

TRANSIT BENEFIT PROGRAM

1. **REASON FOR ISSUE:** To revise policy, responsibilities, and management direction for the Transit Benefit Program.
2. **SUMMARY OF CONTENTS:** This directive revises policy and responsibilities to include updated requirements 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 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:** VA Directive 0633, Transit Benefit Program dated July 25, 2002.

CERTIFIED BY:

/s/
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Assistant Secretary for
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**BY DIRECTION OF THE
SECRETARY OF VETERANS AFFAIRS:**

/s/
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TRANSIT BENEFIT PROGRAM

1. **PURPOSE.** This directive revises the policy and responsibilities for the Transit Benefit Program (TBP) for the Department of Veterans Affairs (VA). The Program provides a non-taxable subsidy designed to encourage employees to use mass transportation in their daily commute to and/or from work by methods other than single occupancy vehicles in order to reduce air pollution, noise, and traffic congestion in metropolitan areas.

2. POLICY

a. The program is available to all qualified VA employees. (See paragraph 5i).

b. VA Organizations and stations will implement an effective system of internal controls over TBP activities to safeguard against waste, fraud, abuse, mismanagement or misappropriation of Government funds. Organizations will adhere to the established procedures promulgated by VA Directive 0633 which are designed to achieve the objectives of VA's internal control processes and procedures.

c. Employees will receive a non-taxable subsidy in the form of transit vouchers, fare media, or electronic transfer that can be used toward public transportation commuting costs. The employee is responsible for any subsequent transit cost over the maximum subsidy authorized.

d. In areas where transit vouchers or fare media is not available or the type of fare media available cannot be converted for monthly transit expenses, employees may be reimbursed up to the maximum subsidy allowed for out of pocket mass transit expenses through a VA Transit Benefit Self-Certification and Reimbursement process.

3. RESPONSIBILITIES

a. The Office of Human Resources and Administration (HR&A) has overall responsibility for the VA Transit Benefit Program.

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

c. Organizational Transit Managers.

(1) VA Central Office (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 TBP. The O/A TBP Director will provide guidance and serve as the point of contact for VACO Organizational Transit Managers on national TBP questions or issues. VACO Organizational Transit Managers will receive, review, and forward all transit applications from VA field stations to the O/A TBP Director.

(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 VACO transit applications through the O/A TBP Director's Office.

d. Field Transit Managers. Each participating facility will designate a Field Transit Manager and alternate Managers who will have overall responsibility to oversee program administration, coordination, 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.

4. REFERENCES

- a. Executive Order No. 13150, Federal Workforce Transportation
- b. Federal Clean Air Incentive Act (FECAIA Pub.L.103-172)
- c. IRS Publication 15-B, Employer's Tax Guide to Fringe Benefits (2010)
- d. Qualified Transportation Fringe Benefits under ARRA
- e. VA Directive 0633, Transit Benefit Program
- f. 5 U.S.C 7905, Programs to Encourage Commuting by Means other than Single-Occupancy Motor Vehicles - Federal Employees Clean Air Incentives Act of 1993 (Public Law 103-72)
- g. 26 U.S.C. 132(f)(2), Qualified Transportation Fringe – Limitation on Exclusion
- h. 26 C.F.R. Part 1, Section 1.132-9, Qualified Transportation Fringes - Items Specifically Excluded From Gross Income

5. 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.**

(1) 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.

(2) 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. **Program Director.** 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 TBP.

i. **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."

j. **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.

k. **Re-Certify.** The process by which a VA employee completes a Transit Benefit Certification Form (VA Form 0722) to confirm their eligibility to receive a transit subsidy.

l. **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.

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

n. **VACO Organizational Transit Manager.** VACO 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 VACO organization.