purchase transit tickets and passes, load Clipper Cards and pay for vanpool expenses.

²Pre-tax deductions for commuters who bike are not yet included and can be provided only as a subsidy capped at \$20/month.

1.4 BAY AREA COMMUTER BENEFITS PROGRAM

The Metropolitan Transportation Commission and the Bay Area Air Quality Management District jointly developed the Bay Area Commuter Benefits Program in 2014, requiring companies with 50 or more full-time, non-field employees in the nine-county Bay Area to provide a program to their employees.¹³

The program offers four options to these employers:

- **Option 1:** Allow employees to exclude their transit or vanpool costs from taxable income, up to the maximum amount as allowed by federal law (currently \$255 per month).

¹³ The Bay Area Commuter Benefits Program covers the nine Bay Area counties, including all of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, and Santa Clara counties, as well as the western portion of Solano County (including Fairfield and points west) and the southern portion of Sonoma County (including Windsor and points south).

- **Option 2:** Provide a subsidy to reduce or cover employees' monthly transit or vanpool costs.
- **Option 3:** Provide a free or low-cost transit service for employees, such as a bus, shuttle, or vanpool service.
- **Option 4:** An alternative commuter benefit that is as effective in reducing single-occupancy commute trips as Options 1, 2 or 3.¹⁴

This program is in effect for over 4,150 businesses in the Bay Area, including over 1,500 organizations in San Francisco. Many of these companies were previously in compliance with the San Francisco program, but now register with the Bay Area program, leading to a decrease in this reporting cycle in the number of businesses participating under the San Francisco program. Over 105,000 San Francisco employees are enrolled in a commuter benefits program because of either the Bay Area program or the San Francisco Commuter Benefits Ordinance.

¹⁴ 511 Bay Area Commuter Benefits Program. <https://511.org/employers/commuter/program>

2. ADMINISTRATION OF THE COMMUTER BENEFITS ORDINANCE

The San Francisco Department of the Environment's CommuteSmart program staff administer and enforce the Commuter Benefits Ordinance. The oversight of this program involves compliance activities and on-going program management, monitoring and support.

CommuteSmart offers free one-on-one consultations and assistance with program rules, compliance, and implementation. Staff will also investigate anonymous notifications of noncompliant businesses.

2.1 COMPLIANCE PROCESS

As part of the Ordinance, the CommuteSmart team manages the compliance reporting cycle. This cycle includes developing the compliance reporting form, conducting outreach about the Ordinance, communicating program updates, sending notifications to employers to complete the process, assisting employers with completing the form, reviewing the form submissions, and sending warnings and citations to noncompliant companies.

2016 Notice of Warning

In August 2016, CommuteSmart mailed warning notices to employers that were potentially non-compliant with the Ordinance. The mailing included a letter informing employers of the Ordinance, a Notice of Warning form to return, and a Commuter Benefits Ordinance factsheet (Appendices A-C). A list of 3,738 employers with San Francisco business registration certificate numbers and 20 or more employees nationwide was created using data from the Office of the Treasurer and Tax Collector, the Bay Area Commuter Benefits Program, and San Francisco Commuter Benefits Ordinance online compliance forms. Employers who previously indicated compliance with the San Francisco Commuter Benefits Ordinance or the Bay Area Commuter Benefits Program were excluded from the distribution list. The mailer was sent to these employers giving them 90 days to respond by submitting the Notice of Warning form.

Online Compliance Form

Prior to 2013, employers were asked to report annually regarding their compliance with the Ordinance. However, starting in 2014, businesses were not asked to report yearly, but instead to simply submit the form a single time. During the 2016 compliance reporting cycle employers who received the mailer were asked, in addition to returning the Notice of Warning form, to complete the online compliance form to provide CommuteSmart with the details of their commuter benefits programs by November 15, 2016. A copy of the 2016 compliance reporting form is included in Appendix D. The compliance form allows employers to indicate if their business is required to comply or is exempt, type(s) of commuter benefit programs offered, number of eligible employees working in San Francisco, and number of participating employees in the program. Data for each question on the form are available in Appendix E.

2.2 OUTREACH AND COMMUNICATIONS

In order to help businesses comply with the Ordinance by implementing a commuter benefits program, CommuteSmart provides the following services and resources.

Employer Consultations

CommuteSmart offers support services, the most popular being one-on-one employer consultations. Program specialists help employers determine the type of commuter benefit program to establish and the necessary steps to implement the program. Over 150 consultations were provided during the 2015-16 fiscal year. The majority of consultations were provided over the phone, but some took place in-person.

Website Resources

Resources on the CommuteSmart website include an Employer Guide, employee interest survey, vendor list, flyers to promote the program, enrollment forms, and a Frequently Asked Questions page. Employers may access this information at the following webpage: www.sfenvironment.org/commuterbenefits.

1. Employer Guide

The CommuteSmart team offers a comprehensive Employer Guide which provides a general overview of the Ordinance and specifics about the potential tax savings and other benefits for each program option. In addition, the guide features step-by-step instructions to help the company determine the best commuter benefit option for them, suggestions for which staff and departments to involve in implementing a program, and the processes for registering and communicating with employees once the program is in place. The Employer Guide is available on the Department of the Environment's website as a PDF.

2. Employee Interest Survey

The employee interest survey assesses employee commute patterns to help identify which benefit program would be most effective. This survey, when given to employees by an employer, can assess which commuter benefits program (e.g. subsidy), products (e.g. transit card), and vendor(s) are most applicable given employees' commuting behaviors. This survey is available in English, Spanish, and Chinese.

3. Vendor List

The San Francisco Commuter Benefits Ordinance does not require companies to work with a commuter benefits vendor, but CommuteSmart highly recommends it to ensure companies' programs are compliant with IRS regulations. The vendor list, compiled by the CommuteSmart team, provides contact information and the services offered by each vendor.

4. Promotional Materials

CommuteSmart created customizable marketing materials to help employers promote the program to their employees. These materials include sample posters with enrollment instructions, paycheck inserts with program information, and sample emails to communicate with company staff about the program. These materials are included in the Employer Guide and are also available as customizable Microsoft Word documents on the Department's website. A copy of these materials is included in Appendix F. These documents are available in English, Spanish, and Chinese.

5. Employee Enrollment

The website contains an Employee Enrollment form, easily customizable for each employer, that can be given to employees to begin receiving commuter benefits. The sheet is a simple way to administer the program and obtain all necessary information from employees. This can be found in Appendix G and is available in English, Spanish, and Chinese. If an employee does not want commuter benefits, they may fill out the Employee Voluntary Waiver form to alert their employer that they do not wish to participate at this time, but they know that they can at a later date (Appendix H).

Social Media Outreach

In previous years, Twitter and Facebook campaigns were used to increase visibility of the Ordinance. However, the 2013 Commuter Benefits Survey revealed that these methods were not entirely successful, as less than 5% of companies reported that they learned about the Ordinance through social media, a very small increase from the 2012 reporting cycle. Thus, these social media campaigns were halted as they were deemed ineffective.

Roughly 80 percent of businesses heard about the Ordinance through e-mail or postal mail.

Figure 1 compares the various notification methods used to promote the Commuter Benefits Ordinance from 2013 to 2016. During this timeframe, about half of the organizations that submitted a compliance form reported hearing about the Ordinance and the reporting process through a mailer from the Department of the Environment.

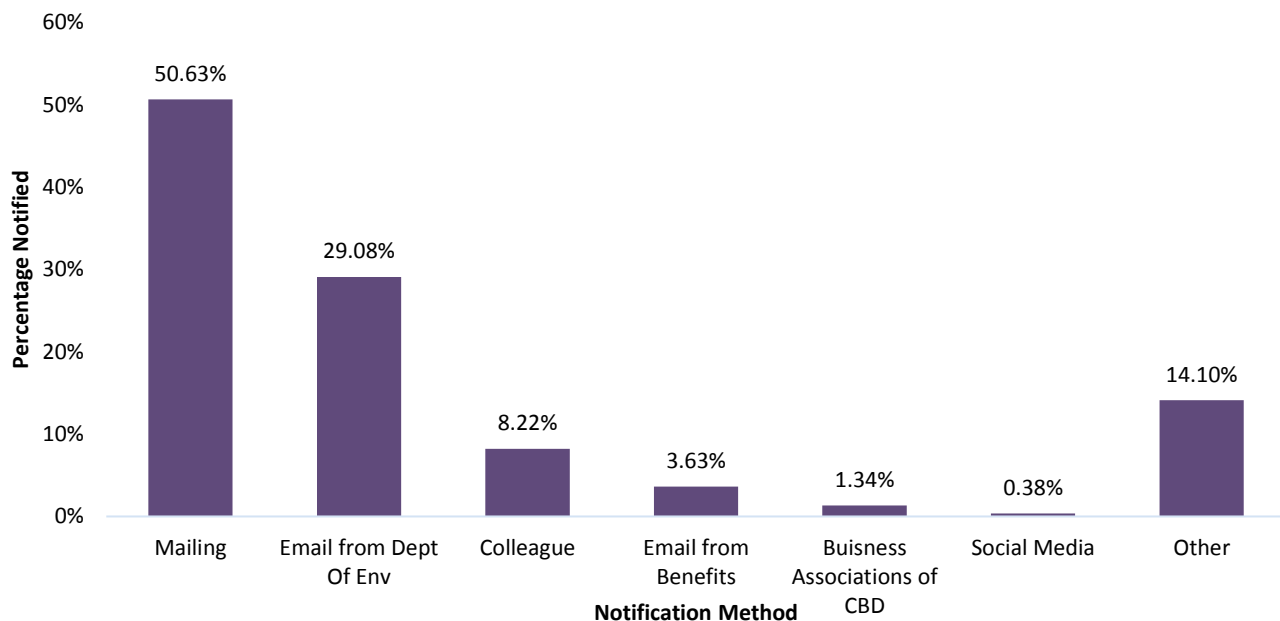


Figure 1. Notification Methods

n = 3,198

2.3 COMPLIANCE TRENDS

Compliance Reporting Form

In order to report compliance with the Commuter Benefits Ordinance, employers are asked to complete a reporting form informing CommuteSmart of their benefit status. The form may be completed online and can be accessed on the Department's website or through a vanity URL: www.sfenvironment.org/CBOCompliance. This direct-link URL helps employers access the form quicker than navigating the entire Department website and simplifies the amount of text on communications.

Since implementation in 2009, the number of compliance forms received steadily increased through 2011, as seen in Figure 2. The number decreased slightly in 2012 and rose again in 2013 with new outreach methods. In 2014-2016, the number decreased significantly. This is due to the new Bay Area program, which has registered

over 1,500 San Francisco businesses. These businesses no longer report to the San Francisco Ordinance, leading to a decrease in the number of compliant businesses reporting on the CommuteSmart website.

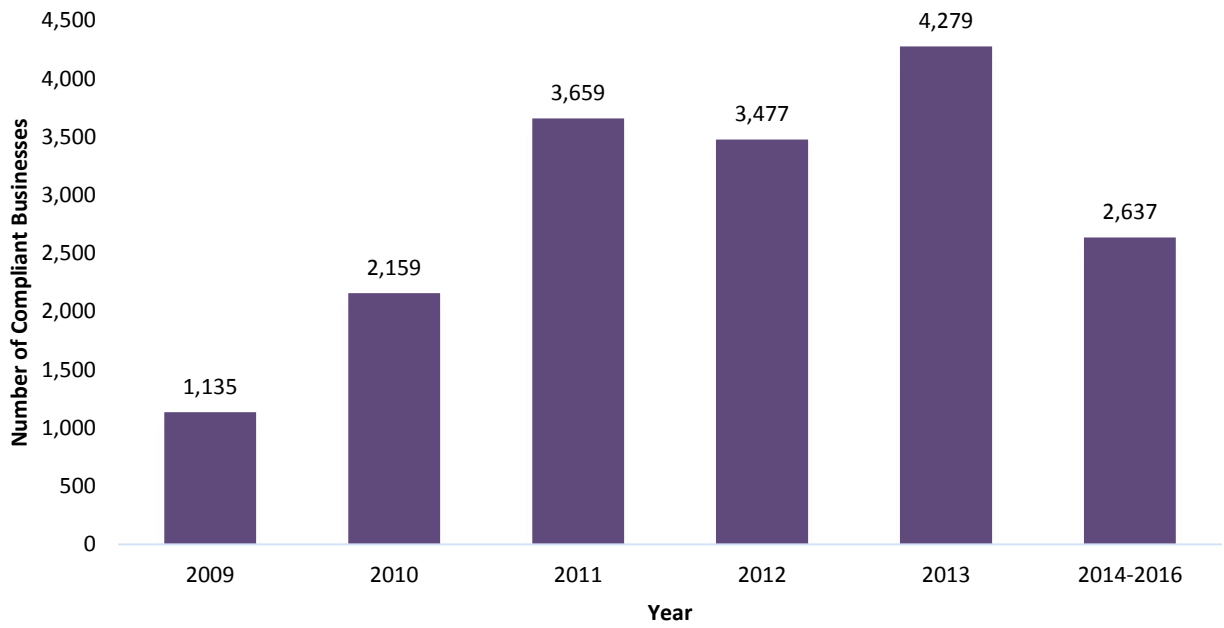


Figure 2. Compliance Forms Filed by Year

3. COMMUTER BENEFITS COMPLIANCE REPORTING RESULTS

3.1 ROLE OF THE ORDINANCE IN STARTING BENEFITS PROGRAMS

From 2013 to 2016 more than 3,500 companies filed a compliance form, and their reporting data has been summarized in the following sections. Not every company which filed a form answered each question, resulting in less than 3,500 responses for many questions.

Although the Commuter Benefits Ordinance was passed in 2009, some companies had already offered commuter benefits before the policy was introduced. More than 900 businesses, or 36 percent, reported starting a commuter benefits program because of the Ordinance while the remainder offered a program independent of the requirement.

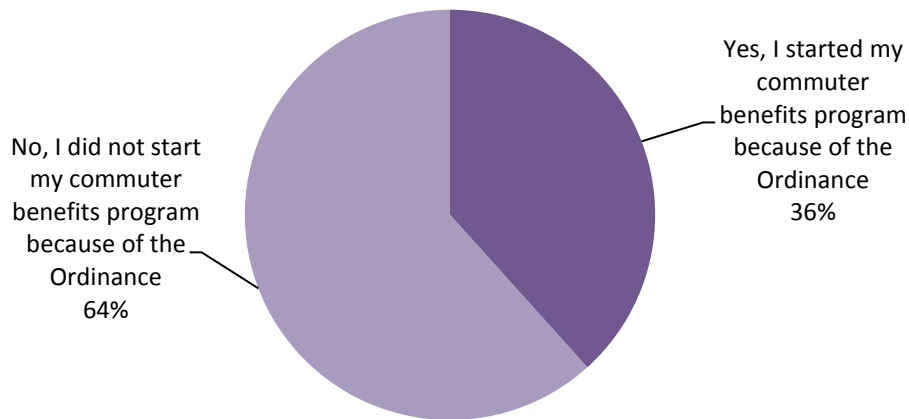


Figure 3. Programs Initiated due to Ordinance

n = 2,628

Approximately one-third of the companies that started a commuter benefits program *because of the Ordinance* decided to offer the program to employees nationwide. That portion is much smaller than the greater than 1,700 companies (~65% of *all companies* with programs) that reported offering benefits nationwide (Figure 4). This indicates the likelihood that many companies are offering benefits to only their San Francisco employees for the sole purpose of complying with the Ordinance. In both cases the term 'nationwide' also includes employers that *only* have a location in San Francisco.

While not all employers offer commuter benefits to employees nationwide, the percentage of all companies with programs that offer benefits to employees nationwide has steadily increased since the beginning of the Ordinance. This shows that the Ordinance is having an impact beyond San Francisco.

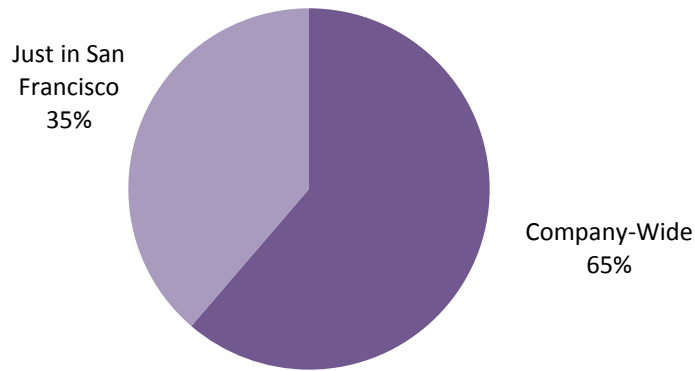


Figure 4. National Extent of Commuter Benefits Programs (All Employers)

n =2,686

3.2 SIZES OF PARTICIPATING BUSINESSES

Companies are asked to report the number of employees nationwide in their company (Figure 5). Nationwide employee count is essential in determining compliance and helps to identify the range of company sizes with a local presence in San Francisco. Since the implementation of the Bay Area Program, the landscape of the San Francisco Program has changed. Many of the businesses with 50 or more employees have registered with the Bay Area Program, to cover their employees outside of the city. This has led to a higher percentage of the businesses covered to be smaller in size (1-49 employees), therefore causing the overall participation under the San Francisco Commuter Benefits Ordinance to decrease. It should be noted however, that there are still many large businesses covered under the Ordinance, such as 286 companies with 1,000 – 4,999 employees. These companies have less than 50 employees in the nine-county San Francisco Bay Area, but they have hundreds or thousands of employees in other counties or states.

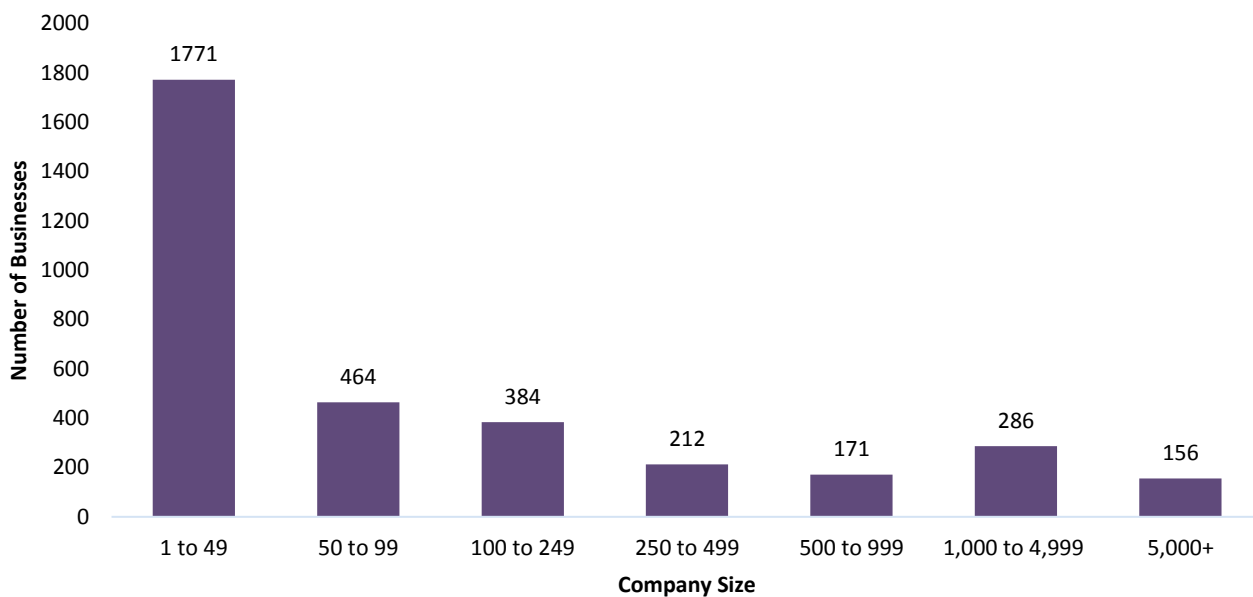


Figure 5. Size of Participating Businesses

n =3,444

3.3 ESTIMATED EMISSIONS REDUCTION

San Francisco has adopted several policies aiming to achieve an 80 percent greenhouse gas (GHG) emissions reduction below 1990 levels by 2050. One of the policies to help achieve this goal is the Commuter Benefits Ordinance, which helps reduce air pollution from single occupancy vehicles.

Employers reported over 33,000 employees using commuter benefits (Table 1). This number of employees with an average commute distance of 16 miles one-way equals a reduction of over one million vehicle miles traveled (VMT) per day. This assumes all participants in a commuter benefits program were driving alone and are now taking transit, vanpool, or a company shuttle instead.¹⁵

Taking the average fuel efficiency for passenger vehicles at 23.5 miles per gallon (MPG),¹⁶ the average gallons of gas saved per day is about 44,940. This figure can then be applied to determine the amount of CO₂ emissions those gallons of gas would have produced, the result of which can be used as a proxy for the CO₂ emissions reduction due to the Ordinance. These calculations estimate a reduction of 399 metric tons of CO₂ per standard commute day. Assuming an average of 261 commute days per year,¹⁷ this translates into an overall estimated reduction of about 104,000 metric tons of CO₂ for this past year. The Ordinance has contributed to a substantial reduction of CO₂ emissions since 2011 and continues to help San Francisco to reach its overall emissions reduction goals.

San Francisco commuters participating in commuter benefits reduced CO₂ emissions by an estimated 104,000 metric tons in 2016.

Table 1. Emissions Reduction Calculations

Number of Benefit Program Participants:	33,003
Average Commute Distance:	16 mi. one-way
Average Daily VMT Reduction:	1,056,096 miles (round-trip)
Average Gallons of Gas Saved:	44,940
Total Daily Reduction in CO₂:	399 metric tons
Total Annual Reduction in CO₂:	104,239 metric tons

3.4 BENEFITS OFFERED

Companies required to comply with the Ordinance have the option of offering a pre-tax employee deduction, employer-paid subsidy or employer-provided transportation service to employees who are required to be covered under the Ordinance. Alternatively, employers may choose to provide a combination of the above programs.

¹⁵ Based on average 16 mile one-way commute (from MTC's Commute Profile).

¹⁶ U.S. Department of Transportation Federal Highway Administration, "Highway Statistics 2012." Available online at: <http://www.fhwa.dot.gov/policyinformation/statistics/2014/>. Accessed on December, 2016.

¹⁷ U.S. Office of Personnel Management, "Fact Sheet: Computing Hourly Rates of Pay Using the 2,087-Hour Divisor." Available online at: <https://www.opm.gov/policy-data-oversight/pay-leave/pay-administration/fact-sheets/computing-hourly-rates-of-pay-using-the-2087-hour-divisor/>. Accessed on February 20, 2014.

Figure 7 shows the distribution of commuter benefits programs offered by employers. The most popular program is the pre-tax transit or vanpool deduction (~75% of employers). This option is like other pre-tax programs which may already be offered (including flexible spending accounts) and requires the least expense from companies.

75 percent of San Francisco businesses offer a pre-tax deduction program for employees.

The second most common benefit provided is the employer-paid subsidy for transit or vanpool (~18% of employers). Although both employers and employees save tax dollars on this benefit, under the Ordinance employers must pay a minimum of \$91 per month for each participating employee, unless the program is offered in combination with an employee pre-tax deduction. This \$91 is the current price of the *Muni + BART within San Francisco* monthly pass.¹⁸ The subsidy must adhere to IRS guidelines; however, employers have expressed a desire to reimburse employees for travel costs, which is generally prohibited under IRS regulations. Therefore, CommuteSmart advises employers to work with their tax professionals, accounting staff, and a commuter benefits vendor to ensure their programs are administered in a manner that complies with the IRS Code.

The pre-tax deduction and employer-paid subsidy combination program is another common program employers offer. This combination program allows employers to offer a subsidy in any amount, plus employees can deduct from their paychecks up to the pre-tax maximum. For example, if an employer offered a \$20/month subsidy, an employee could then deduct up to \$235/month from his or her paycheck equaling the \$255/month IRS pre-tax maximum.

About one and one-half percent of businesses, or about 35 companies, offered a program which includes the employer-provided transportation shuttle. The shuttle service is cost-effective for large companies with employees living in the same general vicinity. Some companies have shared a shuttle service with each other to split the cost of transporting employees to their workplaces. CommuteSmart assists businesses by generating residential density maps that display employees' residential zip codes to facilitate route-planning.

¹⁸ San Francisco Municipal Transportation Agency, "Monthly Passes," January 23, 2017. <https://www.sfmta.com/getting-around/transit/fares-passes/monthly-passes>

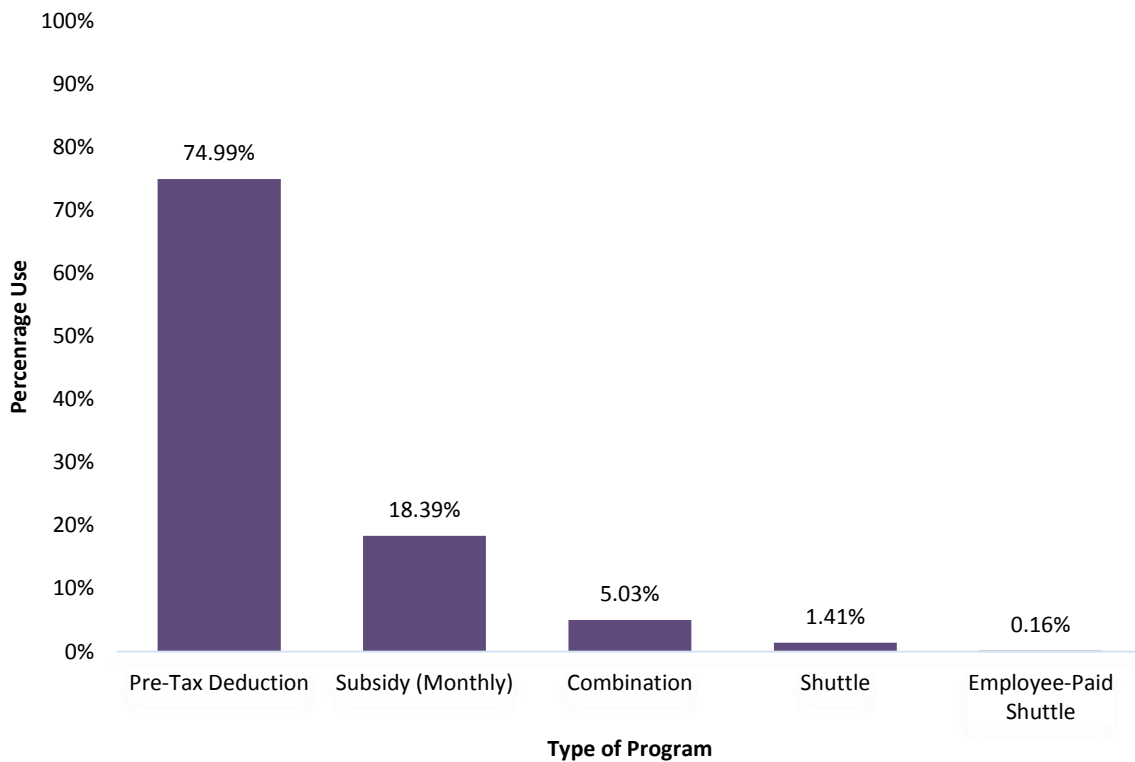


Figure 7. Commuter Benefit Programs Offered

n = 3,039

3.5 VENDOR ADMINISTRATION FOR BENEFITS PROGRAMS

Vendors assist with administering commuter benefits programs, including making deductions, distributing fare media, and providing customer service to participants. Vendors typically charge \$5 or less per participant per month, depending on services provided and the number of employees participating.

Many vendors offer a variety of programs based on the level of time or financial commitment employers are willing to make, delivering options which range from very low-cost programs with active employer management to more comprehensive programs with minimal employer involvement. Vendors may have various set-up and administrative fees, in addition to the aforementioned participant fees, based on the level of services provided to employers.

In completing the compliance form, businesses were asked if they were using a vendor to administer the program. The responses, tabulated in Figure 8, show that 70% of businesses use a vendor, up from 60% in 2013.

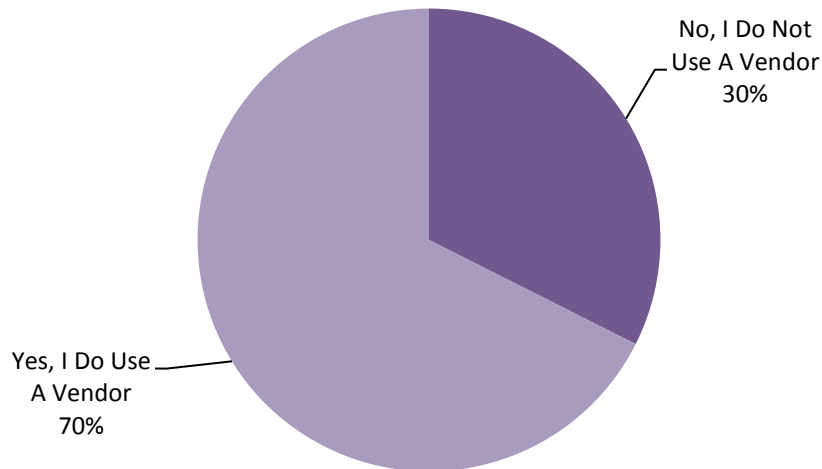


Figure 8. Vendor Contracting

n = 2,632

For small companies, administering the program internally can be a good option to keep costs at a minimum, but as previously mentioned CommuteSmart highly recommends working with a vendor even to small companies to facilitate compliance with the IRS Code. Administration of the program includes taking orders from employees, setting up deductions (in the case of pre-tax programs) and answering employee questions.

A vendor can perform these activities, especially for larger companies. However, as Figure 9 shows, over 65% of small companies indicated using a vendor to administer their benefit program. This chart displays the percentages of companies that used vendors to implement their programs by employee count.

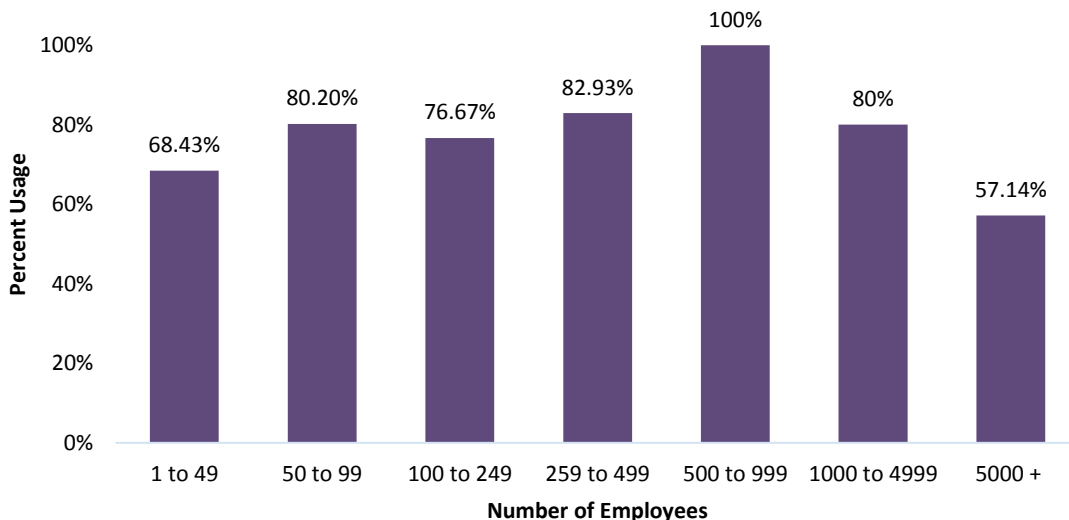


Figure 9. Use of Vendors by Company Size

n = 2,637

4. CONCLUSION

Commuter benefits help to reduce single-occupancy vehicle car trips because they provide a financial incentive to employees to use alternative forms of transit. The forms of transit covered under the IRS Code include trains, buses, ferries, and vanpools, which all have high passenger capacities. The reduction of personal vehicle car trips in favor of public transit can help reduce greenhouse gas emissions and traffic congestion.

Analysis of the Commuter Benefits Ordinance for the 2015-2016 fiscal year identified multiple positive conclusions – that the Ordinance:

1. **Supports clean transportation choices for employees.** Almost two-thirds of employers indicated their commuter benefits program is offered company-wide. Additionally, 32 percent of smaller, and therefore exempt, businesses offer a commuter benefits program. The San Francisco Commuter Benefits Ordinance and CommuteSmart's program offerings help extend commuter benefits to employees in San Francisco and nationwide, and provide a framework for exempt companies who still wish to have a commuter benefits program.
2. **Is effective in reducing greenhouse gas emissions.** About 104,000 metric tons of CO₂ emissions are estimated to be curtailed annually due to commuter benefits programs at companies reporting to CommuteSmart. These results contribute substantially to meeting program goals as well as the City's larger greenhouse gas reduction goals.

4.1 AREAS FOR FUTURE IMPROVEMENT

Although the Ordinance has demonstrated substantial positive results in the seven years it has been in effect, there are aspects of the program which could be improved:

1. **Promote program visibility.** Many of the businesses which were contacted did not know about the Ordinance. Enhancing visibility to employers is essential to increase the number of employees offered commuter benefits, resulting in further reductions in the amount of greenhouse gases released into our atmosphere.
2. **Help businesses to increase employee participation.** All eligible businesses have been contacted and notified of the ordinance and their need to comply. However, having businesses enrolled in the program does little without employee participation. Working with businesses to increase their employee participation will allow the program to have a larger effect on reducing greenhouse gas emissions. Right now, only 12 employees per enrolled business participate in the program. The goal for this number should be between 15-20 to help reduce greenhouse gas emissions further.
3. **Highlight successful commuter benefits programs.** Many businesses do an excellent job educating employees and growing participation in their programs. An opportunity exists to highlight their best practices so other employers can learn how to improve their programs. These outreach efforts could include gatherings such as webinars, mini-"conferences" with breakout sessions, or presentations at business association meetings.

4. **Translate Employer Guide to Spanish and Chinese.** The Employer Guide is a useful handbook with detailed information on each of the three commuter benefits options and how to implement each program. Unlike many materials on the CommuteSmart website, the Employer Guide is currently available only in English, which potentially makes it more difficult for certain businesses to understand the procedures needed to implement a program and comply with the Ordinance. The CommuteSmart team will work with on-site translators to create an Employer Guide in additional languages to cater to the diversity of languages used in the City.

APPENDIX A – INFORMATIONAL LETTER



San Francisco Department of the Environment
1455 Market Street, Suite 1200
San Francisco, CA 94103
SFEnvironment.org

Edwin M. Lee
Mayor
Deborah O. Raphael
Director

Date: August 15, 2016

RE: Commuter Benefits Ordinance

Dear Business Owner,

I am contacting you because our records indicate your business is not currently in compliance with the San Francisco Commuter Benefits Ordinance, a City law that helps employees commute in ways other than driving alone.

The Ordinance requires San Francisco businesses covered by the law to make available to employees a commuter benefit program. Our records indicate that your business falls within this category.

Please refer to the fact sheet included in this mailer to learn more about commuter benefits and how to comply with this City law.

Please note: If you have 50 or more employees located in the Bay Area, you need to register with the Bay Area Commuter Benefits Program at CommuterBenefits.511.org, and do not need to submit a compliance form to the City of San Francisco's Department of the Environment.

Regardless of the program your business falls under, please complete the enclosed Notice of Warning to inform us of your status so that we can remove your name from this warning list.

If you need help setting up and offering a commuter benefits program, contact our CommuteSmart team for a free personalized consultation (see contact info below). You can also visit SFEnvironment.org/CommuterBenefits to get started.

CORRECTIVE ACTION REQUIRED: Return the enclosed Notice of Warning in order to confirm your status and avoid a fine.

Thank you for your attention to this matter,

Deborah O. Raphael
Director, San Francisco Department of the Environment
City & County of San Francisco

Tenemos la información de esta comunicación disponible en español y podemos enviarles los materiales adjuntos traducidos. Por favor llame al (888) 214-8693.

我們的郵件資訊有粵語版本，可給您傳送翻譯版的隨附資料。請呼叫 (888) 214-8693。Maaaring

Maaaring makuha ang impormasyon sa sulat na ito sa Filipino (Tagalog) at ang kalakip na material ay maaari naming ipadala sa iyo sa na nakasalin sa wikang iyon. Mangyaring tumawag sa (888) 214-8693.

Contact information

Phone: (415) 355-3727 | Email: commutesmart@sfgov.org | Web: SFEnvironment.org/CommuterBenefits
Printed on 100% postconsumer recycled paper.

WARNING

APPENDIX B – SAMPLE WARNING LETTER



NOTICE OF WARNING

Commuter Benefits Ordinance 0199-08
SF Environment Code Section 421, Rule No. SFE-09-01-CBO

Date of Issuance:	August 15, 2016
Business:	<<Employer>>
Business Certificate Number:	<<BCN>>
Designated Representative:	<<First>> <<Last>>
Business Address:	<<Street Address>>, <<City>> <<State>> <<ZIP>>
Reason for Warning:	Employer has not provided documentation for offering required benefit
Corrective Action Required:	<ol style="list-style-type: none">1. Check one of the boxes below, sign, and return this warning letter to the Department of the Environment within 90 days (contact information in footer)2. Based on the direction provided to you by Department staff, you may be asked to implement the required commuter benefits program within 90 days of the date of this warning. If the program is not implemented within 90 days, the business will receive a citation and fine.

For instructions about the requirements, visit www.SFEnvironment.org/CommuterBenefits

Check all that apply:

- The business is in the process of becoming compliant with Section 427 by **November 15, 2016** and will submit the San Francisco Commuter Benefits Ordinance Reporting form online at SFEnvironment.org/CBOcompliance. I request an audit for verification.
- The business is now (or has been) in compliance with SF Environment Code 427 and has filled out the [San Francisco Commuter Benefits Compliance Reporting Form](http://SFEnvironment.org/CBOcompliance) at SFEnvironment.org/CBOcompliance.
I request an audit for verification and am offering one of the following options (please check one):
 - An employee-paid pre-tax deduction program to pay for transit or vanpool expenses
 - An employer paid monthly subsidy for transit or vanpool expenses equivalent to the value of a San Francisco MUNI Fast Pass 'A'
 - Free shuttle service on a company-funded bus or van between home and place of business
- The business has 50 or more employees across all sites in the Bay Area and is reporting to the Bay Area Commuter Benefits Program at commuterbenefits.511.org
- The business is believed to be exempt from the Commuter Benefits Ordinance for the following reason:
 - The business employs fewer than 20 people nationwide.
 - The business does not operate in and has no business location in San Francisco.

I declare under penalty of perjury under the law of the state of California that the foregoing is true and correct.
**All fields are required*

Signature

Date

Print Name

Telephone and Email

Issued by:

Deborah O. Raphael

August 15, 2016

Deborah O. Raphael, Director

Date

Please scan and return form by email (CommuteSmart@sfgov.org) or fax (415) 554-6393
By mail: 1455 Market Street, Suite 1200, San Francisco, CA 94103



The San Francisco
Department of the Environment
1455 Market Street, Suite 1200
San Francisco, CA 94103

San Francisco Commuter Benefits Ordinance

What you need to know.

The Commuter Benefits Ordinance applies to employers with 20 or more employees nationwide and any number of employees working in San Francisco. The ordinance requires that all full- and part-time San Francisco employees are offered a commuter benefit.

If you have 50 or more employees located anywhere in the Bay Area,* you need to register with the Bay Area Commuter Benefits Program at CommuterBenefits.511.org, and do not need to submit a compliance form to the City of San Francisco's Department of the Environment.

*The Bay Area Commuter Benefits Program covers the nine Bay Area counties, including all of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, and Santa Clara counties, as well as the western portion of Solano County (including Fairfield and points west) and the southern portion of Sonoma County (including Windsor and points south).

There are 3 ways to comply.

1. **Pre-tax employee-paid transportation benefits.** A monthly pre-tax deduction from employee paychecks, up to \$255/month, for transit or vanpool expenses.
2. **Employer-paid transportation benefits.** A monthly subsidy for transit or vanpool expenses equivalent to the price of the San Francisco Muni Fast Pass (including BART travel).
3. **Employer-provided transportation.** A company-funded bus or van service to and from the workplace.

What are the advantages of employee commuter benefit programs?

- Low cost or cost neutral for companies to offer compared to other employee benefits.
- Tax savings for employees and employers through reductions in FICA, Medicare, and Federal and State income taxes.
- Enhanced recruitment and retention by increasing job satisfaction and encouraging healthy and happy employees.
- Be recognized as a community leader and neighbor with LEED credits and recognition for environmental leadership by offering this and other commuting programs.
- Save on parking needs with lower employee parking demand.

CommuteSmart is here to help.

Schedule your FREE personalized consultation:
call **(415) 355-3727** or email CommuteSmart@sfgov.org

Download the free Employer Guide at:
SFEnvironment.org/commuterbenefits



Printed on 100% post-consumer recycled paper.

Ver la información en el reverso en Español
Tingnan ang likod para sa impormasyon sa Tagalog
西班牙語/粵語/菲律賓語版本的資訊請見背面

Commuter Benefits Ordinance
SFEnvironment.org/commuterbenefits
(415) 355-3727





The San Francisco
Department of the Environment
1455 Market Street, Suite 1200
San Francisco, CA 94103

San Francisco Commuter Benefits Ordinance

La Ordenanza Municipal de Beneficios para Viajeros Interurbanos requiere que las empresas de San Francisco a las que se les aplica la ordenanza pongan a disposición de los empleados cualquiera de los diferentes programas de beneficios para viajeros interurbanos. La ley se aplica a las empresas que están ubicadas en la ciudad de San Francisco y que tengan 20 o más empleados, incluyendo a todos aquellos empleados que trabajen fuera de San Francisco. Nuestros registros indican que su empresa no está dando cumplimiento actualmente a esta importante ordenanza. Tenemos la información de esta comunicación disponible en español y podemos enviarles los materiales adjuntos traducidos. Por favor llame al (888) 214-8693.

Ang Ordinansa ng San Francisco para sa Mga Kapakinabangan ng Commuter (San Francisco Commuter Benefits Ordinance) ay humihiling na ang mga negosyo sa San Francisco na nasa ilalim ng batas ay gawing opsyon para sa mga empleyado na magamit ang isa sa ilang uring mga programa para sa kapakinabangan ng commuter. Ang batas ay kumakapit sa mga negosyong matatagpuan sa Lungsod at may 20 o higit pang empleyado, lakip ang mga empleyadong maaaring magtrabaho sa labas ng San Francisco. Ipinapakita ng aming mga record na ang iyong negosyo ay kasalukuyang hindi nakakatugon sa mahalagang batas na ito ng Lungsod. Maaaring makuha ang impormasyon sa sulat na ito sa Filipino (Tagalog) at ang kalakip na material ay maaari naming ipadala sa iyo sa na nakasalin sa wikang iyon. Mangyaring tumawag sa (888) 214-8693.

《舊金山通勤者福利法令》規定所有屬法律管轄的舊金山企業必須為員工提供多種類型的通勤者福利計劃之一。該法律適用於辦公地址位於市區及擁有員工 20 人以上（包括在舊金山以外地區工作的員工）的企業。我們的記錄顯示，您的企業目前並未遵守這一重要的城市法規。我們的郵件資訊有粵語版本，可給您傳送翻譯版的隨附資料。請呼叫 (888) 214-8693

Printed on 100% post-consumer recycled paper.

Commuter Benefits Ordinance
SFEnvironment.org/commuterbenefits



APPENDIX D – 2016 COMPLIANCE FORM

SF Commuter Benefit Compliance Reporting Form

Please complete this form only if you fall under the San Francisco Commuter Benefits Ordinance.

If you have 50 or more full-time employees across all your locations in the Bay Area combined, you will need to register and report to the new [Bay Area Commuter Benefits Program](#).

Business Account Number (please submit a separate form for each BAN): *

Business Name *

Business Street Address (Headquarters): *

Address line 2

City *

State *

Zip Code *

Business Website:

Contact Name: * First Last

Contact Title: *

Contact Email: *

Contact Phone Number

Contact Phone Number Extension:

Does your company also have a San Francisco address(es)? *

Yes No

Nationwide employee count: *

San Francisco employee count

(if you have 50 or more full-time employees in the Bay Area, you must register at

<http://commuterbenefits.511.org>)*

How were you notified to fill out the Compliance Reporting Form? Please select all that apply *

- Email from the Department of the Environment
- Mailing about the Commuter Benefits and Healthcare Ordinances
- By a colleague at my organization
- Email from my benefits service provider
- Business association or Community Benefit District
- Social Media
- Other (please describe below)

Our company is *

- Currently offering a commuter benefits program
- In the process of setting up a commuter benefits program
- Needing assistance to set up a commuter benefits program
- Not offering a program
- Exempt from the San Francisco Ordinance
- Other

Do you offer any other transportation incentives to your employees? Please select all that apply. *

- Bicycle parking
- Carpool/vanpool incentives such as priority or reduced cost parking
- Carpool/rideshare matching
- Electric vehicle charging station
- Electric vehicle priority parking
- Emergency Ride Home
- Employer-paid bicycle subsidy
- Flexible work hours or telecommuting
- Free or subsidized parking
- Parking cash-out program
- Showers and/or lockers
- None
- Other

Your employees in San Francisco are eligible for the City's FREE Emergency Ride Home program.

Registration takes less than a minute. Would you like to register your organization now? *

Yes No

EMERGENCY RIDE HOME AGREEMENT

By clicking below, I agree to the Emergency Ride Home program rules and responsibilities.

On behalf of my employees, my organization would like to participate in the free San Francisco Emergency Ride Home program. I agree to abide by the policies of this program and inform our

employees of the [proper use of this service](#).

I understand that neither the San Francisco Emergency Ride Home Program nor my organization is responsible for the actual transportation service provided.

Subject to the availability of funds, my organization is allowed up to \$1,000 per fiscal year (July 1 – June 30) for full reimbursement of valid employee trips. After this limit is reached, the program will reimburse employees for 50% of the cost of each valid trip up to an additional \$1,000 maximum each fiscal year. Each employee may be reimbursed for up to four ERH trips each fiscal year.

I understand that by participating, my organization agrees to provide a contact person who will be responsible for the following:

- *Informing employees about the program
- *Informing employees on the program reimbursement rules and procedures
- *Validating ride reimbursement requests
- *Assisting with an annual program evaluation

*Rule No. SFE-09-01-CBO **

I agree


By clicking below, I agree to have my company name listed on the SFERH.org website as a participating employer.

I agree

Contact Name: * First Last

Would you like to be added to our email list to receive periodic updates on the Commuter Benefits Ordinance, transit changes, and other San Francisco transportation news? *

Yes No



Do you have any further questions about the Ordinance? Include your question(s) below and Department of the Environment staff will contact you.

Commuter Benefits Confirmation: *

By checking this box, I certify that the information on this Compliance Reporting Form is accurate and true to the best of my knowledge.

Business Recognition Program

I agree to allow SF Environment to include my business name in the CommuteSmart business recognition program on its website.

Your Name: * First Last

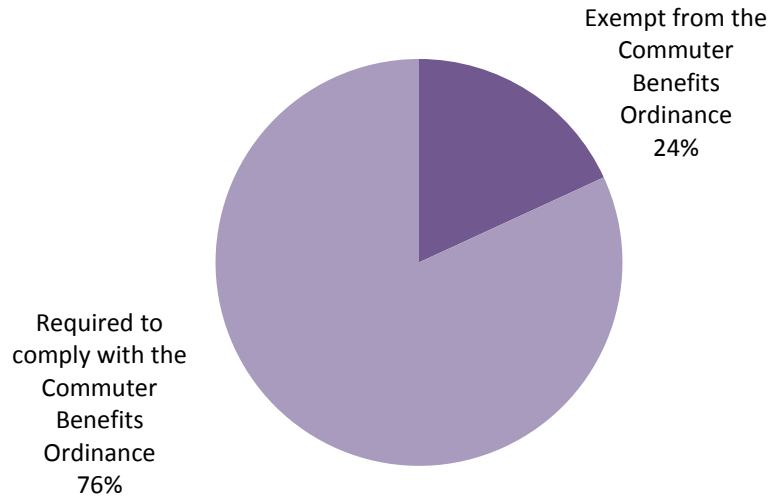
Today's Date: * MM / DD / YYYY 

APPENDIX E – COMPLIANCE FORM: RESULTS BY QUESTION

Question 1a: This business is a) Exempt from the Commuter Benefits Ordinance or b) Required to comply with the Commuter Benefits Ordinance.

n = 4,279

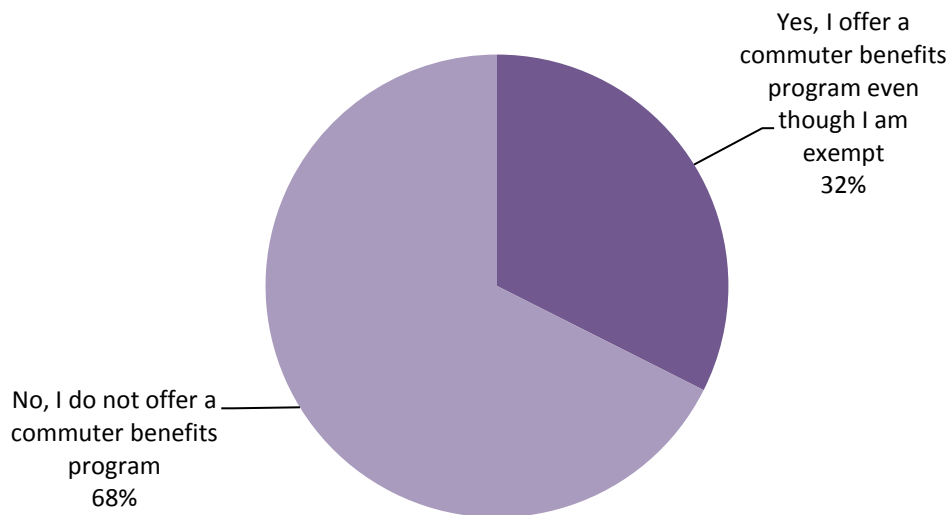
Between 2013 and 2016, more than 75 percent of businesses reporting were required to comply with the Ordinance. Many companies exempt from the Ordinance do not submit a form, thus the overall percentage of exempt businesses may be higher than reported.



Question 1c: Even though you are exempt, do you offer a commuter benefits program?

n = 774

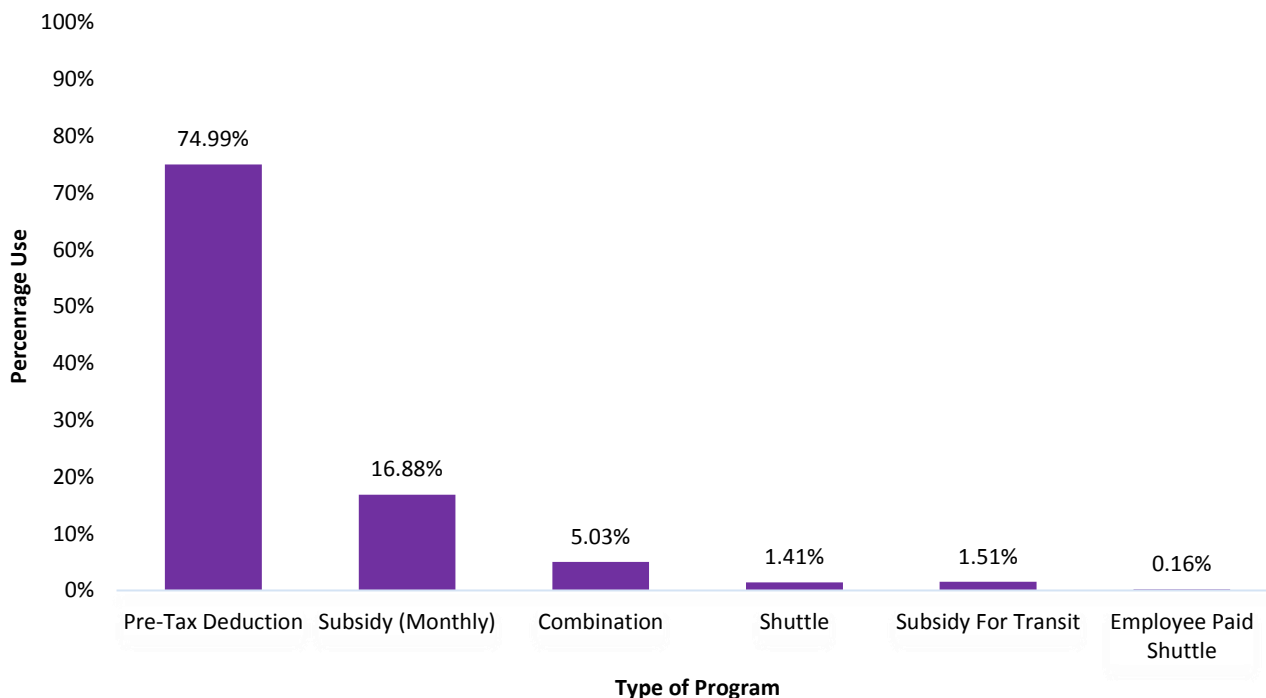
Although businesses exempt from the Ordinance are not required to provide commuter benefits to their employees, the overall goal of this law is to reduce the number of commuters driving alone to work. Almost one-third of these exempt companies offer a commuter benefits program to their employees as of 2016, showing a slight increase since 2013.



Question 2: My business offers the following benefit(s):

n = 3,039

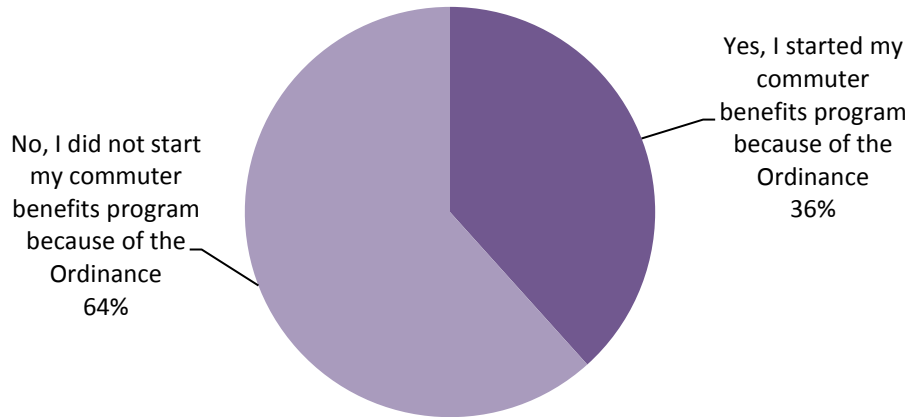
Nearly 75 percent of businesses offer the pre-tax transit/vanpool deduction benefit to employees. Employer-paid subsidies were the next most popular benefit option, with 11 percent of businesses opting for this program. About eight percent of employers opted to offer a combination of a deduction and subsidy. Through this combination program, employers can offer a subsidy amount in conjunction with the pre-tax deduction option if the total amount does not exceed the current pre-tax spending limit.



Question 3: Did you start your commuter benefits program because of the Commuter Benefits Ordinance?

n = 2,628

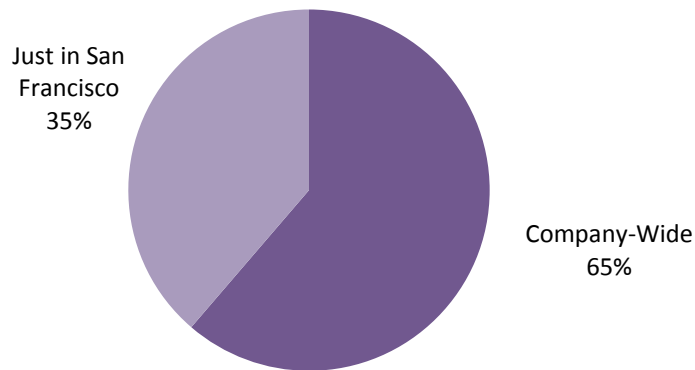
36% of businesses reported offering a commuter benefits program as a result of the Ordinance.



Question 4a: Is your commuter benefits program a) Company-wide or b) Just in San Francisco?

n = 2,686

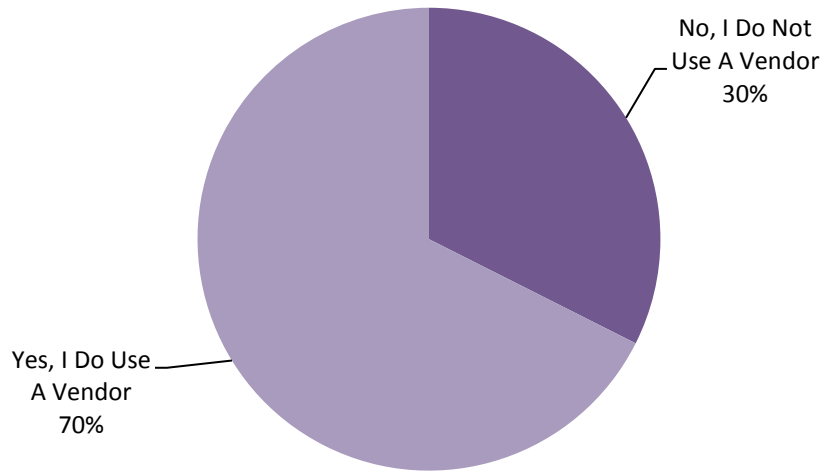
Nearly two-thirds of businesses offer commuter benefits to employees throughout their company. However, companies who indicate offering the program to employees "just in San Francisco" also include companies that only have a location in San Francisco.



Question 5a: Do you use a third-party vendor to help you administer your program?

n = 3,759

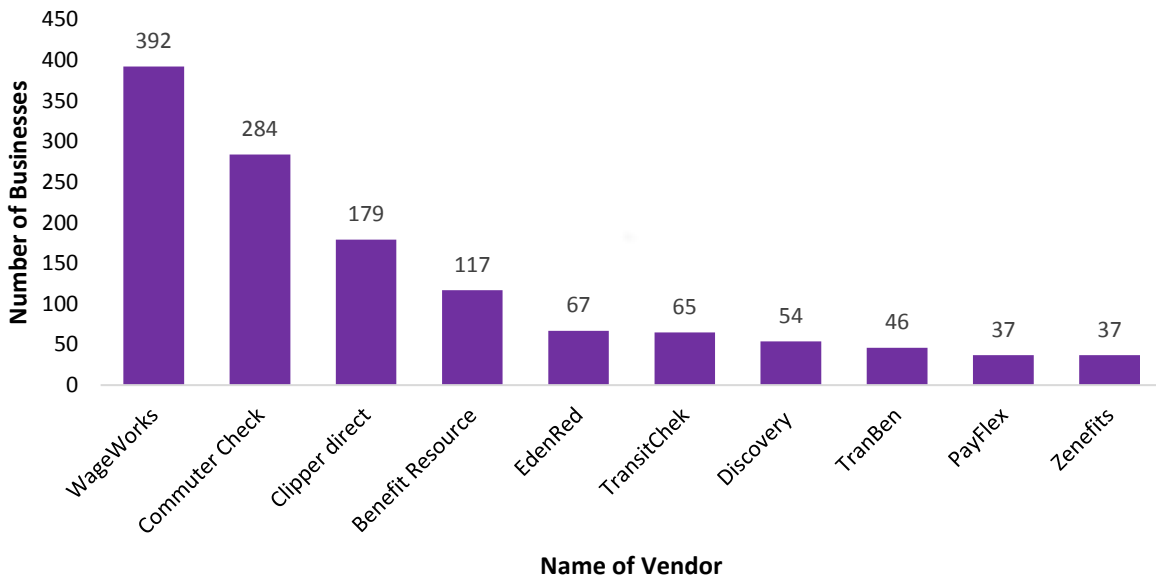
70 percent of businesses reported using a third-party vendor to offer commuter benefits to employees. Working with a vendor helps ensure that commuter benefits are offered in compliance with IRS regulations.



Question 5b: If yes, what is the name of the vendor?

n = 1,278

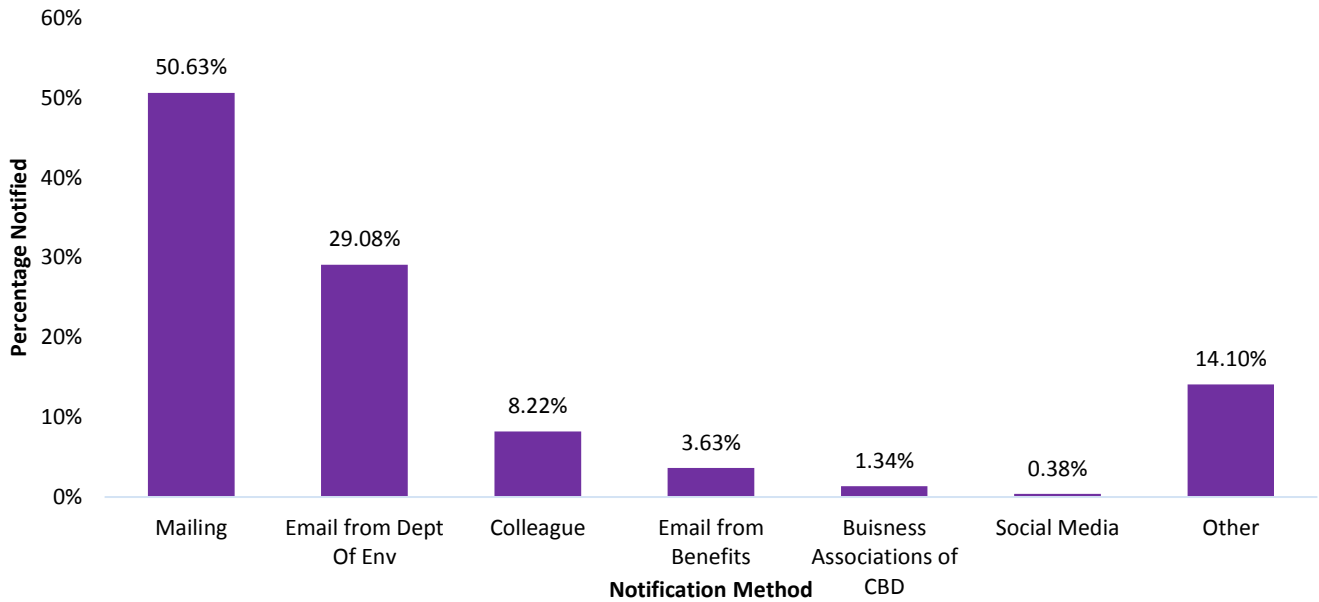
Companies using a third-party vendor were then asked which vendor they are working with to provide commuter benefits for employees. WageWorks and Commuter Check (Commuter Benefit Solutions) are the top two vendors companies are using.



Question 8: How were you notified to fill out the Compliance Reporting Form?

n = 3,198

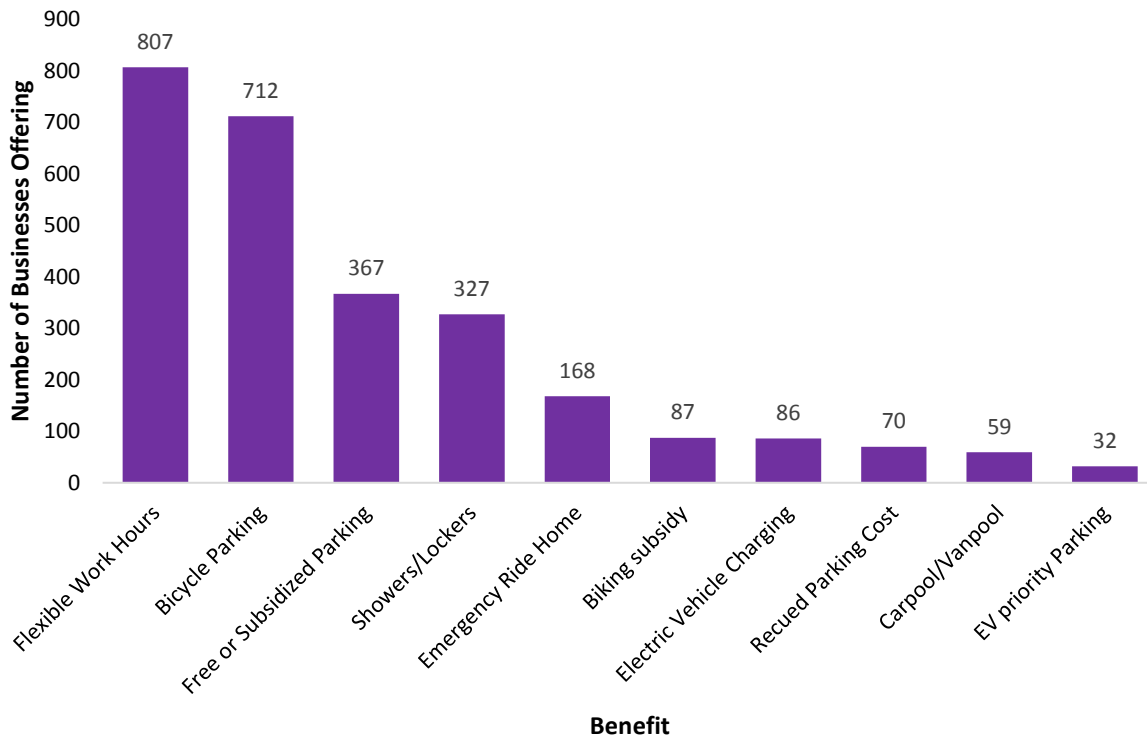
About 80 percent of compliance reporting forms were completed because of a notification sent through postal mailings or emails from the San Francisco Department of the Environment. The majority of businesses who indicated “other” responded they had already filed the form in previous years and have created an annual calendar reminder. However, the “other” percentage is decreasing because annual updates are no longer required.



Question 8: What other transportation benefits do you offer to your employees?

n = 2,715

Employers also offer many other transportation benefits to their employees. Of the 2,715 companies who reported, over 800 offer flexible work hours or telecommuting. More businesses offer bicycle parking than subsidized parking at their facilities.



APPENDIX F – SAMPLE PROMOTIONAL MATERIALS

FRONT OF SAMPLE PAYCHECK INSERT

<Enter Company Name> is pleased to offer Commuter Benefits to you!

Insert
Company Logo

What is Commuter Benefits?

Commuter Benefits is a federal transportation benefit program that allows employees to save on their transit costs by deducting their commute expenses pre-tax from their paycheck each month. You, the employee, save money because you don't pay taxes on the money you deduct. When you sign up for Commuter Benefits pre-tax deductions, we will make your requested deduction on the <enter monthly deduction date> of the month and deliver your transit benefits to you by <enter date each month employees will receive their benefit>.

Example: <change this example to reflect your program procedures.> It's the month of February. You enroll in Commuter Benefits and you elect to have \$91 deducted from your paycheck pre-tax and would like to get that \$91 as a monthly Muni Fast Pass "A". You will see a \$91 pre-tax deduction on the last paycheck of the month. You will receive a voucher to purchase your Muni Fast Pass "M" from your employer prior to the 1st of March.

Quick Questions:

How much can I deduct each month? You can deduct up to \$255/month from your paycheck on a pre-tax basis.

How will I receive my benefit? Employees can choose to receive their benefit in these forms:

<enter what you will be offering (i.e. transit vouchers/debit cards, Clipper Cards, etc)>

How do I sign up? Employees need to fill out an enrollment form, they can be found at <enter location>.

BACK OF SAMPLE PAYCHECK INSERT

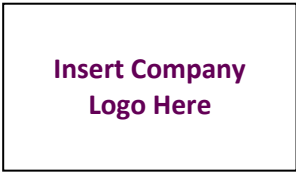
Important Dates to Remember:

- <Here you want to tell employees when they can enroll, change, or cancel orders>
- <Here you want to tell employees when they will receive their transit orders>
- <Here you want to tell employees where their benefit will be delivered or where they can pick it up>
- <Include any other relevant dates for your business here>

Need More Information?

Contact Name:

Office Hours:



Commuter Benefits Employee

Interest Survey

<Edit this survey to fit your organization>

Dear Valued Employee,

We are in the process of implementing a new employee benefit for transit and vanpool riders. To help us create a program to match your needs, we are conducting an interest survey. **This is not an enrollment form.**

How would it work?

By enrolling in the commuter benefits program, you could save money each month on your transit, rideshare or bicycle commute.

- 1. Would you be interested in participating? **Yes** **No**
- 2. How do you currently get to work? Circle all that apply.
Personal Car Transit Carpool/Vanpool Bike Walk Other: _____
- 3. If you ride transit, which transit agencies do you ride? Check all agencies that apply.

- | | |
|--|--|
| <ul style="list-style-type: none"> <input type="checkbox"/> AC Transit <input type="checkbox"/> ACE <input type="checkbox"/> Alameda Harbor Bay Ferry <input type="checkbox"/> Alameda/Oakland Ferry <input type="checkbox"/> American Canyon Transit <input type="checkbox"/> Amtrak <input type="checkbox"/> Angel Island-Tiburon Ferry <input type="checkbox"/> BART <input type="checkbox"/> Benicia Breeze <input type="checkbox"/> Blue & Gold Fleet <input type="checkbox"/> Caltrain <input type="checkbox"/> County Connection <input type="checkbox"/> Dumbarton Express <input type="checkbox"/> Fairfield and Suisun Transit (FAST) <input type="checkbox"/> Golden Gate Ferry <input type="checkbox"/> Golden Gate Transit <input type="checkbox"/> Hornblower Alcatraz Ferry <input type="checkbox"/> Petaluma Transit <input type="checkbox"/> Rio Vista Delta Breeze <input type="checkbox"/> SamTrans <input type="checkbox"/> San Francisco Muni <input type="checkbox"/> Santa Clara VTA <input type="checkbox"/> Santa Rosa CityBus <input type="checkbox"/> Sonoma County Transit | <ul style="list-style-type: none"> <input type="checkbox"/> St. Helena VINE <input type="checkbox"/> Tri Delta Transit <input type="checkbox"/> Union City Transit <input type="checkbox"/> Vacaville City Transit <input type="checkbox"/> Vallejo Baylink Ferry <input type="checkbox"/> Vallejo Transit <input type="checkbox"/> VINE (Napa County) <input type="checkbox"/> WestCAT <input type="checkbox"/> WHEELS <input type="checkbox"/> Yountville Shuttle <input type="checkbox"/> Other: _____ |
|--|--|

- a. Does your transit agency accept the Clipper Card? **Yes** **No**
- b. If yes, would you want your commuter benefits order on a Clipper Card? **Yes** **No**
- c. What benefit (pass/ticket/e-cash) would you order through Commuter Benefits?

- d. How much does this benefit (pass/ticket/e-cash) cost?

4. What is your home ZIP code? _____
5. What time do you typically commute TO work? _____
6. What time do you typically LEAVE work? _____
7. What days do you typically work? Circle all that apply.
Sunday Monday Tuesday Wednesday Thursday Friday Saturday

Please complete this survey before **<enter date>** and return to **<enter contact name or office location>**. After we have a program in place, we will issue a follow-up announcement with enrollment information.

In the meantime, if you have further questions about Commuter Benefits, please contact:

- <enter Contact Name>**
<enter Contact Phone Number>
<enter Contact Email>
<enter Contact Office Location>

APPENDIX G – EMPLOYEE ENROLLMENT FORM

Insert Company
Logo Here

Commuter Benefits Employee Enrollment Form

<edit this form to fit your benefit program>

Please complete this form to enroll in the Commuter Benefits Program through <enter Company Name>. Return this form to <enter contact name or office location> by <enter enrollment deadline>.

What are Pre-Tax Commuter Benefits?

Commuter Benefits is a federal transportation benefit program that allows you to save on your transit costs by deducting your commute expenses pre-tax from your paycheck each month. You save money 25-40% on transit or vanpool expenses because you don't pay taxes on the money you deduct.

When you sign up for Commuter Benefits pre-tax deductions, we will make your requested deduction on the <enter monthly deduction date> of the month and deliver your transit benefits to you by <enter date each month employees will receive their benefit>.

How much can I deduct each month?

You can deduct up to \$255/month from your paycheck on a pre-tax basis for transit or vanpool, and an additional \$255/month for parking at your transit or vanpool pick-up location. You can vary your deduction month to month if your commute circumstances change.

Important Dates to Remember:

- <enter enrollment and order change/cancellation deadlines>
- <enter monthly date when benefit will be deducted>
- <enter monthly date employees will receive their benefit>

1. How would you like to receive your benefit? Check one of the following options.

<enter what you will be offering (i.e. transit vouchers/debit cards, Clipper Cards, etc)>

- | | |
|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> | <input type="checkbox"/> |

2. How much would you like to deduct from your paycheck? (monthly transit limit is \$255) \$ _____

If you have any further questions about the Commuter Benefits Program, please contact:

<enter Contact Name>	<enter Contact Phone Number>
<enter Contact Email>	<enter Contact Office Location>

By signing below, you agree to have the amount in Question #2 to be deducted from your paycheck each month on a pre-tax basis and have read and understood all of the terms above.

Employee Signature

Date

Employee Name (Print)



SF Environment

Our home. Our city. Our planet.

A Department of the City and County of San Francisco

www.SFEnvironment.org/commutesmart

APPENDIX H – EMPLOYEE VOLUNTARY WAIVER FORM



Employee Voluntary Waiver Form

Effective 2009, San Francisco law requires your employer to offer you a commuter benefit. A commuter benefit is a federally approved employer-provided incentive to reduce monthly commuting expenses. Employers may offer employees a:

- Pretax employee-paid payroll deduction
- Tax-free employer-paid subsidy
- Employer-provided transportation service, or
- Combination of the above

You have been asked to complete this Voluntary Waiver Form because you have opted not to participate in the commuter benefits program offered by your employer. While your employer is obligated to offer the program, participation is voluntary and you may choose to opt out of the program by completing a signed Voluntary Waiver Form each year.

You have the right to cancel or revoke this voluntary waiver at any time. You must notify your employer that you wish to revoke this waiver and complete the revocation section below. Your employer will be required to enroll you in the commuter benefits program at that time.

I hereby waive the right to the commuter benefits program offered by my employer.

Employee's Signature

Today's Date

Name of Employer: _____

Employee Address: _____

Employee Telephone No.: _____

If you have questions about your employer's obligations under the Commuter Benefits Ordinance, please call 415.355.3727 or visit www.sfenvironment.org/commuterbenefits

Complete this section ONLY if you wish to revoke this Voluntary Waiver Form that you have signed and provided to your employer. If you wish to waive participation in your employer's commuter benefits program, do NOT complete the portion below.

Revocation of Voluntary Waiver Form

I no longer wish to waive the right to participate in the commuter benefits program offered by my employer, pursuant to the San Francisco Commuter Benefits Ordinance.

Employee's Signature

Today's Date

Department of the Environment
1455 Market St. Suite 1200, San Francisco, CA 94103
sfenvironment.org/commuterbenefits
commuterbenefits@sfgov.org
(415) 355-3727

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