



San Francisco Mandates New Transportation Benefit

Insights

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A new San Francisco Ordinance went into effect January 20. It requires employers with 20 or more employees (regardless of where they are located) to provide incentives for their San Francisco employees to use public transportation. The San Francisco based employees must work at least 10 hours per week to qualify.

Employers must offer at least one of the following transportation benefit options to San Francisco employees:

1. Pre-tax election

You may allow employees to make pre-tax contributions to pay for transit passes or vanpool charges (but not parking) under an Internal Revenue Code qualified transportation program;

2. Employer-paid benefit

You may supply a transit pass for the public transit system or reimburse employees for equivalent vanpool charges (up to the cost of a MUNI monthly fast pass, which is currently \$45/month); or

3. Employer-provided transit

You may furnish transportation at no cost to the covered employee in a vanpool, bus, or similar multi-passenger vehicle operated by or for the employer.

San Francisco's Department of the Environment is in charge of implementing the new ordinance. Penalties for noncompliance include \$100 for the first violation, \$200 for the second violation in the same year and \$500 for each additional violation. Affected employers were required to have at least one of the above options in place by January 20, 2009.

If you have not already done so, act now to establish an appropriate program. And remember compliance could involve employee elections and payroll changes.

For more information, contact your regular Fisher Phillips attorney or any attorney in one of our California offices:

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