

CHOOSE A BETTER WAY TO GO!

Traffic congestion causes an annual loss of \$40 billion to US businesses. If all US public transportation commuters drove instead the loss would increase by over 37%, *The Benefits of Public Transportation, APTA Choose a Better Way to Go!*

St. Louis has an award-winning transit system, and as new extensions open, more of your employees could choose transit for the work commute. This choice can save your company time and money - if you are prepared.

MetroLink has 37 stations along 43 miles of alignment. With the connecting MetroBus system, 97% of St. Louis City and County are accessible by transit. This accessibility extends into St. Clair County, Illinois, as well. This means more areas of the St. Louis region are accessible for employee recruitment. Especially in light of rising gas prices – transit incentives are a significant addition to your benefits package and require little to no investment. The possibilities are even greater with all the transit benefit programs available in St. Louis. Give your employees a better way to go by implementing transit benefit programs at your worksite:

- The Guaranteed Ride Home Program,
- Pre-payroll tax deductions for transit passes,
- Transit subsidies,
- WeCar,
- Flexible Work Schedules, and much more.

More than 200 St. Louis employers are currently offering such programs in the St. Louis area. One program that began in January 2005 is the Barnes-Jewish and Children's Hospitals transit benefit program which includes a \$20 transit subsidy with the remaining cost of passes deducted pre-tax from employees' gross pay. This program has resulted in a 1300% increase in transit pass sales at the worksite and complaints on parking have gone to almost zero. "Given the large numbers of employees at our hospitals and our location within a densely populated medical center, it was important for Barnes-Jewish and St. Louis Children's to offer convenient and commuter-friendly services for staff. Citizens for Modern Transit really jumped in and helped us out – making this an easy program to implement with big successes. Parking Garages are expensive to build, and this program is a great alternative," says retired Bob Buer, Director of Human Resources at St. Louis Children's Hospital.

Washington University has taken their program one step further with a 100% subsidy for all students and staff (25,000 total) with record levels of ridership.

This type of success is possible for your worksite as well. This is a great opportunity to get your company on board by setting up some of these FREE programs at your worksite. Enclosed is detailed information on several transit benefit programs available in St. Louis. Also enclosed is a participation form that will get your company on board to a better way to go.

Visit www.cmt-stl.org Call 314.231.7272 Email info@cmt-stl.org



TRANSIT SUBSIDY PROGRAMS

Providing your employees a better way to go with a transit subsidy policy offers the employer a tax deduction for the expense and big benefits for the bottom line. Under the federal law, SAFETEA-LU, the Transit/Vanpool Benefit Program is a provision of the Internal Revenue Code that lets your company pay for the employee's cost of commuting to work, other than driving alone. Under Section 132 (f) of the Internal Revenue Code, an employer can provide up to \$230 per month, \$2,760 a year, to those employees who commute by transit or vanpool and qualified parking expenses up to \$230 a month, \$2,760 a year.

The employer can deduct these costs as business expenses and the employees do not report the subsidy as income for tax purposes. For example, if an employer offers an employee \$1200 per year (\$100 per month) in transit or vanpool benefits, it can cost the employer as little as \$720 per year due to the tax savings (corporate income taxes and payroll taxes). The employee on the other hand receives the full \$1,200 per year tax-free. For an employee to net \$1,200 in salary, it would cost the employer over \$2,000 per employee.

With transit subsidy programs, employers can offer a full to a partial transit subsidy. In St. Louis, a full transit subsidy would be \$68 a month, \$816 a year per employee. Some employers currently offering a full transit subsidy in the St. Louis area include Washington University; Lashly & Baer; the Internal Revenue Service; Blackwell Sanders Peper Martin; National Park Service; and the St. Louis Public School Retirement System. Others are offering partial subsidies including BJC Healthcare (\$20) and St. Luke's Hospital (\$25).

Advantages to employers include both a tax deduction for the expense and savings on payroll taxes, FICA, disability insurance and payments into 401(k) plans. Other benefits include:

- Reduced parking and maintenance expenses
- Improved employee benefit package
- Reduced absenteeism
- Improved employee productivity
- Good corporate standing in community
- Easier recruitment and retention
- Savings on payroll taxes and retirement programs

THERE ARE SEVERAL WAYS TO PROVIDE THE BENEFIT TO YOUR EMPLOYEES:

- An employer may provide the transit/vanpool benefit in addition to an employee's current salary. The benefit would be free of all payroll and income taxes to the employee, and the employer would deduct the cost from their business income taxes. This is considered a transit subsidy.
- An employer may permit employees to set aside (in lieu of) some of their pre-tax income to pay for transit or vanpools. Employees would not pay income or payroll taxes on the amount of the benefit, and employers would not pay payroll taxes because the pass is seen as a benefit and not taxable salary. This is considered a pre-payroll tax deduction.
- An employer may share the cost of commuting with the employee. Employers may give their employees part of the commuting expense tax free in addition to their compensation and allow the employees to set aside part of their gross income to pay the remaining amount, up to the limit of \$100.

These benefits are not permitted to be part of "cafeteria" plans or flexible spending accounts.

FLEXTIME WORK SCHEDULES

Traffic congestion problems are increasing in St. Louis. Sitting in traffic costs employees time and money. There are options available, such as flextime, which help to alleviate congestion while saving employees and companies time and money.

FLEXTIME

This arrangement changes the starting and ending times of an employee's workday but maintains the same total hours in a day or week. One version of flextime is known as staggered hours. Employees select or are assigned a new work schedule, beginning or ending earlier or later than their current schedule i.e. 7 a.m. to 3:30 p.m., and adhere to that without any significant daily variation.

Flextime gives employees a better opportunity to take advantage of public transportation, carpooling or vanpooling and can reduce the time it takes for employees to commute to work by avoiding peak congestion times. This program costs nothing to the employer and gives employees flexibility!

COMPRESSED WORK WEEK

In this arrangement, all job responsibilities are maintained but the employee is generally in the office more hours on some days or fewer hours on others. For example, scheduled hours might be four ten hour days each week, the "4/10" or "4/40" model. The "9/81" allows employees to work nine 9-hour days over a two week period. This program costs nothing and gives employees more flexibility!

The compressed work week has been shown to reduce tardiness and absenteeism. Also, employees have shown an increase in productivity and morale.

JOB SHARING

This approach involves two employees sharing responsibilities for one position. Essentially each employee works a part-time schedule. In such a case, there is no need to redefine the position, but it is necessary to clearly allocate responsibilities and maintain good communication between job share partners. This alternative commute arrangement requires more time to set up but can be as successful as other alternative commute programs.

TELECOMMUTING

Telecommuting refers to the performance of work at a location other than the company's traditional office site. Telecommuting can be done five days a week or fewer depending on the needs of the individual or company. Depending upon the specific arrangement with an employee, this option can practically eliminate an employee's commute or at least limit the number of commute trips per week.

Telecommuting can be done at home or via a satellite office such as a telecenter. Telecommuting fact: If 10-20% of the workforce would telecommute, it would save 3.1 billion hours of personal time and 3.5 billion gallons of gasoline. The first step in starting a telecommuting program is to obtain senior management support.



BIKE TO WORK

Bicycling is an increasingly popular commute alternative, especially among fitness conscious professionals. The bicycle commute is an excellent option for those individuals with commutes between two and five miles long. Many bicycle commuters travel much farther than five miles to work just to enjoy the ride. Also, most transit trips begin and end with walking or bicycling. Employers who offer bicycle commuting programs save money by reducing the number of parking spaces - owned or leased - for their employees, add to the employee benefits package, promote employee health, and increase productivity.

There are several programs that employers can initiate on site as incentives to increase the number of employees who bike to work. Programs include:

- The Guaranteed Ride Home Program for bicyclists through Citizens for Modern Transit. This is a subsidized cab ride home in case of emergencies. The program is FREE for employers to participate. Registration is available online at http://www.cmt-stl.org/CLEAN/corpch_form.html or call 314.231.7272.
- Corporate membership in Downtown Bicycle Station- www.DowntownBicycleStation.org
- Secure bicycle parking on site. Some employers even allow their employees to bring their bicycles into their cubicles.
- Provide lockers and showers.
- Provide route assistance - bike maps or walking maps.
- Offer discounts or incentives towards bike purchase or maintenance.
- Partner with a local bike shop - arrange for discounts.
- Partner with Trailnet at www.trailnet.org or 314.416.9930 on bicycle commuter programs.

TRAVEL GREEN

The TravelGreen program, created by Trailnet in St. Louis, promotes commuter cycling and increases awareness of cycling safety in the region. Trailnet will work with individual businesses or communities to address the built environment, policies, and social networks in order to promote bicycle commuting among individuals. The TravelGreen program will identify and engage a strong cycling contingent—those who are ready to change old behaviors and shift gears toward a new and healthier commute on a daily basis. Interested in getting your business or community to TravelGreen? Contact emily@trailnet.org.



GUARANTEED RIDE HOME PROGRAM ←

GUARANTEED RIDE HOME PROGRAM

The Guaranteed Ride Home Program is an incentive for commuters to commute to work by MetroLink, MetroBus, bicycling, or walking rather than driving alone. It allows employees to take transit/bicycle while providing them a "safety net," an assurance they can get home and not be left at work if a situation arises. This program provides immediate transportation in case of a personal emergency, sickness or unscheduled overtime.

The GRH program is an enhancement to the employee benefits package at NO COST to the employer, which increases the employer's ability to attract and retain a valuable workforce while increasing employee satisfaction on the job. Ensuring the availability of a ride home to employees who choose transit or bicycling, the GRH program alleviates tardiness and absenteeism, which in turn INCREASES PRODUCTIVITY.

To participate, all an employer needs to do is assign a contact at the worksite (usually a human resources person or manager) to work with Citizens for Modern Transit on the program. This can easily be done by filling out the enclosed participation form.

Registered commuters contact the cab company of choice on the day of emergency, pay for the entire cost of the ride home, then submit the receipt for reimbursement of 80 percent of the cost of the trip up to \$60 to Citizens for Modern Transit. More than 200 St. Louis employers currently participate in the program.

For more information visit:

www.cmt-stl.org/ride_home_commuters.html



CASH OUT PARKING ←

CASH OUT PARKING

If you are currently offering fully subsidized or free parking to your employees, here is an option for you. Employers can establish parking cash out programs where employees may choose to cash out the value of an employer-provided parking space, forego parking, and receive the taxable cash value of the parking or a tax-free transit/vanpool benefit. The employer transfers its expenditure for the parking space, assuming it is leased, to a payment to the employee. If the employee chooses the cash value instead of the transit/vanpool benefit, that amount will be treated as salary. The employee would pay income and payroll taxes on the new amount.

If the value exceeds \$100 on the parking space, then the employee could accept the transit/vanpool benefit and receive the balance in taxable salary. The employer only incurs payroll taxes on the cash value provided. This additional compensation gives employees the option of financing other modes of transit not funded under the program such as walking, bicycling, carpooling, roller blading, or other means of commuting to work.

For example, a company provides employees parking at \$55 a month. The company changes its parking policy to allow employees to choose from the following options: keep the parking spot worth \$55 a month, give up the parking spot and receive \$55 extra each month in salary, or get a \$55 reimbursement for transit or vanpool expenses.

Senniger Powers, a local law office in St. Louis, offers a \$90 per month per employee transportation allowance which puts alternative modes on equal footing with driving alone. Those who choose a transit pass at \$68/month can pocket the remaining \$22, thereby increasing disposable income.



PRE-PAYROLL TAX DEDUCTIONS

PRE-PAYROLL TAX DEDUCTIONS

An employer can allow its employees to pay for transit or vanpooling out of their gross pay (pre-tax income). The program costs nothing for an employer to participate, can save employers thousands of dollars in tax related expenses. For transit or vanpools, employees can use up to \$230 a month in pre-payroll tax deductions to pay for these commutes. That is \$2,760 a year in non-taxable income. For St. Louis employees, a monthly transit pass is \$68. This means that an employee in St. Louis can set aside \$816 a year in pre-tax income for transit passes. This lowers employees' taxable income, which saves them on federal income and payroll taxes. This saves the employer on payroll related taxes as well. For example, if an employer had 100 employees who chose to take part in this program in St. Louis, that would be \$81,600 a year that the employer did not pay payroll related taxes on as a company. This number becomes even larger as the number of individuals participating grows.



Currently Barnes-Jewish and St. Louis Children's Hospitals offer a \$20 transit subsidy with the remaining cost of the pass, \$48, eligible for pre-payroll tax deductions. They currently have more than 1300 employees participating. That is \$748,800 in payroll each year not eligible for payroll taxes – saving employees and employers money.

Some St. Louis employers offering this program include: Charles L. Crane Agency, Barnes-Jewish Hospital, US Bank, HOK Group, Social Security Administration, US District Court and Kerber, Eck and Braeckel.

CHOOSE A BETTER WAY WITH TRANSIT BENEFIT PROGRAMS

Employer Participation Form

- ☐ I want my company to participate in the Guaranteed Ride Home program. It is FREE for my company to participate, and I only have to designate a contact at the worksite. The information on the individual(s) who will serve as the contact at this worksite are listed below.
- ☐ My company wants to offer a transit subsidy at our worksite. Please contact me to discuss further at _____.
- ☐ My company currently offers a transit subsidy at our worksite.
Subsidy amount: _____
- ☐ My company wants to offer a Pre-Payroll Tax Deduction Program.
- ☐ My company offers a Pre-Payroll Tax Deduction Program for transit passes.
- ☐ My company wants to offer a Travel Green Program at the worksite

Name: _____

Company: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Fax: _____

Email: _____

Once this form has been submitted, all registered transit/bicycle commuters at your worksite will automatically be eligible for the GUARANTEED RIDE HOME program.

OTHER PROGRAMS WE ARE CURRENTLY OFFERING:

- ☐ Flextime
- ☐ Compressed Work Schedules
- ☐ Telecommuting
- ☐ Bike to Work Programs
- ☐ WeCar

MAKE SURE TO COMPLETE THE FORM TODAY and get on the road to CHOOSING A BETTER WAY TO GO.

CITIZENS FOR MODERN TRANSIT

911 Washington, Ste. 200 . St. Louis, MO 63101

Phone: 314.231.7272 Fax: 314.231.7380 . www.cmt-stl.org

Please visit us:

