

# COMMONWEALTH COMMUTER CHOICE AGENCY PACKAGE OF MATERIALS

REVISED MARCH 2008

**What your package includes:**

**1. A Summary and Explanation for Agency Management and Human Resources Staff** – This is an overview of the program to familiarize both the agency's management and the human resources staff with the *Commonwealth Commuter Choice* program.

**2. What Is The Program Known As Commonwealth Commuter Choice?** – This is a more detailed description of the program and how it works, including questions and answers about the features, requirements, and limitations of the program, taken from the final federal regulations governing the program, modified to reflect the program in Virginia.

**3. Implementation Guide** – Step by step instructions as to how an agency should implement the program for its employees.

**4. Informational Guides for State Employees** – Information package and resources guide for use by employees in both the mandated and non-mandated areas of the Commonwealth.

**5. Forms Needed** – Three paper forms are included, an employee enrollment form for employees to use to sign up for the program, a yearly certification form for each employee receiving benefits to sign in December of each year to prove their continued eligibility to be in the program, and a cash reimbursement certification form to be signed by employees receiving cash reimbursements certifying that they spent the amount being reimbursed on commuter transportation eligible under the program.

# COMMONWEALTH COMMUTER CHOICE

## A Summary and Explanation

### for Agency Management and Human Resources Staff

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#### Introduction

On August 23, 2000 the Governor signed an Executive Order ((71 (01)) that established a new tax-free fringe benefit program, beginning October 1, 2000, for executive branch state agency employees who commute to work by public transportation or vanpool. The program is known as *Commonwealth Commuter Choice*, and is similar, but not identical, to a program adopted for federal employees.

This benefit, over and above the employee's salary and other benefits, will pay for the employee's cost of commuting by public transit or vanpool, up to the maximum amount allowed by federal law, currently \$115 per month, and thereafter will increase as the cost of living increases.

#### Mandated Participation

Because of concerns created by the severe traffic congestion problems and the serious degradation of air quality in the northern Virginia area, the Governor has directed all state agencies to provide this *fully paid*, tax-free, qualified transportation fringe benefit to all full-time employees who report to offices in the counties and cities in the northern part of Virginia (Counties of Arlington, Fairfax, Loudoun, Prince William, Spotsylvania, and Stafford and the Cities of Alexandria, Fairfax, Falls Church, Fredericksburg, Manassas, and Manassas Park ), and who commute to their offices using a qualified vanpool or transit service. These employees must be compensated for their entire cost of commuting, up to the maximum allowed by law. The Executive Order encourages, but does not mandate, state agencies to provide a transportation fringe benefit to P-14 employees reporting to work in this mandated area who use public transit or a qualified vanpool. Agencies can provide no benefit, the same benefit, or less benefit for P-14 employees. All agencies will have to absorb within the agency's budget the total cost of implementing the program for their employees.

#### Optional Participation

State agency participation in the *Commonwealth Commuter Choice* program for both full-time and P-14 employees reporting to work outside the mandated area is optional. The agency has the discretion to decide whether they will have any program at all, have the same program as full-time employees in the mandated area, have a program limited to full time employees only, or have a program with fewer benefits. As

in the mandated area, the agency will have to absorb the total cost of whatever program, if any, is implemented within their budget.

## **Details for the Mandated Areas**

The Executive Order directs that, effective October 1, 2000, all executive branch agencies having an office to which its employees regularly report for work in the Counties of Arlington, Fairfax, Loudoun, Prince William, Spotsylvania, and Stafford and the Cities of Alexandria, Fairfax, Falls Church, Fredericksburg, Manassas, and Manassas Park implement a qualified transportation fringe benefit program for all full-time employees who commute to work by transit or qualified vanpools. The benefit must be equal to the employee's cost of commuting to and from their workplace using vanpools or transit service, as provided in Federal Law, 26 U. S. C. § 132(f)(1)(A) and (B), up to the maximum allowable amount under the law, 26 U. S. C. § 132(f)(2). As of January 1, 2008, the maximum benefit amount is \$115 per month. Federal law periodically increases the monthly benefit amount to adjust for inflation. All agencies in the mandated areas must increase the amount benefit provided to full time employees to match the Federal maximum, whenever the Federal maximum is raised.

The agency's program must comply with the requirements of all Internal Revenue Service regulations for qualified transportation fringe benefits, including but not limited to the I. R. S. regulations, 26 C. F. R. § 1.132-9. (A copy of the statute is attached as an appendix, and the regulations, in question and answer format, tailored to the Virginia program, are in the document entitled, "What is the Program Known As Commonwealth Commuter Choice?," in the package of materials supplied.)

## **What is not included**

The *Commonwealth Commuter Choice* program set up in accordance with the Governor's Executive Order covers only the cost of commuting attributable to transit fares and vanpool costs and will not include the cost of parking at park and ride lots, transit stations, vanpool staging areas, or other parking necessary to use transit or vanpools.

Independent contractors, temporary employees, and consultants are not covered by the program.

None of the employee paid pre-tax compensation reduction programs that the federal program offers will be included in the *Commonwealth Commuter Choice* program. (Note that parking in the Richmond area is already covered, but by a different program.)

## **Where to get more information**

Information about rideshare agencies and transit providers to contact to assist with implementing the *Commonwealth Commuter Choice* program in each area is included with this package of materials and is also available on the web site of the Department of Rail and Public Transportation at <http://www.drpt.virginia.gov/locator/default.aspx>. In areas without a rideshare agency, contact the nearest rideshare agency for information. When you go to the DRPT web site just click on the locality nearest your individual office(s) and the online locator will provide the name and telephone number of the appropriate rideshare agency.

## ***Commonwealth Commuter Choice***

### **Increased Mobility for State Employees**

## APPENDIX

### Statute: 26 U. S. C. § 132 (f):

As of March 23, 2001

#### (f) Qualified transportation fringe

##### (1) In general

For purposes of this section, the term “qualified transportation fringe” means any of the following provided by an employer to an employee:

(A) Transportation in a commuter highway vehicle if such transportation is in connection with travel between the employee's residence and place of employment.

(B) Any transit pass.

(C) Qualified parking.<sup>1</sup>

##### (2) Limitation on exclusion

The amount of the fringe benefits which are provided by an employer to any employee and which may be excluded from gross income under subsection (a)(5) shall not exceed—

(A) \$65 per month in the case of the aggregate of the benefits described in subparagraphs (A) and (B) of paragraph (1), and

(B) \$175 per month in the case of qualified parking.<sup>2</sup>

##### (3) Cash reimbursements

For purposes of this subsection, the term “qualified transportation fringe” includes a cash reimbursement by an employer to an employee for a benefit described in paragraph (1). The preceding sentence shall apply to a cash reimbursement for any transit pass only if a voucher or similar item which may be exchanged only for a transit pass is not readily available for direct distribution by the employer to the employee.

##### (4) No constructive receipt

No amount shall be included in the gross income of an employee solely because the employee may choose between any qualified transportation fringe and compensation which would otherwise be includible in gross income of such employee.

##### (5) Definitions

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<sup>1</sup> NOTE: The state program does not include parking.

<sup>2</sup> NOTE: The state program does not include parking.

For purposes of this subsection—

(A) Transit pass

The term “transit pass” means any pass, token, farecard, voucher, or similar item entitling a person to transportation (or transportation at a reduced price) if such transportation is—

- (i) on mass transit facilities (whether or not publicly owned), or
- (ii) provided by any person in the business of transporting persons for compensation or hire if such transportation is provided in a vehicle meeting the requirements of subparagraph (B)(i).

(B) Commuter highway vehicle

The term “commuter highway vehicle” means any highway vehicle—

- (i) the seating capacity of which is at least 6 adults (not including the driver), and
- (ii) at least 80 percent of the mileage use of which can reasonably be expected to be—
  - (I) for purposes of transporting employees in connection with travel between their residences and their place of employment, and
  - (II) on trips during which the number of employees transported for such purposes is at least 1/2 of the adult seating capacity of such vehicle (not including the driver).

(C) Qualified parking <sup>3</sup>

The term “qualified parking” means parking provided to an employee on or near the business premises of the employer or on or near a location from which the employee commutes to work by transportation described in subparagraph (A), in a commuter highway vehicle, or by carpool. Such term shall not include any parking on or near property used by the employee for residential purposes.

(D) Transportation provided by employer

Transportation referred to in paragraph (1)(A) shall be considered to be provided by an employer if such transportation is furnished in a commuter highway vehicle operated by or for the employer.

(E) Employee

For purposes of this subsection, the term “employee” does not include an individual who is an employee within the meaning of section 401(c)(1).

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<sup>3</sup> NOTE: The state program does not include parking.

(6) Inflation adjustment

(A) In general

In the case of any taxable year beginning in a calendar year after 1999, the dollar amounts contained in subparagraphs (A) and (B) of paragraph (2) shall be increased by an amount equal to—

- (i) such dollar amount, multiplied by
- (ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, by substituting “calendar year 1998” for “calendar year 1992”.

(B) Rounding

If any increase determined under subparagraph (A) is not a multiple of \$5, such increase shall be rounded to the next lowest multiple of \$5.

(7) Coordination with other provisions

For purposes of this section, the terms “working condition fringe” and “de minimis fringe” shall not include any qualified transportation fringe (determined without regard to paragraph (2)).



# What Is The Program Known As Commonwealth Commuter Choice?

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Adapted From 26 C.F.R. § 1.132-9 found in Federal Register/Vol. 66, No. 8/Thursday, January 11, 2001/Page 2241 *et seq.*

## Brief Explanation

This is an edited version of the final regulations adopted under Federal Law, 26 U. S. C. § 132 (f), to help give guidance, in question and answer form, to agencies that provide qualified transportation fringe benefits to employees under the *Commonwealth Commuter Choice* program. The purpose of these questions and answers is to explain the *Commonwealth Commuter Choice* qualified transportation fringe benefit in an easily understood format. The format is adapted from the regulations, 26 C.F.R. §1.132-9, that supplement the federal statute.

## Definition of Qualified Transportation Fringe Benefit

The qualified transportation fringe benefit under *Commonwealth Commuter Choice* consists of payment by the state agency of its employee's cost of commuting to and from work by public transit, such as buses, trains, and subways, or by a vanpool that uses a qualified commuter highway vehicle (see Q/A-2, page 6). This qualified transportation fringe benefit is free from state and federal income taxes and social security taxes. It is a fringe benefit that is offered in addition to the employee's salary and other fringe benefits.

Federal Law, 26 U. S. C. § 132(f), limits the value of qualified transportation fringe benefits that may be excluded from an employee's gross income. Currently, the statutory monthly limit is \$115. The Internal Revenue Service will determine any increases in the maximum permitted tax-free benefit, based upon the increases in the cost of living.

## Limitations of *Commonwealth Commuter Choice*

The *Commonwealth Commuter Choice* program only applies to transportation in a commuter highway vehicle (vanpool) and transportation by public transit facilities such as buses, trains, or subways, using transit vouchers, passes or smart cards. No parking benefits are included in the *Commonwealth Commuter Choice* program, including parking at park and ride lots, transit stations, or vanpool staging areas. No pre-tax salary deduction employee paid benefits are included. The program is strictly limited to the costs of commuting by qualified vanpool or public transit, with the maximum limit being the maximum permitted tax-free benefit under federal law.

An employee may receive qualified transportation benefits from more than one employer. As long as the other employer is not another state agency, there is no problem. However, if the employee receives benefits from other state agencies, then the agencies have to determine how the total benefits received from all state agencies will be reported. The amount by which the value of qualified transportation fringe benefits provided by all state agencies to a state employee exceeds the applicable statutory monthly limit must be included in the employee's wages for income and employment tax purposes.

The *Commonwealth Commuter Choice* program applies only to full time state employees, and, at the agency's discretion, also to part-time employees. Independent contractors or consultants would not be considered to be employees for purposes of receiving qualified transportation fringe benefits. Contract employees from temporary agencies likewise would not be considered as state employees and would not be included in the *Commonwealth Commuter Choice* program.

### **Cash Reimbursement Restrictions**

Normally, *Commonwealth Commuter Choice* benefits should be provided by vouchers. A voucher is a document, token, or card that is accepted by one or more mass transit operators (*e.g.*, train, subway, bus) and vanpools in an area as fare media (or in exchange for fare media). Examples include *Metrochek* in the northern part of Virginia, *Commuter Bonus Bucks* in Richmond, and *Commuter Checks* in Hampton Roads. Vouchers for your particular area should be available from the transit company or rideshare agency that serves the area.

Cash reimbursements by an agency to an employee for expenses incurred by the employee commuting to and from work using transportation provided by public transit or a commuter highway vehicle (vanpool) are strictly limited. In the mandated area the *Commonwealth Commuter Choice* benefits will be provided by *Metrocheks*, and no cash reimbursement will be allowed, except for those employees using the few vanpools that do not accept *Metrocheks*. In Richmond *Commuter Bonus Bucks* will be used and in the Hampton Roads area *Commuter Checks* will be used. In other areas of the state cash reimbursement for a transit pass, ticket, or token will be permitted only if a voucher or similar item that is exchangeable for a transit pass, ticket, or token is not readily available for direct distribution by the agency to the employee. In defining "readily available," the standard applied to determine whether a voucher is readily available is if the agency can obtain it on terms no less favorable than those available to an individual employee and without incurring a significant administrative cost. In some areas of Virginia, no such vouchers may be available.

The November 2006 IRS ruling, Internal Revenue Bulletin 2006-57 officially allows employers to provide a qualified transportation fringe benefit using smart cards. Therefore, in the mandated area, the *Commonwealth Commuter Choice* benefit may be provided through SmartBenefits. SmartBenefits allows employers to load the monthly value of an employee's commuting benefit directly on to the employee's SmarTrip®

card, using a secure web site operated by the Washington Metropolitan Area Transit Authority (WMATA). SmarTrip® is a permanent, rechargeable farecard. It is plastic card, like a credit card, and is embedded with a computer chip that keeps track of the value of the card. SmarTrip® can be used to pay transit fares on Metrorail, Metrobus and several other local bus services. Employees who vanpool to work can use their SmarTrip® account to designate their monthly SmartBenefit to their vanpool operator. For more information on SmartBenefits and SmarTrip®, visit <http://www.wmata.com/> and click on “SmartBenefits” or “SmarTrip” in the Quick Links section.

In addition, the meaning of “significant administrative costs” has been spelled out clearly. The determination of whether obtaining a voucher would result in a significant administrative cost is made with respect to each transit system’s voucher. The administrative costs are treated as “significant,” if the average monthly administrative costs incurred by the employer for a voucher (disregarding delivery charges imposed by the fare media provider of \$15 or less per order) are more than 1 percent of the average monthly value of the vouchers for a system.

The administrative costs referred to are only those fees and costs imposed by the transportation provider and do not include any internal administrative costs of the employer. If multiple vouchers are available for direct distribution to employees, the employer must consider the lowest cost voucher for the purposes of determining whether or not vouchers are not available because of the administrative costs. However, if multiple vouchers are required in an area to meet the transit needs of individual employees in that area, then the employer has the option of averaging the costs of vouchers from each system for the purpose of determining whether or not vouchers are available because of the administrative costs.

In addition, there may be other nonfinancial restrictions or requirements set by providers of vouchers that can cause vouchers to not be reasonably available. For example, if advance purchase requirements result in vouchers not being available at regular intervals or within a reasonable time after receiving payment, (*e.g.*, vouchers being available for purchase only once per year), vouchers would not be reasonably available. An advance purchase requirement that vouchers be purchased not more frequently than monthly would not be considered an unreasonable restriction. Another example of nonfinancial restrictions or requirements that may make vouchers not reasonably available would be purchase quantity requirements. If the voucher provider does not offer vouchers in quantities that are reasonably appropriate to the number of employees in the program, *e. g.*, requiring a minimum \$1,000 per month when only \$200 are needed, then they would not be reasonably available. If the voucher provider does not offer vouchers in denominations appropriate for distribution to employees, *e. g.*, providing nothing smaller than \$100 voucher, then the vouchers would not be reasonably available.

These standards are intended to provide clear guidance so that agencies can determine when qualified transportation fringe benefits may be provided by cash reimbursement for transit passes, tickets, or tokens.

Cash reimbursements may be provided for periods longer than one month. However, if cash reimbursements are allowed, they may be made only pursuant to a bona fide reimbursement arrangement. Thus, an employee must provide substantiation that an expense has been incurred for qualified transportation fringe benefits in order to receive a cash reimbursement. Substantiation requirements vary depending upon the payment method used to purchase transportation in a commuter highway vehicle (vanpool) or with mass transit passes. Substantiation must be provided within a reasonable time, but not more than 180 days after payment was made by the employee. Examples are provided in the question and answer section of what constitutes reasonable reimbursement procedures in certain circumstances. See Q/A-11, page 11. For mass transit passes provided directly by an agency to its employees the only substantiation required by the Commonwealth of Virginia is an annual certification of entitlement to *Commonwealth Commuter Choice* benefits. A form to use for this is included in the package of materials you should have.

### **Tax Free Benefits of *Commonwealth Commuter Choice***

Qualified transportation fringe benefits under the *Commonwealth Commuter Choice* program, not exceeding the applicable statutory monthly limit, are not subject to employment taxes, social security taxes, or state or federal income taxes. If an employee is receiving transportation fringe benefits from two or more employers, who are not related in any way, the transportation fringe benefits are tax free. However, if two agencies, branches, divisions, or departments of the state government are involved, the rule is different. In that situation, qualified transportation fringe benefits exceeding the applicable statutory monthly limit are includible in the employee's wages for income and employment tax purposes. IRS rules provide that employers may elect, for purposes of the FICA, the FUTA, and federal income tax withholding, to treat noncash fringe benefits as paid on a pay period, quarterly, semi-annual, annual, or some other basis, provided that the benefits are treated as paid no less frequently than annually. Also note that the Internal Revenue Service provides a special accounting rule for noncash fringe benefits provided during the last two months of a calendar year. (See IRS Announcement 85-113.)

In the event that an employee has been provided transit passes in advance for a period of no more than three months and the employee's employment terminates before the beginning of the last month, the value of the transit passes provided for the month or months remaining are excluded from the employee's wages for the purpose of figuring employment taxes (income tax withholding, FICA, FUTA), but not from the employee's wages for income tax purposes. The only exception is if there was at the time the transit passes were distributed an established termination date (such as a retirement date) before the last month of that period and the employee does in fact terminate employment before the beginning of the last month of that period. In that case the value of the transit passes for the month or months after termination are included in figuring employment taxes. (See Q/A 9, page 8).

# ***COMMONWEALTH COMMUTER CHOICE***

## **Questions And Answers**

### **1. What is a qualified transportation fringe benefit under *Commonwealth Commuter Choice*?**

A-1. The following benefits are “qualified transportation fringe” benefits that apply to the *Commonwealth Commuter Choice* program:

- (1) Transportation in a commuter highway vehicle (qualified vanpool.)
- (2) Transit passes, vouchers or smart cards used for travel by public transit

### **2. What is transportation in a commuter highway vehicle (qualified vanpool)?**

A-2. Transportation in a commuter highway vehicle (a qualified vanpool) is transportation provided by the Commonwealth to an employee in connection with travel between the employee's residence and place of employment. A “commuter highway vehicle” is a highway vehicle with a seating capacity of at least 6 adults (excluding the driver) and with respect to which at least 80 percent of the vehicle's mileage is reasonably expected to be—

- (a) For transporting employees in connection with travel between their residences and their places of employment; and
- (b) On trips during which the number of employees transported for commuting is at least one-half of the adult seating capacity of the vehicle (excluding the driver).

### **3. What are transit passes?**

A-3. A “transit pass” is any pass, token, farecard, voucher, smart card or similar item (including an item exchangeable for fare media) that entitles a person to transportation—

- (a) On mass transit facilities, such as buses, trains, or subways (whether or not publicly owned); or
- (b) Provided by any person in the business of transporting persons for compensation or hire in a highway vehicle with a seating capacity of at least six adults (excluding the driver), (*e.g.*, a vanpool type vehicle).

#### **4. Where does the *Commonwealth Commuter Choice* program apply and when did it start?**

A-4. The *Commonwealth Commuter Choice* program is mandatory in the Counties of Arlington, Fairfax, Loudoun, Prince William, Spotsylvania, and Stafford, and the Cities of Alexandria, Fairfax, Falls Church, Fredericksburg, Manassas, and Manassas Park for all full time state employees regularly reporting for work at an office in one of these counties or cities. This area is referred to herein as the "mandated area." The program had to be implemented by each agency in the mandated area by October 1, 2000.

The program is optional, at the discretion of each agency, for all P-14 employees and for all employees regularly reporting for work at an office in non-mandated areas of the state. For employees not in the mandated area and for P-14 employees, agencies were allowed to choose a different start date for their program.

#### **5. To which workers may qualified transportation fringe benefits be provided?**

A-5. Qualified transportation fringe benefits may be provided only to individuals who are currently employees at the time the qualified transportation fringe benefit is provided. The *Commonwealth Commuter Choice* program applies to state employees only. Contract employees from temporary agencies, independent contractors, and consultants are not covered. In the mandated area all full time employees, both classified and at will employees, who regularly report to an office in that area must be included in the program. P-14 employees in that area may be included at the option of the agency. In the rest of the state, each agency has the discretion to provide the program or not to provide it or to provide the program to either all employees or to just all full time employees who regularly report to offices other than in the mandated area.

#### **6. What is the limit on the value of qualified transportation fringe benefits that may be given to an employee and be excluded from the employee's gross income?**

A-6. (a) *Transportation in a commuter highway vehicle (van pool) and transit passes (for transit travel)*. Up to \$115 per month is excludable from the gross income of an employee for transportation in a commuter highway vehicle or by public transit.

(b) *Cost-of-living adjustment*. The amount will be adjusted annually to reflect cost-of-living. The adjusted figures will be announced by the United States Internal Revenue Service before the beginning of the year.

## **7. What is the maximum benefit payable under the *Commonwealth Commuter Choice* program?**

A-7. The maximum potential benefit under the *Commonwealth Commuter Choice* program is the maximum allowed tax free transportation fringe benefit allowed under Federal tax law. In the mandated area the entire costs of commuting by vanpool or public transit for full time employees will be paid by the state agency employer, not to exceed the maximum amount of \$115 per month. In the other areas of the state and for P-14 employees in the mandated area, agencies have the discretion to not offer the program at all, to offer the same benefits as those offered in the mandated area, or to offer more limited benefits, (*e.g.*, \$50 per month maximum).

## **8. What amount is includible in an employee's wages for income and employment tax purposes if the value of the qualified transportation fringe benefit exceeds the applicable statutory monthly limit?**

A-8. Generally, an employee must include in his gross income the amount by which the fair market value of the benefit exceeds the sum of the amount, if any, paid by the employee and any amount excluded from gross income as a qualified transportation fringe benefit. Since the maximum limit set for a qualified transportation fringe benefit is the maximum for the *Commonwealth Commuter Choice* program, there should be no problem for an employee who receives only one such benefit paid by a state agency. However, in the event that the employee receives transportation fringe benefits from more than one agency, this situation may arise. This is why the enrollment form requires an employee to disclose if the employee is receiving qualified transportation fringe benefits from more than one state agency or department.

If the Commonwealth provides an employee with qualified transportation fringe benefits that exceed the applicable statutory monthly limit and the employee does not make any payment for the benefits, the value of the benefits provided in excess of the applicable statutory monthly limit is included in the employee's wages for income and employment tax purposes. The following examples illustrate the principles of this Q/A-8:

*Example 1.* (i) For each month in 2008, Employer M provides a transit pass valued at \$125 to Employee D, who does not pay any amount to Employer M for the transit pass.

(ii) In this example, because the value of the monthly transit pass exceeds the statutory monthly limit by \$10, \$120 (\$125 minus \$115, times 12 months) must be included in D's wages for income and employment tax purposes for 2008 with respect to the transit passes.

*Example 2.* (i) For each month in 2008, Employer P provides transit passes with a fair market value of \$140 per month to its employees, but charges each employee \$35 per month for the passes.

(ii) In this example, because the sum of the amount paid by an employee (\$35) plus the amount excludable for the qualified transportation fringe (\$115) is not less than the fair market value of the monthly benefit (\$140), no amount is includible in the employee's wages for income and employment tax purposes with respect to the transit passes.

## **9. Are excludable qualified transportation fringe benefits calculated on a monthly basis?**

A-9. (a) *In general.* Yes. The value of transportation in a commuter highway vehicle (qualified vanpool) and transit passes is calculated on a monthly basis, to determine whether the value of the benefit has exceeded the applicable statutory monthly limit on qualified transportation fringes. Except in the case of a transit pass provided to an employee, the applicable statutory monthly limit applies to qualified transportation fringes used by the employee in a month. Monthly exclusion amounts are not combined to provide a qualified transportation fringe for any month exceeding the statutory limit. A month is a calendar month or a substantially equivalent period applied consistently.

(b) *Transit passes.* In the case of transit passes provided to an employee, the applicable statutory monthly limit applies to the transit passes provided by the employer to the employee in a month for that month or for any previous month in the calendar year. In addition, transit passes distributed in advance for more than one month, but not for more than twelve months, are qualified transportation fringes if the requirements in paragraph (c) of this Q/A-9 are met (relating to the income tax and employment tax treatment of advance transit passes). The applicable statutory monthly limit on the combined amount of transportation in a commuter highway vehicle (qualified vanpool) and transit passes may be calculated by taking into account the monthly limits for all months for which the transit passes are distributed. In the case of a pass that is valid for more than one month, such as an annual pass, the value of the pass may be divided by the number of months for which it is valid for purposes of determining whether the value of the pass exceeds the statutory monthly limit. Note that the face value of a transit pass or voucher may be more than the purchase price. In that event, the purchase price is considered to be the "value" of the transit pass or voucher.

(c) *Rule if employee's employment terminates--(1) Income tax treatment.* The value of transit passes provided in advance to an employee with respect to a month in which the individual is not an employee is included in the employee's wages for income tax purposes.

(2) *Reporting and employment tax treatment.* Transit passes distributed in advance to an employee are excludable from wages for employment tax purposes (FICA, FUTA, and income tax withholding) (i) if the employer distributes transit passes to the employee in advance for not more than three months and, (ii) at the time the transit passes are distributed, there is not an established date that the employee's employment will terminate (for example, if the employee has given notice of retirement) which will occur before the beginning of the last month of the period for

which the transit passes are provided. If the employer distributes transit passes to an employee in advance for not more than three months and at the time the transit passes are distributed there is an established date that the employee's employment will terminate, and the employee's employment does terminate before the beginning of the last month of the period for which the transit passes are provided, the value of transit passes provided for months beginning after the date of termination during which the employee is not employed by the employer is included in the employee's wages for employment tax purposes. If transit passes are distributed in advance for more than three months, the value of transit passes provided for the months during which the employee is not employed by the employer is includible in the employee's wages for employment tax purposes regardless of whether at the time the transit passes were distributed there was an established date of termination of the employee's employment.

(d) *Examples.* The following examples illustrate the principles of this Q/A-9:

*Example 1.* (i) Employee E incurs expenses of \$50 for qualified vanpool travel used during the month of June of a year in which the statutory monthly limit is \$65, for which Employee E is reimbursed \$50 by Employer R. Employee E incurs \$80 in expenses for qualified vanpool travel used during the month of July of that year, for which Employee E is reimbursed \$80 by Employer R.

(ii) In this Example 1, because monthly exclusion amounts may not be combined to provide a benefit in any month greater than the applicable statutory limit, the amount by which the amount reimbursed for July exceeds the applicable statutory monthly limit (\$80 minus \$65 equals \$15) is includible in Employee E's wages for income and employment tax purposes.

*Example 2.* (i) Employee F receives transit passes from Employer G with a value of \$195 in March of a year (for which the statutory monthly transit pass limit is \$65) for January, February, and March of that year. Employee F was hired during January and had not previously received any transit passes from Employer G.

(ii) In this Example 2, the value of the transit passes (three months times \$65 equals \$195) is excludable from F's wages for income and employment tax purposes.

*Example 3.* (i) Employer S has a qualified transportation fringe benefit program under which its employees receive transit passes near the beginning of each calendar quarter for that calendar quarter. All employees of Employer S receive transit passes from Employer S with a value of \$195 on March 31 for the second calendar quarter covering the months April, May, and June (of a year in which the statutory monthly transit pass limit is \$65).

(ii) In this Example 3, because the value of the transit passes may be calculated by taking into account the monthly limits for all months for which the transit passes are distributed, the value of the transit passes (three months times \$65 equals \$195) is excludable from the employees' wages for income and employment tax purposes.

*Example 4.* (i) Same facts as in Example 3, except that Employee T, an employee of Employer S, terminates employment with S on May 31. There was not an established date of termination for Employee T at the time the transit passes were distributed.

(ii) In this Example 4, because at the time the transit passes were distributed there was not an established date of termination for Employee T, the value of the

transit passes provided for June (\$65) is excludable from T's wages for employment tax purposes. However, the value of the transit passes distributed to Employee T for June (\$65) is not excludable from Employee T's wages for income tax purposes.

(iii) If Employee T's May 31 termination date was established at the time the transit passes were provided, the value of the transit passes provided for June (\$65) is included in Employee T's wages for both income and employment tax purposes.

*Example 5.* (i) Employer F has a qualified transportation fringe benefit program under which its employees receive transit passes semi-annually in advance of the months for which the transit passes are provided. All employees of Employer F, including Employee X, receive transit passes from Employer F with a value of \$390 on June 30 for the 6 months of July through December (of a year in which the statutory monthly transit pass limit is \$65). Employee X's employment terminates and his last day of work is August 1. Employer F's other employees remain employed throughout the remainder of the year.

(ii) In this Example 5, the value of the transit passes provided to Employee X for the months September, October, November, and December (\$65 times 4 months equals \$260) of the year is included in Employee X's wages for income and employment tax purposes. The value of the transit passes provided to Employer F's other employees is excludable from those employees' wages for income and employment tax purposes.

*Example 6.* (i) Each month during a year in which the statutory monthly transit pass limit is \$65, Employer R distributes transit passes with a face amount of \$70 to each of its employees. Transit passes with a face amount of \$70 can be purchased from the transit system by any individual for \$65.

(ii) In this Example 6, because the value of the transit passes distributed by Employer R does not exceed the applicable statutory monthly limit (\$65), no portion of the value of the transit passes is included as wages for income and employment tax purposes.

## **10. May an employee receive qualified transportation fringe benefits from more than one employer?**

A-10. (a) *General Rule.* Yes. The statutory monthly maximum limits described in Q/A-6 of this section apply to benefits provided by each employer to its employee, so long as, in the case of multiple employers, the employers are not so related that they are treated as one employer by federal tax law. For this purpose, all employees who work for any department, division, or agency of the Commonwealth of Virginia are treated as employed by a single employer. Thus, qualified transportation fringe benefits paid by different agencies are combined for purposes of applying the applicable statutory limit. In addition, an individual who is treated as a leased employee of the employer who is the recipient of the employee's services under the federal tax code is treated as an employee of that employer in regard to transportation fringe benefits. [The term "leased employee" means any person (i) who is not an employee of the recipient of the employee's services and (ii) who provides services to the recipient, if such services are provided pursuant to an agreement between the recipient and a leasing organization, the employee has performed such services for the recipient on a

substantially full-time basis for a period of at least one year, and such services are performed under primary direction or control by the recipient. See 26 U. S. C. § 414 (n)]

(b) *Examples.* The following examples illustrate the principles of this Q/A-10:

*Example 1.* (i) During 2000, Employee E works for Employers M and N, who are unrelated and not treated as a single employer under federal tax law. Each month, M and N each provide qualified transportation benefits to E with a value of \$60.

(ii) In this example, because M and N are unrelated employers, and the value of the monthly benefit provided by each is not more than the applicable statutory monthly limit, the benefits provided by each employer are excludable as qualified transportation fringe benefits, assuming that the other requirements of the law are satisfied.

*Example 2.* (i) Same facts as in Example 1, except that M and N are both agencies of the Commonwealth of Virginia.

(ii) In this example, because M and N are treated as a single employer, the value of the monthly benefit provided by M and N must be combined for purposes of determining whether the applicable statutory monthly limit has been exceeded. Thus, the amount by which the value of the benefit exceeds the monthly limit (\$120 minus \$65 equals \$55) for each month in 2000 is includible in Employee E's wages for income and employment tax purposes. It will be up to Employers M and N to work out how this will be reported.

## **11. How does federal tax law apply to cash reimbursements of transportation expenses by employers?**

A-11. (a) *In general.* The term qualified transportation fringe includes cash reimbursement by an employer to an employee for expenses incurred or paid by an employee for transportation in a commuter highway vehicle (qualified vanpool). The term qualified transportation fringe also includes cash reimbursement for transit passes made under a bona fide reimbursement arrangement, but only if permitted under paragraph (b) below of this Q/A-11. The reimbursement must be made under a bona fide reimbursement arrangement which meets the rules of paragraph (c) of this Q/A-11. NOTE CAREFULLY: A payment made before the date an expense has been incurred or paid is not a reimbursement. In addition, a bona fide reimbursement arrangement does not include an arrangement that is dependent solely upon an employee certifying in advance that the employee will incur expenses at some future date.

(b) *Special rule for transit passes--(1) In general.* The term *qualified transportation fringe* includes cash reimbursement for transit passes made under a bona fide reimbursement arrangement, but only if no voucher or similar item that may be exchanged only for a transit pass is readily available for direct distribution by the employer to employees. If a voucher is readily available, the requirement that a voucher be distributed in-kind by the employer is satisfied if the voucher is distributed by the employer or by another person on behalf of the employer (for example, if a transit operator credits amounts to the employee's fare card as a result of payments made to the operator by the employer).

(2) *Voucher or similar item.* For purposes of the special rule in paragraph (b) of this Q/A-11, a transit system voucher is an instrument that may be purchased by employers from a voucher provider that is accepted by one or more mass transit operators (e.g., train, subway, bus) in an area as fare media or in exchange for fare media. Thus, for example, a transit pass that may be purchased by employers directly from a voucher provider is a transit system voucher.

(3) *Voucher provider.* The term “voucher provider” means any person in the trade or business of selling transit system vouchers to employers, such as a rideshare agency, or any transit system or transit operator that sells vouchers to employers for the purpose of direct distribution to employees. Thus, a transit operator might or might not be a voucher provider. A voucher provider is not, for example, a third-party employee benefits administrator that administers a transit pass benefit program for an employer using vouchers that the employer could obtain directly.

(4) *Readily available.* For purposes of this paragraph (b), a voucher or similar item is readily available for direct distribution by the employer to employees if and only if an employer can obtain it from a voucher provider that—

(i) does not impose fare media charges that cause vouchers to not be readily available as described in paragraph (b)(5) below; and

(ii) does not impose other restrictions that cause vouchers to not be readily available as described in paragraph (b)(6) below.

(5) *Fare media charges.* For purposes of paragraph (b)(4) above, fare media charges relate only to fees paid by the employer to voucher providers for vouchers. It does not include any internal costs of the employer. The determination of whether obtaining a voucher would result in fare media charges that cause vouchers to not be readily available as described in this paragraph (b) is made with respect to each transit system voucher. If more than one transit system voucher is available for direct distribution to employees, the employer must consider the fees imposed for the lowest cost monthly voucher for purposes of determining whether the fees imposed by the voucher provider satisfy this paragraph. However, if transit system vouchers for multiple transit systems are required in an area to meet the transit needs of the individual employees in that area, the employer has the option of averaging the costs applied to each transit system voucher for purposes of determining whether the fare media charges for transit system vouchers satisfy this paragraph. Fare media charges cause vouchers to not be readily available, if and only if the average annual fare media charges that the employer reasonably expects to incur for transit system vouchers purchased from the voucher provider (disregarding reasonable and customary delivery charges imposed by the voucher provider, e.g., not in excess of \$15) are more than 1 percent of the average annual value of the vouchers for a transit system.

(6) *Other restrictions.* For purposes of paragraph (b)(4) above, restrictions that cause vouchers to not be readily available are restrictions imposed by the voucher provider other than fare media charges that effectively prevent the employer from obtaining vouchers appropriate for distribution to employees. Examples of such restrictions include--

(i) *Advance purchase requirements.* Advance purchase requirements cause vouchers to not be readily available only if the voucher provider does not offer vouchers at regular intervals or fails to provide the voucher within a reasonable period after

receiving payment for the voucher. For example, a requirement that vouchers may be purchased only once per year may effectively prevent an employer from obtaining vouchers for distribution to employees. An advance purchase requirement that vouchers be purchased not more frequently than monthly does not effectively prevent the employer from obtaining vouchers for distribution to employees.

(ii) *Purchase quantity requirements.* Purchase quantity requirements cause vouchers to not be readily available if the voucher provider does not offer vouchers in quantities that are reasonably appropriate to the number of the employer's employees who use mass transportation (for example, the voucher provider requires a \$1,000 minimum purchase and the employer seeks to purchase only \$200 of vouchers).

(iii) *Limitations on denominations of vouchers that are available.* If the voucher provider does not offer vouchers in denominations appropriate for distribution to the employer's employees, vouchers are not readily available. For example, vouchers provided in \$5 increments up to the monthly limit are appropriate for distribution to employees, while vouchers available only in a denomination equal to the monthly limit are not appropriate for distribution to employees if the amount of the benefit provided to the employer's employees each month is normally less than the monthly limit.

(7) *Example.* The following example illustrates the principles of this paragraph (b):

*Example.* (i) Company C in City X sells mass transit vouchers to employers in the metropolitan area of X in various denominations appropriate for distribution to employees. Employers can purchase vouchers monthly in reasonably appropriate quantities. Several different bus, rail, van pool, and ferry operators service X, and a number of the operators accept the vouchers either as fare media or in exchange for fare media. To cover its operating expenses, C imposes on each voucher a 50 cents charge, plus a reasonable and customary \$15 charge for delivery of each order of vouchers. Employer M disburses vouchers purchased from C to its employees who use operators that accept the vouchers and M reasonably expects that \$55 is the average value of the voucher it will purchase from C for the next calendar year.

(ii) In this *Example*, vouchers for X are readily available for direct distribution by the employer to employees because the expected cost of the vouchers disbursed to M's employees for the next calendar year is not more than 1 percent of the value of the vouchers (50 cents divided by \$55 equals 0.91 percent), the delivery charges are disregarded because they are reasonable and customary, and there are no other restrictions that cause the vouchers to not be readily available. Thus, any reimbursement of mass transportation costs in X would not be a qualified transportation fringe.

(c) *Substantiation requirements.* Employers that make cash reimbursements must establish a bona fide reimbursement arrangement to establish that their employees have, in fact, incurred expenses for transportation in a commuter highway vehicle or for purchasing transit passes. Whether cash reimbursements are made under a bona fide reimbursement arrangement may vary depending on the facts and circumstances, including the method or methods of payment utilized within the mass transit system. The employer must implement reasonable procedures to ensure that an amount equal to the reimbursement was incurred for transportation in a commuter highway vehicle (qualified van pool) or for the purchase of transit passes. The expense

must be substantiated within a reasonable period of time. An expense substantiated by the employee to the employer within 180 days after it has been paid will be treated as having been substantiated within a reasonable period of time. An employee certification at the time of reimbursement in either written or electronic form may be a reasonable reimbursement procedure depending on the facts and circumstances. Examples of reasonable reimbursement procedures are set forth in the following paragraph (d) of this Q/A-11.

(d) *Illustrations of reasonable reimbursement procedures.* The following are examples of reasonable reimbursement procedures for purposes of paragraph (c) of this Q/A-11. In each case, the reimbursement is made at or within a reasonable period after the end of the events described in paragraphs (d)(1) through (d)(3).

(1) An employee presents to the employer a receipt for the employee's share of the cost of riding a vanpool to the employer's business premises, the employee certifies that the vanpool was used by the employee to commute to work, and the employer has no reason to doubt the employee's certification.

(2) An employee either submits a used time-sensitive transit pass (such as a monthly pass) to the employer and certifies that he or she purchased it or presents an unused or used transit pass to the employer and certifies that he or she purchased it and the employee certifies that he or she has not previously been reimbursed for the transit pass. In both cases, the employer has no reason to doubt the employee's certification.

(3) If a receipt is not provided in the ordinary course of business (i.e., if used transit passes cannot be returned to the user), the employee certifies to the employer the type and the amount of expenses incurred, and the employer has no reason to doubt the employee's certification.

## **12. May an employer legally provide nontaxable cash reimbursement for periods longer than one month?**

A-12. Yes. Qualified transportation fringe benefits include cash reimbursement to employees for costs incurred for transportation in more than one month, provided the reimbursement for each month is calculated separately and does not exceed the applicable statutory monthly limit for any month. See Q/A-8 and 9 if the limit for a month is exceeded. The following example illustrates the principles of this Q/A-12:

*Example.* (i) Employee R pays \$50 per month for qualified transportation during the period from April 1, 2000 through June 30, 2000. After receiving adequate substantiation from R, R's employer reimburses R \$150 in cash on June 30, 2000.

(ii) In this example, because the value of the reimbursed expenses for each month did not exceed the applicable statutory monthly limit, the \$150 reimbursement is excludable from R's wages for income and employment tax purposes as a qualified transportation fringe benefit.

### **13. What are the monthly substantiation requirements if an employer distributes transit passes?**

A-13. There are no monthly substantiation requirements if the employer distributes transit passes or vouchers. Thus, an employer may distribute a transit pass or voucher for each month with a value not more than the statutory monthly limit without requiring any certification from the employee regarding the use of the transit pass or voucher. However, see the answer to Q/A-14.

### **14. Does the Commonwealth of Virginia impose substantiation requirements in the *Commonwealth Commuter Choice* program in addition to those already discussed?**

A-14. Yes. Under the *Commonwealth Commuter Choice* program there is a requirement that each year, in December, at or after receiving the December benefit, the employee certifies that the benefits received for the year have not exceeded the employee's actual costs of commuting, that the benefits have not been given or sold to any one, and that any receipt of benefits from other state agencies has been correctly reported.

### **15. How do the qualified transportation fringe benefit rules apply to vanpools?**

A-15. (a) *Vanpools generally.* Employer and employee-operated vanpools, as well as private or public transit-operated vanpools, may qualify as qualified transportation fringe benefits. The value of vanpool transportation in a commuter highway vehicle which qualifies as transportation fringe benefits may be excluded from an employee's taxable income, up to the applicable statutory monthly limit. (See Q/A-2 for the definition of what will qualify as a "commuter highway vehicle" to be utilized in a qualified vanpool). If transit passes or vouchers are also provided to the employee for public transit during the month, the value of any of these transit passes or vouchers provided by the employer for the month must be deducted to figure the maximum amount allowed for transportation in the qualified vanpool.

In the northern part of Virginia, most vanpools accept *Metrocheks* as fare media and electronic SmartBenefits. *Metrocheks* for vanpools would be handled in the same way as *Metrocheks* for transit. If a vanpool does not accept *Metrocheks*, then the employer can use cash reimbursements for the vanpool riders. However, either the employer or employee may wish to inform their vanpool operator that the operator can be signed up and participate in the *Metrochek* program at no charge or cost. For vanpools that participate in SmartBenefits, employees can designate their vanpool operator to receive the benefit amount electronically.

(b) *Employer-operated vanpools.* The value of vanpool transportation provided by or for an employer to its employees is excludable as a qualified transportation fringe benefit, provided the van qualifies as a commuter highway vehicle as defined in Q/A-2.

A vanpool is operated by or for the employer if the employer purchases or leases vans to enable employees to commute together or the employer contracts with and pays a third party to provide the vans and pays some or all of the costs of operating the vans, including maintenance, liability insurance, and other operating expenses.

(c) *Employee-operated vanpools.* Cash reimbursement by an employer to employees for expenses incurred for transportation in a vanpool operated by employees independent of their employer are excludable as qualified transportation fringes, provided that the van qualifies as a commuter highway vehicle (see definition in Q/A-2) and the requirements for cash reimbursements in Q/A-11 are met.

(d) *Private or public transit-operated vanpool transit passes.* The qualified transportation fringe exclusion for transit passes is available for travel in vanpools owned and operated either by public transit authorities or by any person in the business of transporting persons for compensation or hire. In accordance with paragraph (b) of Q/A-3, the van must seat at least 6 adults (excluding the driver). See also Q/A-11 (b), (c), and (d) for the special rules for cash reimbursements for transit passes and the substantiation requirements for such cash reimbursements.

(e) *Value of vanpool transportation benefits.* Federal tax regulations provide that the fair market value of a fringe benefit is based on all the facts and circumstances. Alternatively, transportation in an employer-provided commuter highway vehicle may be valued under the federal tax regulations, 26 C.F.R. § 1.61-21, using the automobile lease valuation rule in subsection (d), the vehicle cents-per-mile rule in subsection (e), or the commuting valuation rule in subsection (f). If one of these special valuation rules is used, the employer must use the same valuation rule to value the use of the commuter highway vehicle by each employee who share the use. See 26 C.F.R. § 1.61-21(c)(2)(i)(B). NOTE: This only applies to an employer provided vehicle.

## **16. What are the reporting and employment tax requirements for qualified transportation fringe benefits?**

A-16. (a) *Employment tax treatment generally.* Qualified transportation fringe benefits not exceeding the applicable statutory monthly limit described in Q/A-7 of this section are not wages for purposes of the Federal Insurance Contributions Act (FICA) (commonly known as "Social Security" tax), the Federal Unemployment Tax Act (FUTA), and federal income tax withholding. Qualified transportation fringes exceeding the applicable statutory monthly limit described in Q/A-7 of this section are wages for purposes of the FICA, the FUTA, and federal income tax withholding and are reported on the employee's Form W-2, Wage and Tax Statement.

(b) *Employment tax treatment of cash reimbursement exceeding monthly limits.* Cash reimbursements to employees (for example, cash reimbursements for qualified van pool commuting) in excess of the applicable statutory monthly limit are treated as paid for employment tax purposes when actually or constructively paid. Employers must report and deposit the amounts withheld in addition to reporting and depositing other employment taxes. See Q/A-11 and 12 for rules governing cash reimbursements.

(c) *Noncash fringe benefits exceeding monthly limits.* If the value of noncash qualified transportation fringes exceeds the applicable statutory monthly limit, the

employer may elect, for purposes of the FICA, the FUTA, and federal income tax withholding, to treat the noncash taxable fringe benefits as paid on a pay period, quarterly, semi-annual, annual, or other basis, provided that the benefits are treated as paid no less frequently than annually.



## ***Commonwealth Commuter Choice***

### **Increased Mobility for State Employees**

# *Commonwealth Commuter Choice*

## **Agency Implementation Guide – Revised March 2008**

*This Agency Implementation Guide is designed to give instructions to those agencies that are mandated<sup>1</sup> to participate or that choose to participate in the Commonwealth Commuter Choice program, established by the Governor's Executive Order ((71 (01)) issued on August 23, 2000. For all part-time (P-14) employees in the mandated area<sup>1</sup> and all employees who report to an office in a city or county not in the area mandated by the Executive Order, the Commonwealth Commuter Choice Program is optional, at the agency's discretion. All of the materials that you need should be in the Agency Package of Materials sent to you.*

### **STEPS TO IMPLEMENT A SUCCESSFUL PROGRAM:**

1. The agency should set up a meeting with the local rideshare agency and/or transit provider in each area where the agency has an office. If there is no rideshare agency in an area, contact the closest rideshare agency to the area. You can locate the rideshare agencies by referring to the attached list. There is also a web site where you can get the addresses, given in Step #13. The agency head, along with the agency payroll, human resources, accounting, and administrative support personnel, should meet with the representatives of the local rideshare or transit providers from each area where the agency's employees work to discuss how the *Commonwealth Commuter Choice* program can be implemented in that area. The local rideshare agency may also be able to assist the agency in designing some additional no cost transportation benefit programs that could reward employees who would not benefit from or be interested in signing up for *Commonwealth Commuter Choice*, such as ridematching and preferred parking for carpoolers who cannot take advantage of the paid transit and vanpool benefit.
2. You should distribute the appropriate informational guides to your employees. Note that there are two informational guides, one for employees in the mandated area<sup>1</sup> and one for employees in any other area. You can e-mail a copy to each employee or to the offices where they work and have the offices print and distribute the copies. In areas outside of the mandated area the agency's human resources staff might want to make sure they can answer any questions about voucher availability, transit options, and vanpools that employees may have. The information should be available from the rideshare agencies or transit providers.
3. The agency should then survey its employees to determine how many employees are interested in the program. The survey forms are available at the end of this document – FORM A for Northern Virginia Agencies and FORM B for all other Agencies. Upon completion of the survey distribution, you may need to meet again with your local rideshare agencies or transit providers to consider the results. The surveys should provide your agency with the information necessary to determine the financial commitment required to implement the program.

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<sup>1</sup> Arlington, Fairfax, Loudoun, Prince William, Spotsylvania, and Stafford Counties and the Cities of Alexandria, Fairfax, Falls Church, Fredericksburg, Manassas and Manassas Park constitute the mandated area.

4. After receiving the employee survey form results and evaluating them, develop the agency's final transportation benefit package, including the *Commonwealth Commuter Choice* program. For employees not working in the geographic areas where the program is mandated by the Executive Order, the agency may wish to offer the *Commonwealth Commuter Choice* benefit, but may choose to offer a different maximum monthly benefit. For example, instead of offering a maximum benefit per month of \$115, your agency may choose to offer only \$50 per month. It is recommended that agencies wanting to offer a reduced benefit consult with the local rideshare or transit agency to determine what the average vanpool and transit costs are in order to establish a meaningful benefit maximum. Agencies in the mandated area must offer the maximum monthly benefit.
5. You should advertise and promote the *Commonwealth Commuter Choice* program, and any other no cost transportation benefit program the agency has adopted, through newsletters, e-mails, posters or special notices to all employees. The local rideshare agency will assist you. A copy of the Employee Informational Guide should be provided in all appropriate new-hire packages.
6. Distribute an enrollment form to participating employees. A copy of the enrollment form is included in the package of materials sent to you. NOTE: If an employee indicates that they are receiving a transportation benefit, excluding parking, from another state agency, then you must see if the total benefit the employee is receiving exceeds the allowable tax-free maximum. If it does, you should have your payroll people get with the payroll people from the other agency. Any excess over the allowable maximum will be taxable to the employee and will also have to be included in employer taxes.
7. Meet with the local rideshare or transit agency and set up the transit voucher account or transit pass program. For offices in the mandated area *Metrocheks* or *SmartBenefits* will be used, except for a small number of vanpools that do not accept *Metrocheks* or *SmartBenefits*. For other areas, vouchers must be used in those geographic areas where a voucher program is set up. Transit passes or other fare media can be used where a voucher program is unavailable. Only when neither is readily available can cash be used. Note step 10, if cash reimbursement is used.
8. Finalize any no cost additional transportation benefit for your employees.
9. At the end of each month, your payroll or purchasing office buys transit vouchers or passes from the appropriate transit voucher provider and distributes them to each participating employee either by U. S. Mail, by inclusion with the paycheck or earnings notice, by hand delivery, or by having the employee pick them up. If they are hand delivered or picked up by the employee, for administrative convenience consider designating a standard time and day each month (e.g., the fourth Thursday, from 8-10 am) that employees can receive their vouchers. The employee can then exchange the voucher with the transit agency of choice or the vanpool operator for payment, whichever is appropriate. For those using *SmartBenefits*, log into your online account and designate the benefit amount to employees by the 15<sup>th</sup> of the month.

NOTE: Employees participating in *SmartBenefits* must own a *SmarTrip*® card that is registered with WMATA, and provide the *SmarTrip*® card serial number to their agency.

10. If cash reimbursement is made to employees because no voucher program is available or because vouchers are not readily available (see Q/A-11 of "What is the program..." portion of this package), the employee has to sign a form certifying that the amount being reimbursed was used for commuter transportation that qualifies under the *Commonwealth Commuter Choice* program and has to turn in any receipts, cancelled tickets, etc. to substantiate the amount being reimbursed. A copy of the form to be used is included in this package of materials.
11. Once per year, during the month of December, each employee, those receiving vouchers, SmartBenefits and those receiving cash reimbursements, should sign a certification of the accuracy of his or her commuting costs. A copy of the certification form is provided in this package of materials.
12. After 12-18 months of implementation of the *Commonwealth Commuter Choice* program, the agency should do a follow-up survey of employees to determine transportation mode usage changes, travel pattern changes, and overall effectiveness of the *Commonwealth Commuter Choice* program.
13. Your local rideshare and transit providers are available to assist you. If there are none in the local area, the closest agency should be contacted. A list of the agencies in each area of the Commonwealth is provided in the package of materials being sent to you. If you want to use the Internet for this information, please check the Department of Rail and Public Transportation web site at <http://www.drpt.virginia.gov/locator/default.aspx> for the agency nearest you. Convenient maps and hyperlinks are provided on the web site.
14. Make sure that your human resources staff updates any agency personnel manual to reflect inclusion of these benefits for agency employees. In recruiting new employees you may want to mention the benefits provided by the *Commonwealth Commuter Choice* program and give the employee a copy of the appropriate "Informational Guide" (included in this package).

### ***Metrochek/SmartBenefits Account Contact***

Washington Metropolitan Area Transit Authority

202-962-1326

[www.wmata.com](http://www.wmata.com)

## *Listing of Virginia Rideshare Agencies*

<b>Area Served</b>	<b>Rideshare Agency</b>	<b>Phone Number</b>
Charlottesville Area	RideShare <a href="http://www.rideshareinfo.org">www.rideshareinfo.org</a>	(434) 295-6165
Fauquier, Rappahannock, Culpeper, Orange and Madison Counties	Rappahannock Rapidan Region Commuter Services <a href="http://www.rrregion.org/carpool.html">www.rrregion.org/carpool.html</a>	(540) 829-7451
City of Winchester; Clarke, Frederick, Page, Shenandoah and Warren Counties	Valley Commuter Assistance Program <a href="http://www.vcapride.virginia.gov">www.vcapride.virginia.gov</a>	(540) 635-4146
Lancaster, Northumberland, Westmoreland, and Richmond Counties	Northern Neck Planning District Commission <a href="http://www.neckride.org">www.neckride.org</a>	(804) 333-6683
Greater Richmond Area, Petersburg, Hopewell, and Colonial Heights	RideFinders <a href="http://www.ridefinders.com">www.ridefinders.com</a>	(804) 643-7433 (800) 693-7433
Roanoke and New River Valley Area	Ride Solutions <a href="http://www.ridesolutions.org">www.ridesolutions.org</a>	(540) 342-9393
Hampton Roads and Eastern Shore Area	TRAFFIX Regional Program <a href="http://www.traffixonline.org">www.traffixonline.org</a>	(800) 700-7433
Essex, Gloucester, King & Queen, King William, Mathews and Middlesex Counties	Middle Peninsula Rideshare <a href="http://www.midpenrideshare.org">www.midpenrideshare.org</a>	(804) 758-4847
Northern Virginia, DC, MD	Commuter Connections <a href="http://www.commuterconnections.com">www.commuterconnections.com</a>	(800) 745-7433
City of Alexandria	Alexandria Rideshare <a href="http://www.alexride.org">www.alexride.org</a>	(703) 838-3800
Arlington County	Arlington Transportation Partners <a href="http://www.commuterpage.com/atp">www.commuterpage.com/atp</a>	(703) 247-9299

## ***Listing of Virginia Rideshare Agencies (cont.)***

Fairfax County, Cities of Falls Church and Fairfax	Fairfax County RideSources <a href="http://www.co.fairfax.va.us/fcdot/">www.co.fairfax.va.us/fcdot/</a>	(703) 324-1111
Prince William County, Cities of Manassas and Manassas Park	Potomac and Rappahannock Transportation Commission (PRTC) OmniMatch <a href="http://www.prtctransit.org">www.prtctransit.org</a>	(703) 730-6664, (888) 730-6664 Extension 1
Loudoun County	Loudoun County Rideshare <a href="http://www.loudoun.gov/transportation/ride.htm">www.loudoun.gov/transportation/ride.htm</a>	(703) 771-5665
Spotsylvania County, Stafford County, City of Fredericksburg	George Washington Regional Commission <a href="http://www.gwregion.org">www.gwregion.org</a>	(540) 373-7667

**The rideshare agency in your area is the place to call for assistance with the *Commonwealth Commuter Choice* program. If none is in the area, contact the closest agency.**

REV. 3-2008

# COMMONWEALTH COMMUTER CHOICE

## *Informational Guide for State Employees*

REVISED MARCH 2008

Great News! Many state employees enjoy a more economical choice of how to get to work. As the result of an Executive Order signed by the Governor, many full time and part-time state employees have been given a new financial incentive to commute by public transit or vanpool. In the agencies offering this program it is a state paid tax-free fringe benefit that you, as a state employee, can receive over and above your current salary. **Agencies with offices in the counties of Arlington, Fairfax, Loudoun, Prince William, Spotsylvania, and Stafford and the cities of Alexandria, Fairfax, Falls Church, Fredericksburg, Manassas, and Manassas Park are required to provide this benefit to employees working in the aforementioned areas.** It is optional, yet highly encouraged, that this benefit be provided to state employees working in other than the mandated areas.

### ***Why Commonwealth Commuter Choice***

Driving to work alone contributes to more traffic congestion, air pollution, energy consumption, and lost time for employees – precious time that could be spent with family and friends. Traffic congestion can lead to lost productivity, road rage, unnecessary stress, waste of energy resources, and degradation of air quality for everyone. These are some of the hidden costs of commuting to work alone by car. To reduce the number of vehicles on our roads and to get more commuters into efficient travel arrangements, the idea of *Commonwealth Commuter Choice* was born. Under the *Commonwealth Commuter Choice* program part or all of the cost of commuting by public transportation or by vanpool is a state paid tax-free employee benefit provided to those participating in the program in addition to their regular salary.

And those who ride public transportation or vanpools may qualify for a local or regional guaranteed ride home program. With a guaranteed ride home you won't have to worry about being stranded at work if you have a family emergency or have to work unexpected overtime. It's another great choice provided by the Commonwealth!

# **Commonwealth Commuter Choice = Tax Free Benefit Over and Above Your Salary!**

## **The *Commonwealth Commuter Choice* Benefit**

It's called *Commonwealth Commuter Choice* because it gives state employees enrolled in the program an attractive alternative to driving to work alone – a real choice. *Commonwealth Commuter Choice* is for employees who use public transit buses, commuter trains, subways, and vanpools to commute to work. Under this program the state agency will pay each employee in the program their actual eligible transportation costs, up to a maximum to be set by the agency, *tax-free* to the employee. (Beginning January 2008, the maximum set by the agency cannot exceed \$115 a month or \$1,380 a year. The maximum amount is set by Federal law and in future years the permissible maximum is automatically adjusted when changed by Federal law.)

NOTE: Agencies are required to pay the actual eligible transportation costs, up to the maximum amount, to employees working in the counties of Arlington, Fairfax, Loudoun, Prince William, Spotsylvania, and Stafford and the cities of Alexandria, Fairfax, Falls Church, Fredericksburg, Manassas, and Manassas Park.

# **Commonwealth Commuter Choice = More Money in Your Pocket!**

## **Fully State Paid Benefit**

Under *Commonwealth Commuter Choice* the state agency for which you work picks up the entire cost of your public transit or vanpool commute, up to the maximum allowed. Because your agency picks up the tab for its employees in the program, the *Commonwealth Commuter Choice* is equivalent to a tax-free salary or wage increase. If the same amount were to be given to you as a pay increase, it would cost both you and your agency more, would produce less benefit to you, and would increase your income and social security taxes. The charts below show how the *Commonwealth Commuter Choice* public transportation benefit stacks up against a cash salary increase, using as examples, two possible maximums that can be set by your agency. Actual savings and tax avoidance will vary based on the actual maximum set by your agency, as well as each employee's income tax bracket and Federal and state income tax rates:

**HOW THE \$115 PER MONTH TAX-FREE BENEFIT PAYS OFF FOR YOU:**

	<b>Transportation Benefit</b>	<b>Salary Increase</b>	<b>Difference</b>
<b>Annual Benefit Amount</b>	<b>\$1,380.00</b>	<b>\$1,380.00</b>	<b>-0-</b>
Employee FICA Paid @ 7.65%	-0-	(\$105.57)	-\$105.57
Federal Income Tax Paid @ 28%	-0-	(\$386.40)	-\$491.97
Virginia Income Tax Paid @ 5.75%	-0-	(\$79.35)	-\$571.32
<b>Value to Employee</b>	<b>+\$1,380.00</b>	<b>+\$808.68</b>	<b>-\$571.32</b>

You do the math. If you were to receive an equivalent cash salary raise of \$1,380 per year instead of the maximum state paid *tax-free Commonwealth Commuter Choice* benefit, you would actually end up paying for it in increased taxes, reducing the value of the benefit by more than 41%. It would actually take more than \$2,339 in taxable salary increase to yield \$1,380 after taxes.

**ASSUMING A MAXIMUM \$50 PER MONTH BENEFIT:**

	<b>Transportation Benefit</b>	<b>Salary Increase</b>	<b>Difference</b>
<b>Annual Benefit Amount</b>	<b>\$600.00</b>	<b>\$600.00</b>	<b>-0-</b>
Employee FICA Paid @ 7.65%	-0-	(\$45.90)	-\$45.90
Federal Income Tax Paid @ 28%	-0-	(\$168.00)	-\$168.00
Virginia Income Tax Paid @ 5.75%	-0-	(\$34.50)	-\$34.50
<b>Value to Employee</b>	<b>+\$600.00</b>	<b>+\$351.60</b>	<b>-\$248.40</b>

Once again, the math tells the story. If you were to receive an equivalent cash salary raise of \$600 per year instead of a \$50 per month state paid *tax-free Commonwealth Commuter Choice* benefit, you would actually end up paying for it in increased taxes, reducing the value of the benefit by more than 41%. It would actually take more than \$1,023 in taxable salary increase to yield \$600 after taxes.

**What Commuting Costs Are Covered by *Commonwealth Commuter Choice*?**

The actual costs of transportation on mass transit facilities such as transit buses, commuter trains, subways, and qualified vanpools, whether privately or publicly owned, are covered by the *Commonwealth Commuter Choice* program. However, no parking costs are covered, even if the parking is at park and ride lots, transit stations, or vanpool staging areas.

## Cash Reimbursement Restrictions

### Cash Reimbursements

Cash reimbursement for transit or vanpool expenses is permitted in very limited circumstances. The only time an agency can reimburse employees for a cash outlay for transit or vanpool costs is in areas where vouchers or bus/rail passes, tokens, farecards, tickets, etc. are not "readily available" to be exchanged for transit or vanpool services. In most cases, the agency provides vouchers or bus/rail passes, tokens, farecards, tickets, etc., instead of cash reimbursement. For example, in the northern part of Virginia, *Metrochek* vouchers or SmartBenefits are the type of transit or vanpool "media" that are used to provide the *Commonwealth Commuter Choice* benefit, while in Richmond *Commuter Bonus Bucks* are used. Only when no voucher, pass, or token program is available, or when there are significant administrative costs for vouchers, can cash reimbursement be used. For a cash reimbursement receipts, stubs, cancelled tickets, etc. must be turned in and the employee must give a written certification that the amount of the cash reimbursement received was spent for commuting by mass transit or vanpool.

## Vanpools Rules

### Special Rules for Vanpools

Vans used in eligible vanpools are referred to as "Commuter Highway Vehicles" under IRS rules. To be qualified for the vanpool benefit under the *Commonwealth Commuter Choice* program, the van used must be a highway vehicle that has a seating capacity of at least six adults, excluding the driver. In addition, there is a two part requirement for mileage use that must be satisfied. At least 80 percent of the vehicle mileage use must be reasonably expected to be (1) for transporting employees in connection with travel between their residences and their place of employment, and (2) on trips during which the number of employees transported for commuting is, on average, at least one-half of the adult seating capacity, excluding the driver.

## How You Will Receive Your Benefit

### Public Transportation

For mass transit facilities, such as buses, commuter trains, and subways, your agency will give you vouchers, passes, tokens, tickets, fare cards, or, in a few situations, cash reimbursements. Your agency's human resource person should be able to tell you what

"media" is used by the agency in any given area to give employees the *Commonwealth Commuter Choice* benefit. If cash reimbursement is provided, the human resources person should be able to guide you through the process.

The November 2006 IRS ruling, Internal Revenue Bulletin 2006-57 officially allows employers to provide a qualified transportation fringe benefit using smart cards. Therefore, in the mandated area, the *Commonwealth Commuter Choice* benefit may be provided through SmartBenefits. SmartBenefits allows employers to load the monthly value of an employee's commuting benefit directly on to the employee's SmarTrip® card, using a secure web site operated by the Washington Metropolitan Area Transit Authority (WMATA). SmarTrip® is a permanent, rechargeable farecard. It is plastic card, like a credit card, and is embedded with a computer chip that keeps track of the value of the card. SmarTrip® can be used to pay transit fares on Metrorail, Metrobus and several other local bus services. For more information on SmartBenefits and SmarTrip®, visit <http://www.wmata.com/> and click on "SmartBenefits" or "SmarTrip" in the Quick Links section.

## **Vanpools**

Vanpool vouchers, tickets, passes, or possibly cash reimbursements will be given to employees riding qualified vanpools to and from work. Once again, your agency human resources person can advise you of what arrangements have been made for providing the *Commonwealth Commuter Choice* benefit to vanpool users, or how to obtain qualified cash reimbursement for such costs.

Employees in the mandated area who vanpool to work can use their SmarTrip® account to designate their monthly SmartBenefit to their vanpool operator. For more information on SmartBenefits and SmarTrip®, visit <http://www.wmata.com/> and click on "SmartBenefits" or "SmarTrip" in the Quick Links section.

**NOTE: Employees participating in SmartBenefits must own a SmarTrip® card that is registered with WMATA, and provide the SmarTrip® card serial number to their agency, so that the transportation benefit can be applied electronically to the employee's SmarTrip® card.**

## **For More Information**

### ***Commonwealth Commuter Choice Program***

If you need more information about the *Commonwealth Commuter Choice* program, and how it works in your agency you should consult your agency's human resources staff.

### **Public Transportation and Vanpools in Your Area**

Information on all public transportation providers and vanpool programs is available through the Department of Rail and Public Transportation web site. Just click on the

page <http://www.drpt.virginia.gov/locator/default.aspx> and check out the listing for public transit in your area.

## SmartBenefits

For more information on SmartBenefits and SmarTrip®, visit <http://www.wmata.com/> and click on “SmartBenefits” or “SmarTrip” in the Quick Links section. Or call the Washington Metropolitan Area Transit Authority at 202-962-1326.

## Guaranteed Ride Home Programs

Commuter Connections Guaranteed Ride Home serves the counties of Arlington, Fairfax, Loudoun, Prince William, Spotsylvania, and Stafford and the cities of Alexandria, Fairfax, Falls Church, Fredericksburg, Manassas, and Manassas Park  
800-745-7433; <http://www.commuterconnections.org>

RideFinders Emergency Ride Home serves the greater Richmond area.  
800-693-7433; <http://www.ridefinders.com>

TRAFFIX serves the Hampton Roads area.  
800-700-7433; <http://www.traffixonline.org/home.html>

RideShare serves the Charlottesville area.  
888-974-5500; <http://www.rideshareinfo.org/grh.asp>

Middle Peninsula Rideshare serves Essex, Gloucester, King & Queen, King William, Mathews and Middlesex Counties  
877-451-1555; <http://www.midpenrideshare.org/grh.php>

RIDE Solutions serves the Roanoke area.  
866-424-3334; <http://www.ridesolutions.org/>

## Rideshare Agencies by Area

Area Served	Rideshare Agency	Phone Number
City of Alexandria	Alexandria Rideshare <a href="http://www.alexride.org">www.alexride.org</a>	(703) 838-3800
Arlington County	Arlington Transportation Partners <a href="http://www.commuterpage.com/atp">www.commuterpage.com/atp</a>	(703) 247-9299
Charlottesville Area	RideShare <a href="http://www.rideshareinfo.org">www.rideshareinfo.org</a>	(434) 295-6165
Fairfax County, Cities of Falls Church and Fairfax	Fairfax County RideSources <a href="http://www.co.fairfax.va.us/fcdot/">www.co.fairfax.va.us/fcdot/</a>	(703) 324-1111

Fauquier, Rappahannock, Culpeper, Orange and Madison Counties	Rappahannock Rapidan Region Commuter Services <a href="http://www.rrregion.org/carpool.html">www.rrregion.org/carpool.html</a>	(540) 829-7451
Hampton Roads and Eastern Shore Area	TRAFFIX Regional Program <a href="http://www.traffixonline.org">www.traffixonline.org</a>	(800) 700-7433
Loudoun County	Loudoun County Rideshare <a href="http://www.loudoun.gov/transportation/ride.htm">www.loudoun.gov/transportation/ride.htm</a>	(703) 771-5665
Northern Virginia, DC, MD	Commuter Connections <a href="http://www.commuterconnections.org">www.commuterconnections.org</a>	(800) 745-7433
Lancaster, Northumberland, Westmoreland, and Richmond Counties	Northern Neck Rideshare <a href="http://www.neckride.org">www.neckride.org</a>	(804) 333-6683
Essex, Gloucester, King & Queen, King William, Mathews and Middlesex Counties	Middle Peninsula Rideshare <a href="http://www.midpenrideshare.org">www.midpenrideshare.org</a>	(804) 758-4847
Prince William County, Cities of Manassas and Manassas Park	Potomac and Rappahannock Transportation Commission (PRTC) OmniMatch <a href="http://www.prtctransit.org">www.prtctransit.org</a>	(703) 730-6664, (888) 730-6664 Extension 1
Greater Richmond Area, Petersburg, Hopewell, and Colonial Heights	RideFinders <a href="http://www.ridefinders.com">www.ridefinders.com</a>	(804) 643-7433 (800) 693-7433
Roanoke and New River Valley Area	Ride Solutions <a href="http://www.ridesolutions.org">www.ridesolutions.org</a>	(540) 342-9393
Spotsylvania County, Stafford County, City of Fredericksburg	George Washington Regional Commission GWRideConnect <a href="http://www.gwregion.org/gwrideconnect.html">www.gwregion.org/gwrideconnect.html</a>	(540) 373-7667
City of Winchester; Clarke, Frederick, Page, Shenandoah and Warren Counties	Valley Commuter Assistance Program <a href="http://www.vcapride.virginia.gov">www.vcapride.virginia.gov</a>	(540) 635-4146

Probably the best source of information about transportation options available in your area is the rideshare agency that serves it. Any of the agencies listed above can provide you with the information you need to make an informed decision about how you can best get to work. If you are in an area not served by one of these agencies, just contact the one closest to you. Whether you want to know what transit alternatives are available or how to join or form a vanpool, the nearest rideshare agency to you will be able to assist you. They are only a telephone call away.

## ***Commonwealth Commuter Choice***

### **Increased Mobility for State Employees**

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*The information presented here does not constitute official tax guidance or a ruling by the U. S. Internal Revenue Service or the Virginia State Department of Taxation. Taxpayers are urged to consult with a tax professional for specific guidance on any matters related to their tax liability under either Federal or Virginia tax law.*

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# Commonwealth Commuter Choice Employee Enrollment Form

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(Name of Agency)

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(Employee's Name and Social Security Number)

I hereby enroll for a monthly transportation fringe benefit from the Commonwealth of Virginia under the *Commonwealth Commuter Choice* program. I hereby request a monthly amount of transportation fringe benefit, paid for by my employer, the Commonwealth of Virginia, valued at \$\_\_\_\_\_ per month in *Metrochek, Commuter Bonus Bucks, Commuter Checks* vouchers, or other transit or vanpool vouchers, passes, tokens, tickets, fare cards, SmartBenefits, or other authorized transportation benefit media, or an allowed cash reimbursement.

I hereby certify that I will be using this benefit exclusively for my regular daily direct commute from home to work and return. I will not give, barter, exchange, convey, assign, or otherwise transfer this benefit to any other person.

I further certify that the monthly benefit that I will be receiving does not exceed my average monthly commuting costs by public transportation or eligible vanpool, excluding any parking costs, based on the average number of workdays I commute in the average month. I agree that if my commuting costs change and the monthly benefit I receive exceeds my average monthly commuting costs for two or more consecutive months, I will notify my agency so that my monthly benefit can be adjusted appropriately. I also understand that if I am not receiving the maximum allowable benefit and my commuting costs increase, I can request an increase in my benefit under the *Commonwealth Commuter Choice* program.

I further certify that I am not presently receiving any benefit under the *Commonwealth Commuter Choice* program or any other similar transportation fringe benefit from any other agency, department, or division of the Commonwealth of Virginia, unless that is disclosed at the bottom of this form. I will notify this agency immediately in the event that I receive any such benefit from another state agency, department, or division during my employment with this agency.

I understand and agree that false information in this application may result in disciplinary action taken by my agency or the Commonwealth of Virginia, up to and including dismissal from my employment, and may subject me to criminal prosecution under state or federal law.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_  
(Signature of Employee)

Other state agencies from which I am receiving transportation fringe benefits, excluding parking benefits, and the amount: \_\_\_\_\_

REV 3-2008

# Commonwealth Commuter Choice Employee Yearly Certification For the Year \_\_\_\_\_

\_\_\_\_\_  
*(Name of Agency)*

I hereby acknowledge receipt of a monthly transportation fringe benefit from the *Commonwealth Commuter Choice* program, paid for by my employer, the Commonwealth of Virginia, valued at \$\_\_\_\_\_ per month, provided to me in the form of *Metrochek, SmartBenefits, Commuter Bonus Bucks, or Commuter Checks* vouchers, other transit or vanpool vouchers, passes, tokens, tickets, fare cards, SmartBenefits or other authorized transportation benefit media, or allowed cash reimbursement, for the period from

\_\_\_\_\_ to \_\_\_\_\_ .

I certify that during this period I used the benefits exclusively for my regular daily direct commute from home to work and return by public transportation or eligible vanpool, and that I did not give, barter, exchange, convey, assign, or otherwise transfer any of these benefits to any other person.

I further certify that the total of the monthly benefits that I received did not exceed my total commuting costs, excluding any parking costs, for the period I received them.

I further certify that during this period I did not receive any benefit under the *Commonwealth Commuter Choice* program or any other similar transportation fringe benefit from any other agency, department, or division of the Commonwealth of Virginia, unless it was disclosed, in writing, to this agency.

I understand and agree that false certification may result in disciplinary action taken by my agency or the Commonwealth of Virginia, up to and including dismissal from employment, and may subject me to criminal prosecution under state or federal law.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_  
*(Signature of Employee)*

Name of Employee: \_\_\_\_\_  
*(Please Print)*

REV 3-2008

**Commonwealth Commuter Choice Program  
Cash Reimbursement Certification**  
Month(s) of \_\_\_\_\_, 20 \_\_\_\_\_

\_\_\_\_\_  
*(Name of Agency)*

Pursuant to a bona fide cash reimbursement arrangement between the Commonwealth of Virginia, acting through the agency with which I am employed and myself, I hereby acknowledge receipt of a cash reimbursement in the amount of \$ \_\_\_\_\_ for a monthly transportation fringe benefit from the *Commonwealth Commuter Choice* program, for the period from \_\_\_\_\_ to \_\_\_\_\_.

I certify that during this period I used the amount that I am being reimbursed exclusively for the purpose of my own personal regular daily direct commute from home to work and return by public transportation or eligible vanpool.

I further certify that the total of the reimbursement that I received did not exceed my total commuting costs, excluding any parking costs, that I paid for myself during the period in question. I also certify that the receipts submitted with this certification are true and correct receipts for commuting expenses paid by me for my commuting costs by public transit or eligible vanpool.

I understand and agree that false certification or the submission of false or doctored receipts may result in disciplinary action taken by my agency or the Commonwealth of Virginia, up to and including dismissal from employment, and may subject me to criminal prosecution under state or federal law.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_  
*(Signature of Employee)*

Name of Employee: \_\_\_\_\_  
*(Please Print)*

3-2008

**NOTE:** Each employee participating in the *Commonwealth Commuter Choice* program and receiving a cash reimbursement instead of a voucher, transit pass, farecard, or other media for their commuting expenses by public transit or qualified vanpool should fill out and sign a certification every time they receive a cash reimbursement for such costs. These certifications should be retained by the agency in its personnel files.

# COMMONWEALTH COMMUTER CHOICE PROGRAM

## State-Paid Employee Benefit Survey FORM A – Northern Virginia Agencies\*

AGENCY: \_\_\_\_\_ **(Agency to fill in before distributing)**

AGENCY CODE: \_\_\_\_\_ **(Agency to fill in before distributing)**

The Commonwealth of Virginia is offering *Commonwealth Commuter Choice*, a tax-free, fully-paid fringe benefit program for state employees working in the Counties of Arlington, Fairfax, Loudoun, Prince William, Spotsylvania, and Stafford, and the Cities of Alexandria, Fairfax, Falls Church, Fredericksburg, Manassas, and Manassas Park, who commute to and from their jobs using public transit or vanpools. This tax-free program pays for your cost to commute by transit or vanpool, up to a maximum of \$115 per month. This is a new fringe benefit, and will not reduce your salary. So that we may have a better understanding of how many employees will use this new program, we are asking you to complete the questions below concerning your commuting patterns and return to \_\_\_\_\_ (Agency to fill in) by \_\_\_\_\_ (Agency to fill in date).

Name: \_\_\_\_\_

Employee Number: \_\_\_\_\_

City or County Where You Regularly Report for Work: \_\_\_\_\_

Zip Code of the Office Where You Regularly Report for Work: \_\_\_\_\_

**1. Primary (most frequent) way you commute to work: (Check one)**

- Public Transit       Vanpool       Carpool       Drive Alone  
 Bicycle       Walk       Other (Specify) \_\_\_\_\_

**2. If you already use public transit, which transit system(s) do you use to commute to work? (Check all that apply)**

- Metrorail     Metrobus     VRE     MARC     Alexandria DASH  
 Fairfax CONNECTOR     Loudoun Transit     Omni-Ride/Omni-Link  
 Fredericksburg Bus (FRED)     Private Bus     Vanpool  
 Other (Specify): \_\_\_\_\_

**3. On average, how many days per month do you use public transportation (including vanpools) in your direct commute to work? \_\_\_\_\_**

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\* For use only for full time employees and eligible part time employees in the Counties of Arlington, Fairfax, Loudoun, Prince William, Spotsylvania, and Stafford, and the Cities of Alexandria, Fairfax, Falls Church, Fredericksburg, Manassas, and Manassas Park.

4. On average, how much do you spend per month using public transportation (including vanpools) in your direct commute to work? Do not include any parking charges at park and ride lots, transit stations, vanpool staging areas, or other parking lots. Do not include any costs for additional stops such as dependent care facilities, shopping, errands, etc.: \$ \_\_\_\_\_

5. If you drive to a public transit station, a park and ride lot, or to a vanpool staging area, how much, on average, do you spend on parking at these facilities each month? \$ \_\_\_\_\_

6. Do you currently receive Metrochek or SmartBenefits from this agency?

Yes       No

7. Excluding parking, do you currently receive from any other state agency any employee transportation fringe benefit like *Commonwealth Commuter Choice* that pays any portion of your commuting expenses to and from work?  Yes       No

*If you are not currently using public transit or vanpools to commute to work, please answer the following two questions:*

8. How likely is it that you will start using public transit or a vanpool now that the Commonwealth offers a "tax-free" *Commonwealth Commuter Choice* benefit in addition to your regular salary?

Very likely       Somewhat likely       Not likely

9. If you were to use public transportation or a vanpool, would any part of your trip include paid parking at a public transit station, park and ride lot, or vanpool staging area?

Yes     No

10. Any additional comments you would care to make: \_\_\_\_\_

*If you need any assistance to understand the transit and vanpool options available to you, before you complete this form you should contact your local Rideshare Agency by calling:*

**COMMUTER CONNECTIONS  
1-800-745-RIDE**

COMMONWEALTH COMMUTER CHOICE PROGRAM

State-Paid Employee Benefit Survey  
FORM B – Non-Northern Virginia Agencies\*

**AGENCY:** \_\_\_\_\_ **(Agency to fill in before distributing)**

**AGENCY CODE:** \_\_\_\_\_ **(Agency to fill in before distributing)**

This agency is considering offering *Commonwealth Commuter Choice*, a tax-free, fully-paid fringe benefit program for state employees working in this agency who commute to and from their jobs using public transit or vanpools. This tax-free program would pay for your cost to commute by transit or vanpool, up to a maximum amount per month that would be established by the agency. However, the maximum amount would not exceed \$ 115 per month. This would be a new fringe benefit, and would not reduce your salary. So that we may have a better understanding of how many employees would use this new program, we are asking you to complete the questions below concerning your commuting patterns and return to \_\_\_\_\_(Agency to fill in) by \_\_\_\_\_(Agency to fill in date).

Name: \_\_\_\_\_

Employee Number: \_\_\_\_\_

City or County Where You Regularly Report for Work: \_\_\_\_\_

Are you a full time employee or a P-14 or part time employee?

**1. Primary (most frequent) way you commute to work: (Check one)**

- Public Transit       Vanpool       Carpool       Drive Alone  
 Bicycle       Walk       Other (Specify) \_\_\_\_\_

**2. If you already use public transit, which transit system(s) do you use to commute to work? (Please list all, if more than one)**

**Primary:** \_\_\_\_\_

**Others:** \_\_\_\_\_

**3. On average, how many days per month do you use public transportation (including vanpools) in your direct commute to work? \_\_\_\_\_**

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\* NOT FOR USE BY EMPLOYEES IN THE COUNTIES OF ARLINGTON, FAIRFAX, LOUDOUN, PRINCE WILLIAM, SPOTSYLVANIA, AND STAFFORD OR THE CITIES OF ALEXANDRIA, FAIRFAX, FALLS CHURCH, FREDERICKSBURG, MANASSAS, AND MANASSAS PARK. THOSE EMPLOYEES SHOULD USE FORM A.

4. On average, how much do you spend per month using public transportation (including vanpools) in your direct commute to work? Do not include any parking charges at park and ride lots, transit stations, vanpool staging areas, or other parking lots. Do not include any costs for additional stops such as dependent care facilities, shopping, errands, etc.: \$ \_\_\_\_\_

5. If you drive to a public transit station, a park and ride lot, or to a vanpool staging area, how much, on average, do you spend on parking at these facilities each month? \$ \_\_\_\_\_

6. Excluding parking, do you currently receive any transportation fringe benefit from this agency?

Yes       No

7. Excluding parking, do you currently receive from any other state agency any employee transportation fringe benefit like *Commonwealth Commuter Choice* that pays any portion of your commuting expenses to and from work?  Yes       No

*If you are not currently using public transit or vanpools to commute to work, please answer the following two questions:*

8. How likely is it that you would start using public transit or a vanpool if this agency were to offer you a "tax-free" *Commonwealth Commuter Choice* benefit in addition to your regular salary?

Very likely       Somewhat likely       Not likely

9. If you were to use public transportation or a vanpool, would any part of your trip include paid parking at a public transit station, park and ride lot, or vanpool staging area?

Yes     No

10. Any additional comments you would care to make: \_\_\_\_\_

*If you need any assistance to understand the transit and vanpool options available to you, before you complete this form you should contact your local Rideshare Agency. The names and locations of local Rideshare Agencies can be found on-line at [www.drpt.virginia.gov/locator/default.aspx](http://www.drpt.virginia.gov/locator/default.aspx).*