

*From the Bay Area Air Quality Management District and Metropolitan Transportation Commission
November 2012:*

SB 1339: Regional Commuter Benefit Policy

Frequently Asked Questions

1. WHAT DOES SB 1339 DO?

Under Senate Bill 1339 (Yee), Chapter 871, Statutes of 2012, the Metropolitan Transportation Commission (MTC) and the Bay Area Air Quality Management District (BAAQMD) are authorized to adopt a joint commuter benefit policy requiring employers with 50 or more full-time employees to offer their employees at least one of the following benefits:

- The option to pay for their transit, vanpooling or bicycling expenses with pre-tax dollars, as permitted under IRS Code 132 (f)—the Transportation Fringe Benefit
- A transit or vanpool subsidy of at least \$75/month in 2013 and adjusted annually for inflation thereafter
- Access to a free shuttle or vanpool operated by or for the employer
- An alternate option proposed by the employer and approved by MTC or BAAQMD

2. WHEN WILL THE POLICY GO INTO EFFECT?

While the bill authorizes BAAQMD and MTC to adopt this policy on or after January 1, 2013, schedules for adoption are being considered at this time, and have not yet been finalized. Once the policy is adopted, affected businesses will have an additional six months to comply.

3. WHICH BUSINESSES WILL BE AFFECTED BY THE POLICY?

The policy will cover Bay Area businesses with an average of 50 or more full-time employees working at any location within Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo and Santa Clara counties, plus the southwest portion of Solano County and the southern portion of Sonoma County. (For precise details of the Solano and Sonoma county boundaries visit <http://www.baaqmd.gov/The-Air-District/Jurisdiction.aspx>).

4. WHO IS ELIGIBLE TO RECEIVE A COMMUTE BENEFIT?

A person who works for a covered employer (see # 3 above) and who worked an average of 20 or more hours per week in the prior calendar month.

5. WILL THERE BE AN OPPORTUNITY TO COMMENT ON THE POLICY BEFORE IT IS ADOPTED?

Yes. Prior to drafting the policy, MTC and BAAQMD will reach out to affected Bay Area employers and the public through workshops as well as on-line.

6. WHAT IS THE FINANCIAL IMPACT FOR AN EMPLOYER SUBJECT TO THE POLICY?

As noted in question 1, the policy offers employers a menu of options for compliance, including Option 1 where the employer is simply required to offer its employees the option to pay for their transportation benefit with pre-tax dollars. If no employees accept this offer, the employer will nevertheless be deemed in compliance with the measure as long as the employer makes a good-faith effort to inform the employees of the option. Typically, employer cost savings associated with lower payroll taxes outweigh any payroll adjustment costs.

WHAT'S NEXT

The two agencies are currently developing plans for drafting and implementing this requirement and will be seeking input from employers as part of this process. The agencies are required to report to the Legislature in 2016 on the results of the program, including vehicle miles reduced and greenhouse gases reduced.

STAY TUNED FOR MORE INFORMATION AND UPDATES