

Commuter Benefits for Employers & Employees



WHAT ARE COMMUTER BENEFITS?

Commuter benefits are employer-provided benefits that allow employees to reduce their transportation costs for transit, vanpooling and biking.

Section 132(f) of the IRS Code allows employees to use pre-tax dollars subject to monthly limits to pay for their commuting expenses. This IRS code has been around since 1992.

HOW DO COMMUTER BENEFITS WORK?

For Employees:

- Commuter Benefits work by lowering the income that's subject to federal income tax and state income tax, as well as FICA. Your savings depend on your commuting expenses and your tax bracket, plus the monthly limits set by the IRS.
- Commuter benefits can be offered as a pre-tax payroll deduction, a subsidy, or a combination of the two.

If an employer is part of a commuter benefits program and an employee spends \$60 on a monthly Bus Pass, the employee can save up to:

\$225 / year

- Commuter Benefits work as tax savings. They are a great way to lower your taxable income.
- In Hawaii, a commuter benefits program could help save money on eligible commuting expenses, such as: The Bus, bicycling, vanpool, and rail.

For Employers:

- Offering commuter benefits saves employers money as a result of reducing payroll taxes.
- Offering commuter benefits enables your company to positively influence your employees' travel choices and by encouraging more sustainable transportation options, employers demonstrate a commitment to Hawaii's sustainable future.

If an employer is part of a commuter benefits program and has employees that spend \$60 on monthly Bus Passes, the employer can save up to:

\$55 / year

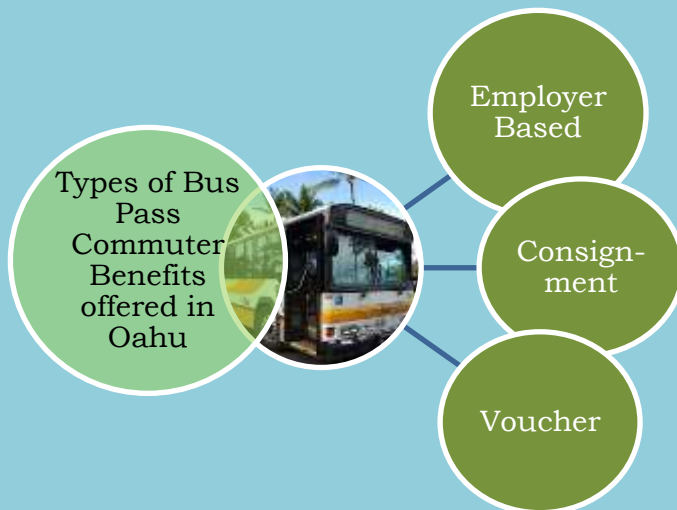
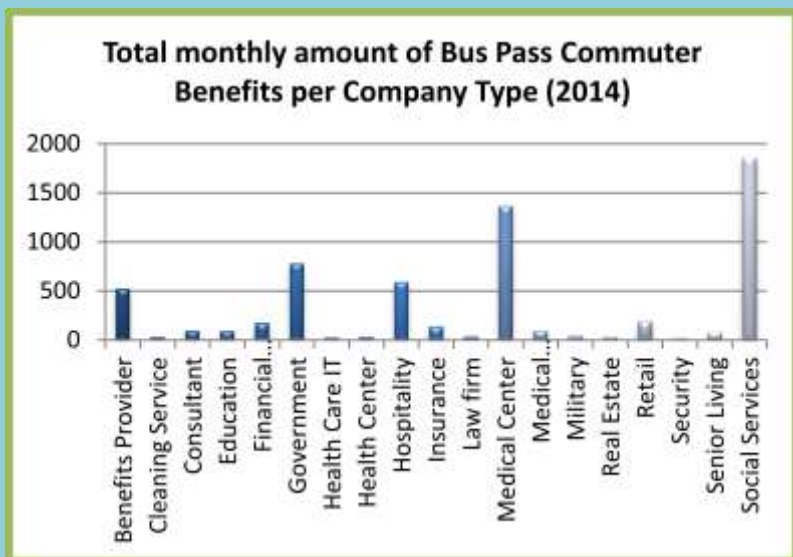
- Employers have found that commuter benefits are one of the most cost-effective benefits they can provide; they also serve as an excellent recruitment and retention tool.

With rising prices of gas and congestion getting worse, now is a great time to think about other transportation options. A commuter benefits program can help reduce pollution, energy consumption and traffic congestion by decreasing single-occupant (drive-alone) trips, while providing tax savings for employees and employers.

Legislation is needed to lay a foundation and allow the counties to create more robust commuter benefit programs, if they choose to.

COMMUTER BENEFITS ON OAHU

More than 80 employers are already taking advantage of Commuter Benefits. In July 2014 more than 6000 monthly bus passes were used as part of a commuter benefit program on Oahu. However, we could be doing more.



The Bus (2014)

Come join THE HAWAII ENERGY POLICY FORUM (HEPF) for a COMMUTER BENEFITS INFORMATION SESSION

Date: Tuesday, January 20, 2015 @ 3:30pm

Location: State Capital room 325

Snacks will be provided

- Welcome and overview – HEPF’s Transportation Chair, Mitch Ewan
- Short video and description of commuter benefits – RISE’s Cate Picardo and EPA’s Asia Yeary
- Honolulu update – City and County of Honolulu’s Mark Garrity
- Multi-modal transportation update – Blue Planet Foundation’s Shem Lawlor
- Next steps – HEPF’s Clarice Schafer