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April 16, 2014

### Bay Area Approves Commuter Benefits Pilot Program

By September 30, 2014, employers with 50 or more full-time employees in the San Francisco Bay Area will be required to offer commuter benefits to their employees.

**Who must comply?** Employers with an average of 50 or more full-time employees per week working in the San Francisco Bay Area – the nine counties that surround the San Francisco Bay (*i.e.*, Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, southern Sonoma, and southwestern Solano counties) – are required to comply with the program's rules

**Who must be offered commuter benefits?** Commuter benefits must be offered to employees who work an average of at least 20 hours per week during the previous calendar month within the geographic boundaries of the Bay Area, excluding certain seasonal/temporary employees.

**Commuter Benefit Options.** Employers will need to select one of the following benefit options to offer to covered employees:

- **Option 1 — Pre-Tax Benefit.** The employer allows employees to pay their transit or vanpool fares using pre-tax dollars, up to the maximum amount allowed by federal law (*e.g.*, for 2014, \$130 per month).
- **Option 2 — Employer-Provided Subsidy.** The employer provides a subsidy to cover the employee's monthly transit or vanpool costs, up to a maximum of \$75 per month (adjusted annually).
- **Option 3 — Employer-Provided Transit.** The employer provides a free or low-cost commuter transportation service for its employees (*e.g.*, a shuttle service from a nearby transit station to the worksite).
- **Option 4 — Alternative Commuter Benefit Program.** An employer may also propose, and seek approval of, an alternative commuter benefit program that would provide at least the same reduction in single-occupant vehicle trips as any of the other above-described options.

**Next Steps.** Employers with employees in the Bay Area should determine whether they are subject to these new requirements. If so, employers should prepare to designate a commuter benefits coordinator, select and implement one of the commuter benefits options, complete the registration process, and notify employees.

**Contact Information.** For more information from Mazursky Constantine, please contact [Amy Heppner](#) (404.888.8825), [Kelly Meyers](#) (404.888.8838), or [Alden Corrigan](#) (404.888.8839). For information from VCG Consultants, please contact [Leslie Schneider](#) (770.863.3617).

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