



Commuting is a major component in recruiting and retaining employees. The Premium Pass is a great employee benefit you can offer your employees to ease the cost and hassle of commuting.

You purchase Premium Passes (either smart card or employee ID) for your employees through an annual contract with Valley Regional Transit. You pay \$400 for each employee who is a regular bus rider. In return, you get a Premium Pass for all employees. The passes are then given to employees as a free employee benefit. A Premium Pass is good for unlimited trips on all ValleyRide buses for the year. The idea of the program is to reward those employees are using public transportation and encourage other employees to give it a try.

For the first year, the number of regular bus riders at your workplace is determined by surveying your employees. A regular rider is an employee who commutes to work and from work via the bus at least three times a week during a typical work week. Bus ridership for your Premium Pass contract is then tracked by Valley Regional Transit during the contract year. This figure will be used to determine the number of regular riders for the following year's contract.

The passes have identification numbers so that we can track your employees' participation. You are responsible for distributing the passes and collecting them from individuals who are no longer employed by your organization.

## **Tax Benefits**

Employers may provide up to \$105 per month to employees who commute to work by transit or vanpool. With the Premium Pass program, the employer pays for the entire bus pass and receives the equivalent deduction from business income taxes. Even better, unlike ordinary wage payments, employers do not have to pay their share of federal payroll taxes on transit commuter benefits. This payroll tax savings alone is usually more than enough to cover any cost of administering the program. The employee receives the benefit completely tax free of payroll and income taxes.