

## TRANSIT BENEFIT PROGRAM

1. **REASON FOR ISSUE:** To establish policy, responsibilities, and management direction for the Transit Benefit Program.
2. **SUMMARY OF CONTENTS:** This directive contains the policy and responsibilities specific to the Transit Benefit Program for the Department of Veterans Affairs.
3. **RESPONSIBLE OFFICE:** The Office of Human Resources and Administration (HR&A) is responsible for developing a transit program under Executive Order 13150 and for monitoring its accomplishments. Within HR&A, the Office of Administration will have lead responsibility for coordinating the program and will serve as liaison with the Department of Transportation.
4. **RELATED HANDBOOK:** VA Handbook 0633, Transit Benefit Program.
5. **RESCISSION:** None.

CERTIFIED BY:

BY DIRECTION OF THE  
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## TRANSIT BENEFIT PROGRAM

**1. PURPOSE.** This directive establishes the policy and responsibilities for the Transit Benefit Program (TBP) for the Department of Veterans Affairs (VA). This program is designed to encourage employees to use mass transportation in their commute to and from work in order to reduce air pollution, noise, and traffic congestion in metropolitan areas.

a. **Background.** In 1993, The Federal Employees Clean Air Incentives Act was enacted as part of a national effort to improve air quality and to reduce traffic congestion. The Clean Air Act provides for the establishment of programs to encourage Federal employees to commute by means other than single-occupancy motor vehicles. On April 21, 2000, President Clinton signed Executive Order 13150, Federal Workforce Transportation. This document ordered all Federal agencies to implement a Transit Benefit Program for their employees by October 1, 2000.

b. **Scope.** The Department of Veterans Affairs supports programs that improve air quality and reduce traffic congestion. VA will provide a non-taxable subsidy designed to encourage employees to use mass transportation for their daily commute to and/or from their duty station by methods other than single occupancy vehicles. Qualified employees participating in the program are required to calculate the mass transportation cost of their commute from the employee's residence either to and from work, or may elect a commute one way to work, or one way from work.

## 2. POLICY

a. The program is available to all qualified VA employees. (See paragraph 4h).

b. There is a maximum monthly subsidy amount offered by VA, which can be applied to an employee's public transportation commuting costs. Indirect costs, such as gas, mileage, parking, or an employee's personal or leased vehicle, cannot be included as part of the cost qualifying for the transit benefit.

c. Employees will receive a non-taxable subsidy in the form of transit vouchers or "fare media" that can be used toward public transportation commuting costs. The employee is responsible for any subsequent transit cost over the maximum subsidy authorized. Overestimating transit costs, giving or selling transit benefits to others, or purchasing fare media from another, is prohibited.

d. Once fare media is issued the employee is responsible for its safekeeping. Fare media altered, damaged, or lost cannot be replaced.

e. Employees must use transit benefits for their daily commute to and/or from work via public mass transportation. Only the mass transit portion of an employee's commuting cost is subsidized (see paragraph 2.b).

f. Employees who misuse transit subsidies will be subject to appropriate administrative action including discipline and disqualification for future VA transit benefits. Disciplinary penalties could range from a letter of admonishment to removal from Federal service depending on the severity of the abuse. Facility Directors (for field employees) and the VA Central Office (VACO) Transit Benefit Program Coordinator (for VACO employees) are authorized to disqualify employees under their jurisdiction who have been determined to have misused transit benefits. Instances of fraud or possible fraud will be referred to the VA Office of the Inspector General (OIG) for investigation.

g. Employees must display a valid VA identification card before the transit subsidy is issued, and must re-certify their eligibility whenever receiving transit benefits.

h. The Office of Finance provides fiscal guidelines and information pertaining to the Transit Benefit Provide in OF Bulletin 01GA2.10, dated September 6, 2001.

i. In areas where transit media is either not available or not distributed, employees may be reimbursed up to the maximum subsidy amount allowed for their mass transit expenses. In the VA Transit Benefit Program, this process is referred to as "self-certification." To receive reimbursement, each month following mass transit expenditures, employees must complete the Transit Benefit Self-Certification Form & Reimbursement Voucher (VA Form 0724a), and follow OF Bulletin guidelines for transit reimbursement. Employees are required to provide a receipt as proof of mass transit expenditures, when applying for self-certification reimbursement.

j. In cases where work schedules do not permit their usual monthly public transit commuting costs to be accurately calculated in advance (i.e., intermittent, part-time employees, etc.) as required on the Application for Public Transit Fare Benefit (VA Form 0722), or the type of fare media distributed by the Department of Transportation (DOT) cannot be converted or redeemed for use towards employees' mass transit expenses, the self-certification process will be used (Transit Benefit Self-Certification Form and Reimbursement Voucher, VA Form 0724a).

k. The Facility Director, VACO Organizational Transit Manager, or Transit Program Coordinator must confirm and approve exceptions for granting self-certification to any employee working in an area where transit fare media is made available for distribution by DOT, but cannot be converted or redeemed for an employee's mass transit use.

l. VA employees who travel to work in a qualified vanpool, or a vanpool operated by a person in the business of transporting persons for compensation or hire, are eligible for the transit subsidy.

m. VA employees who travel to work in single occupancy vehicles, carpools, or any vehicle other than mass transit are not eligible for the transit benefit.

n. Employees named on a Federally subsidized workplace motor vehicle parking permit are not eligible to participate in this program. The phrase, "named on a Federally subsidized workplace permit," as provided on VA Form 0722, is defined as an individual

who drives a privately owned or leased vehicle and who parks in a Federally subsidized parking area. Any government-provided, owned, or leased parking area is considered federally subsidized.

o. As a general rule, employees with subsidized parking must relinquish their parking permits or passes to receive transit benefits. Employees receiving transit benefits may not be counted as part of a carpool for purposes of qualifying for a government parking pass or permit.

p. Facility Directors may determine that it is necessary to VA operations for selected employees to use Federally subsidized parking areas because of changes in their work schedules or in exigent circumstances. Accordingly, employees who receive fare media or self-certify through the Transit Benefit Program may request authority to use the facility parking areas on an extremely limited basis, at the discretion of, and under procedures established by the Facility Director. Facility Directors are strongly encouraged to limit this authority to three times each month for individual employees. VACO employees may request authority for limited use of federally subsidized parking areas from the Transit Benefit Program Coordinator.

### 3. RESPONSIBILITIES

a. HR&A has overall responsibility for the VA Transit Benefit Program.

b. **Transit Benefit Program Coordinator.** Within HR&A, the Office of Administration (O/A) will issue departmental policy and establish a Transit Benefit Program Coordinator. The Program Coordinator will have the lead responsibility for implementing policy and will have oversight of the nationwide program. The Program Coordinator will serve as the Contracting Officer's Technical Representative (COTR) with DOT for nationwide application submission and distribution of fare media. The O/A Program Coordinator shall be responsible for planning, scheduling, and coordinating transit fare media distribution for all VA organizations located within the National Capital Region (NCR). The O/A Program Coordinator is authorized to exclude any employee from the program determined to have abused or misused transit benefits.

c. **Organizational Transit Managers:**

(1) VACO organizations will establish VACO Organizational Transit Managers and alternate Transit Managers who will have overall responsibility for communication, coordination, and management of their respective organization's nationwide Transit Benefit Program. The O/A Program Coordinator will provide guidance and serve as the point of contact for VACO Organizational Transit Managers on national Transit Benefit Program questions or issues. VACO Organizational Transit Managers will receive, review, and forward all transit applications from VA field stations to the O/A Program Coordinator's Office.

(2) VACO Organizational Transit Managers will serve as or establish a Transit Manager and alternate Transit Manager for their VACO Organizations in the NCR.

NCR Transit Managers will coordinate all Central Office transit applications through the O/A Program Coordinator's Office.

d. **Field Transit Managers.** Each participating facility will designate a Field Transit Manager and alternate to oversee program administration and benefits distribution at their field station. Field Transit Managers may distribute fare media directly to employees or delegate media distribution to appropriate VA offices. Field Transit Managers will review, submit transit applications, and direct questions or issues through their VACO Organizational Transit Manager.

e. The Director of a participating facility is authorized to exclude from the program any employee under their jurisdiction who has been determined to have abused or misused transit benefits.

#### 4. DEFINITIONS.

a. **Daily Commute to/and or from work.** Using some form of mass transportation from an employee's residence when commuting to and from work, or, commuting one way, to or from work.

b. **Fare Media.** Any transit pass, token, fare card, voucher, or similar item (including an item that can be exchanged for mass transit use) that entitles a person to public transportation.

c. **Field Stations.** Any VA station outside the NCR.

d. **Field Transit Manager.** Oversees transit program benefits, distribution, and administration for their field station. Coordinates program operations through their VACO Organizational Transit Manager.

e. **Mass transportation.** Any form of public transportation operated for use by the general public (i.e., buses, subways, ferries, commuter buses, trains, and qualified van pools).

f. **National Capital Region (NCR).** The District of Columbia; Montgomery, Prince George's and Frederick Counties in Maryland; Arlington, Fairfax, Loudon, and Prince William Counties in Virginia.

g. **Operated by a person in the Business of Transporting Persons for Compensation or Hire.** In areas where fare media is distributed, a van pool is operated by a person in the business of transporting persons for compensation or hire when it is registered with the local transit authority and eligible to receive cash vouchers applicable to that local system, or when it satisfies the requirements of Internal Revenue Code (IRC) section 132(f)(5)(A)(ii) and is actively engaged for profit as that term is interpreted under IRC section 162. Also see Treasury Regulation section 1.183-2 for factors relevant in determining whether an activity is engaged in for profit.

In areas where fare media is not distributed, the owner of a van pool must certify to the VA facility that his or her activity satisfies the requirements of Internal Revenue Code (IRC) section 132(f)(5)(A)(ii) and is an activity engaged in for profit as that term is interpreted under IRC section 162 before any member/employee can be reimbursed for expenses incurred in connection with use of that van pool. A facility may not provide legal advice to van pool operators on this subject. If such an operator requires advice, the operator should consult with his attorney, accountant, et cetera to determine whether he or she meets these tests.

h. **Qualified VA employee.** Except as excluded in the following subparagraph, participation in the transit benefit program is limited to current employees paid by VA. "Employee" means an employee as defined by section 2105 of title 5, United States Code. That definition covers individuals formally appointed to positions under title 5 or title 38 authorities. Qualifying VA employees may have regular or intermittent tours of duty, be full-time or part time, be on permanent or temporary appointments, provided they are formally appointed to the position and are paid by VA.

Excluded from participation are title 38 residents, fellows, and trainees who are paid through a disbursement agreement; volunteers and others without-compensation (WOC) individuals; Compensated Work Therapy Program participants; feebasis appointees, consultants paid on a contract; individuals employed by a contractor; AmeriCorps members; and any individuals who do not meet the statutory definition of "employee" in 5 U.S.C 2105. Individual employees may be excluded from participation in the program if it is determined that they have misused the transit benefits, depending on the severity of the abuse."

i. **Qualified Van Pool.** A commercially owned highway vehicle with seating capacity for at least six adults excluding the driver. The vehicle may be owned and operated either by public transit authorities or by a person in the business of transporting persons for compensation or hire.

j. **Re-Certify.** The process by which a VA employee completes a Transit Benefit Certification Form (VA Form 0724) to confirm their eligibility to receive a transit subsidy.

k. **Self-certification.** The VA process in which an employee may be reimbursed up to the maximum subsidy amount allowed by VA for their mass transit expenses.

l. **Transit subsidy.** A nontaxable transportation fringe benefit providing employees with vouchers or other fare media to commute daily to and/or from work.

m. **Program Coordinator.** A representative within HR&A, O/A, who has the lead responsibility for coordinating the overall transit program and serves as liaison with DOT for the Nationwide VA Transit Benefit Program.

n. **VACO Organizational Transit Manager.** VA Central Office Transit Manager who has overall organizational responsibility for their respective administration to provide operational procedures and oversees transit programs at field facilities, and in the NCR for their Central Office organization.