



# How to: START AN ALTERNATIVE COMMUTER REWARDS PROGRAM

Most solo drivers are aware that traffic congestion contributes to air pollution. However, few realize that they are contributing to the problem themselves, and even fewer are motivated toward change. For that reason, they require a little encouragement, which a rewards program can provide. It can persuade solo drivers to try new ways of getting to work, and can reward those who already use alternative commute methods.

A rewards program also creates an atmosphere of appreciation that allows those who participate to take pride in contributing to the community.

## What is a Rewards Program?

A rewards program supplements your transportation program and marketing plan by rewarding those who use alternative forms of commuting with ongoing benefits. Promotions such as commuter fairs, California Rideshare Week and Bike to Work Day all help encourage commuters to give alternative commuting methods a try.

Although California Rideshare Week and Spare the Air announcements may provide encouragement, it is still essential to motivate your employees with rewards throughout the year.

## Which Rewards Should Your Company Offer?

Some rewards stimulate specific parts of your program, while others entice employees to try a particular mode of commuting. You could also consider offering rewards for those who frequently use an alternative commuting method.



### Cash

- Offer cash bonuses for every 120 days an employee uses any commute alternative. (Any cash given to carpoolers, walkers or teleworkers is taxable income).
- Award a cash prize to those commuters who recruit new participants.

### Tax Rewards

- Tax-free rewards can be given to transit users and qualified vanpool riders. (Up to \$130 per month.) Examples include subsidized transit passes, Commuter Check™ or Wage Works transit subsidies.
- Employers can also offer a \$20 monthly reward for bicycling without having to pay FICA and FUTA taxes. *(Based on Commuter Choice and IRS Ruling 132 (f).)*

### Prizes

- Prize drawings can be done monthly, quarterly, or annually, and can be as simple as a gift certificate to a local store.
- Offer free donuts and coffee for employees who rideshare, bike or walk to work.

### Time Off

- Offer the possibility of earning extra vacation days. For example, an employee that uses some form of alternative transportation 60 times in a quarter can earn an extra four hours of vacation time.

## Accumulating Points

- By providing a point system, an employee can earn points each time they use alternative transportation. For example, 150 points for riding their bike to work one day, or 75 points for sharing the ride to work in a carpool. Research has shown that the point system is three times as effective as cash for motivating people to try something new. The points can then be redeemed for a select set of items, a gift certificate, or hold a regular event with an auction to bid on items using points earned.

## Recognition

- Create a designated area for the “Commuter of the Month” in your in-house newsletter.
- Implement a program to honor participants, such as an annual luncheon to recognize those who vanpool, or provide a special T-shirt award to bicyclists.
- Reward those individuals who come up with creative solutions to the problem of driving alone.
- The company could also provide “Good Citizen” certificates to those who consistently use alternative transportation. This not only encourages others to do the same, but it also teaches that reducing traffic congestion and air pollution are priorities for the company.

## Other Incentives

- Provide a guaranteed ride home program in case an emergency arises for employees who use commute alternatives.

## Rewards for Carpoolers and Vanpoolers

- Monthly cash subsidies such as a non-taxable fringe benefit for vanpoolers.
- Offer a “one-time” subsidy for first-time carpoolers and/or vanpoolers.
- Provide an employer-facilitated or sponsored vanpool program.
- Provide free preferential parking.

## Rewards for Transit Riders

- Facilitate subsidized transit passes which are a nontaxable fringe benefit for your employees.
- Offer onsite transit pass sales.
- Provide first time user free monthly passes.
- Provide a shuttle to and from transit stations and stops.

## Incentives for Bicyclists and Walkers

- Provide bike lockers.
- Provide shower and locker room facilities.
- Provide a \$20 bike incentive tax free. *(Based on Commuter Choice and IRS Ruling 132 (f).)*

## How to Set Up a Rewards Program

Decide which rewards your company will offer, then spread the word. Advertise in in-house newsletter articles and by posting notices on your ridesharing bulletin board or website. Organize informational meetings with all management and key personnel. Make sure people who use commute alternatives know that management will be present to answer questions and discuss their concerns.