

Employer Services

Introduction

Cascades West Rideshare works closely with employers throughout the Linn and Benton Counties of Oregon, serving as a guide and consultant on employee transportation issues. From on-site transportation fairs to follow-up program recommendations and Cascades West Rideshare provides free hands-on assistance at all stages of program design and implementation.

Employer Benefits

- **Employee Recruitment & Retention:** In today's competitive labor market, employers are keenly aware of the need to maintain parity in benefits packages--and of employees' sensitivity to long or difficult commutes. An employee transportation program addresses both issues, putting the employer in a positive, proactive recruiting and retention position.
- **Reduced Parking Demand:** Every new two-person carpool formed eliminates the need for one parking space. The average vanpool eliminates the need for five to 14 spaces. Reducing parking demand can cut not only direct costs on leased parking spaces, but also the opportunity cost on employer-owned land currently used for parking.
- **Community Relations:** Reducing traffic congestion, cutting down on air pollution, and conserving fuel are all positive actions in the eyes of most communities.

Commuter Tax Benefit Program

Employers can save on payroll taxes while providing their employees with a valued benefit that helps them cut the cost of their daily commute. Federal tax law was amended some years ago so that employers could subsidize employees' vanpool or transit commutes, without the first \$100/month of that subsidy being considered taxable income to the employees.

> That basic tax break has evolved over the years, so now employers have several tax-free ways to lower employees' commute costs:

- **Employer-Paid Subsidies:** An employer can give its employees up to \$100/month (\$1200/year) tax-free to commute on transit or in a qualified vanpool. The employer can deduct the cost of providing these benefits as a

business expense. The employees receive up to \$100/month that doesn't show on their W-2 form to cover the cost of commuting by transit/vanpool.

- **Pre-Tax Employee Payments:** An employer can allow employees to pay transit/vanpooling/parking expenses with pre-tax income. This option lowers employees' taxable income, saving them income tax. It helps employers save on payroll-related taxes, too.
- **Shared Fare:** Some employers feel that sharing is the fairest way to handle employee commute costs. Federal tax law allows the amount employees contribute to be free of payroll and income taxes.
- **Parking Assistance:** Employers can reimburse their employees for the cost of parking up to \$185/month (\$2,220/year) tax-free. This benefit can be applied to employees parking at or near their worksite, as well as to those who have to drive and pay to park in order to connect with transit, a carpool, or a vanpool. The employer can give the employee the money for qualified parking, allowing the employee to use pre-tax income to pay for the parking, or it can use a combination of both approaches.
- **Providing Maximum Choice:** The tax code even allows an employer to provide both a parking subsidy and a vanpool or transit subsidy to certain employees, depending on the employee's commute circumstances. Combining both parking and transit/vanpool benefits, up to a combined tax-free limit of \$285/month (\$3,420/year), is allowed in some circumstances.
- **Parking Cash-Out:** An employer can offer employees cash in lieu of company parking space. The cash is taxable; however, employees can avoid the tax by opting to receive transit/vanpool assistance instead. Parking cash-out benefits an employer by making extra parking space available (to be used for customer parking, for example) without incurring additional costs. Employees benefit from this arrangement by receiving either the extra income or an employer-subsidized commute on transit or in a vanpool. Employees who walk, bike or carpool to work find this option attractive, as well, since the tax code makes no special provision for commuters who choose those modes.

Employer participation in the Commuter Tax Benefit Program is completely voluntary. It's highly beneficial for both employers and employees; however, the employer has complete flexibility in choosing what to offer and who is eligible to receive commute benefits. To read more on companies that have implemented these programs, see our section on Commuter Case Studies. For more information on getting the Commuter Tax Benefit Program started at your company, contact a Cascades West Rideshare representative at 753-CARS.

For additional information, go to:

- [U.S. Environmental Protection Agency](#)
- [Federal Transit Administration](#)

Parking Management Strategies

Parking is a finite resource for many employers. The more limited the parking, the more important managing that resource becomes. Expanding parking supply is usually very expensive, making parking management a far more economical option.

Employers have a variety of tools at their disposal to ease parking demand, which fall into three general categories:

- Encouraging employees to use alternatives to driving solo.
- Shifting work hours and work arrangements to ease demand.
- Using pricing to discourage employee parking.

The first category includes incentives that encourage rideshare and provide parking for carpools and vanpools; and facilities that support bicycle commuting. Shifting work hours and using pricing for parking are also discussed below.

- **Incentives:** these can be financial or non-financial (have value only within the company, and fun promotional efforts that create enthusiasm).
- **Preferential Parking:** reserved parking spaces in prime locations for employee carpools and vanpools. (For example: a covered parking area protected from the elements; designated spaces near the building entrance; a ground level spot in a multi-story garage.)
- **Bicycle Facilities:** these include bike racks and/or bike lockers (preferably in a secure and covered area); a shower and small dressing area; lockers for clothing and personal items.
- **Shifting Work Hours/Arrangements:** implementing telecommuting or flextime and compressed workweeks.
- **Parking Pricing:** Free parking is the single most powerful incentive for an employee to drive to work alone. Parking, of course, is never free. It is being paid for either by the employees or the employer. Pegging the price of parking to vehicle occupancy, however, encourages employees to forego driving and free up spaces. Moreover, revenue generated by parking can be used to subsidize transit passes and other commuter benefits.

Telecommuting

What is Telecommuting?

Telecommuting (sometimes referred to as "teleworking") means working from home, or from a satellite office near an employee's home. Telecommuting is allowed by some employers on a selective basis, and is not appropriate for every job. For those employers who allow and encourage it, telecommuting can be a win-win situation for everyone involved.

How Telecommuting Benefits Employers

- Higher productivity
- Higher morale
- Reduced need for office space

How Can You Start?

Call Cascades West Rideshare at 753-CARS for assistance in setting up a telecommuting program.

For additional information on Telecommuting, go to:

- [International Telework Association and Council \(ITAC\)](#)

Flextime/Compressed Work Weeks

What is Flextime or a Compressed Work Week?

Some employers offer different work hour arrangements as a benefit to employees who value flexibility. "Flextime" generally refers to an arrangement in which the employer allows employees to start work within an approved period of time--for example, between 7:30am and 9:30am. (Of course, employees still have to work the regular number of required hours.) A "compressed work week" typically refers to a schedule comprised of fewer days but more work hours per day--for example, four 10-hour work days rather than five 8-hour days.

How Flextime & Compressed Work Weeks Benefit Employers

- **Morale Booster:** Employees appreciate the flexibility and extra personal time to handle non-work responsibilities.
- **Parking Management:** Employers with tight parking facilities can spread out employees' arrivals and departures and prevent gridlock at entry and exit points.
- **Congestion Reduction:** Keeping some cars off the road at peak hours means less congestion locally around the employer site, and incrementally throughout the region, as well as reduced air pollution.

- **How Can You Start?**

Call Cascades West Rideshare at 753-CARS for assistance in coordinating an employee work hour program with high-occupancy commute options.