

Transportation Vouchers and Transit Passes: A Flexible and Accountable Option for Employers

If you are looking for a way to help employees cover commute costs but want to ensure effectiveness and accountability, transportation vouchers and transit passes may be the perfect solution.

Transportation vouchers are tickets or coupons that eligible riders give to participating transportation providers in exchange for a ride. They may be applied toward fully or partially subsidized rides on public transportation or through a vanpool or carpool. The person or company providing the ride then submits the vouchers back to the employer for payment, allowing the employer to account for all vouchers provided to employees. Vouchers can be numbered for maximum accountability and can be distributed in monetary denominations, valid for one or multiple trips.

Vouchers may also be used in conjunction with Guaranteed Ride Home (GRH) programs (see Fact Sheet #13). Using vouchers eliminates the need to have cash on hand to pay for the service. Employees receive vouchers either when they first register for the program or on the day a ride home is needed. The vouchers are used to pay for the service, and the program sponsor then reimburses the service provider.

Transit passes can also be used to access public transportation or shared ride options (e.g., vanpools, carpools). These generally have a time limit (e.g., one week, one month), as opposed to a monetary or per-trip limit.

Benefits to Your Business

Like other means of contributing toward employees' commuting costs, vouchers and passes may be treated as an employee benefit and qualify a company for tax incentives through the Qualified Transportation Fringe Benefit program. Businesses can deduct up to \$230 toward the value of any passes or vouchers provided or sell them to employees directly or through a pre-tax payroll deduction and deduct the employees' costs up to that same amount. (See Fact Sheet #6 for more on these tax benefits.)

Vouchers and Passes in Action

Some employers have partnered with local transit agencies to distribute passes to employees instead of providing them directly. For example, in Louisville, Kentucky, Humana, Inc. implemented a pass program for employees as a way to reduce the company's use of limited downtown parking and respond to employees' desires to reduce vehicle emissions and save on gasoline costs. Passes are provided through a partnership with the Transit Authority of River City. Humana's costs are offset by company savings resulting from providing fewer subsidized parking spaces. Furthermore, the partnership has garnered extensive positive media coverage and enabled Humana to position itself as a leading employer in Louisville and all the markets where it does business.

The Charlotte Area Hotel Association, in partnership with the Charlotte Area Transportation System (CATS), acts as a conduit for member hotels, purchasing bulk passes from the transit agency at a discounted rate. Each member hotel then makes the passes available to workers either through payroll deductions or by reselling them

The "Transportation Toolkit for the Business Community" gives businesses the information they need now to assist their employees in achieving a timely, cost-efficient commute that promotes their productivity and job satisfaction. View other fact sheets and resources at www.ctaa.org/transportation_to_work for information on how to access transportation-related tax benefits, partner with local providers to find answers to employees' and customers' transportation needs, become part of a transportation management association, and more.

This toolkit was created by the Community Transportation Association of America's Joblinks Employment Transportation Initiative—serving communities since 1993 in solving employment transportation issues.



at the same discounted rate. Employees can purchase passes for themselves as well as family members.

Other employers have designed programs in partnership with transit agencies that accept employee IDs as passes that can be used not only for travel to work, but also to non-work-related destinations. (See the Profiles of Employer-Sponsored Transportation Programs for additional information on other innovative company initiatives.)

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