



RideECO Program Options

You can choose to offer RideECO as a pre-tax payroll deduction, an employer-paid benefit, or a combination of the two. There are also different ways to implement the pre-tax program. After you decide which option is most appropriate for your company, follow the instructions below for each option.

- **Option A:** Take pre-tax payroll deductions for RideECO from an employee's salary. This is the most common way to offer the program.
- **Option B:** Offer RideECO as an employer-paid benefit.
- **Option C:** Use a combination of A and B ("Share the Fare").

Here are some general tips to keep in mind:

- Regardless of which option is used, the maximum monthly RideECO benefit is \$130 per month (established by IRS regulation 132f).
- Different participation levels are possible using the various available denominations. To keep your program simple to administer, you may not want to offer every possible denomination. Consider limiting the options before raising employee expectations and creating an administrative challenge.
- If using the pre-tax payroll deduction option (Options A and C), you may also want to limit the frequency with which employees can change their RideECO deduction by having an open enrollment period quarterly or semiannually.
- After deciding on an option, determine the number of RideECO vouchers needed. You can calculate this based on the number of participating employees and voucher denominations multiplied by the number of months your order will cover. Ordering extra RideECO vouchers is advised, as ridership often increases with program implementation; employee turnover must also be accounted for.
- RideECO vouchers are valid for 13 months from the date of issue.
- If you have employees that ride PATCO, you can opt to provide them with RideECO vouchers or have their FREEDOM Cards loaded with RideECO benefits. (Employers need to collect FREEDOM Card serial numbers of their employees to do this. This is a preferred method as employees can only redeem RideECO vouchers for FREEDOM Cards in one of two ways: 1. in person at the Broadway station or 2. by mailing RideECO vouchers to PATCO.)
- To save time and handling costs, consider ordering a three-month or six-month supply. Remember, vouchers are good for 13 months from the date of issue.

Need further information? Please contact a RideECO representative at the Delaware Valley Regional Planning Commission at 215-592-1800 or visit www.RideECO.org.



RideECO Program Option A: *Employee-paid through pre-tax deductions from employee salary (most common way to offer program)*

This option allows RideECO to be provided at virtually no cost to employers, while reducing employee taxes dramatically. Employers and employees save! Implemented via payroll deduction, this option works easily with most of the automated payroll systems that large employers use. All employers (including non-profit and governmental agencies) realize payroll tax savings. In addition, for-profit employers may deduct the entire cost of the program as a business expense.*

- **Tell your employees about RideECO and solicit enrollment.** Allow them to choose how much they want to deduct from their salary (up to \$130 per month/\$1,560 per year) and which denomination(s) they want. You may wish to limit the number of denominations that you offer to keep administration simple. A Payroll Deduction Authorization form is available.
- **Tabulate quantities and denominations.** Determine the number of RideECO vouchers for each denomination you'll need to order (see tip above). If you wish to upload the PATCO FREEDOM Card benefits electronically, collect your employees' FREEDOM Card serial numbers and the amounts they wish to have uploaded.
- **Establish a payroll deduction code for RideECO and arrange for payroll deduction processing.** No special record keeping or reporting is required; you only need to satisfy your internal office procedures. The deducted amounts can appear on employee pay stubs and on annual W-2 forms in Box 14 as nontaxable compensation. You can use the heading "RideECO" if needed.
- **Order the RideECO vouchers.** Visit our website to purchase RideECO vouchers and FREEDOM Card loads. Submit the order and your payment.
- **To make reordering easy,** timely reminders are sent out on a quarterly, semiannually, or annually.
- **Distribute RideECO vouchers to employees.** RideECO vouchers can be distributed to employees at an established location or via hand delivery by an assigned staff person. Just as you would not leave paychecks in open mailboxes, it is best to distribute RideECO vouchers in a manner that ensures that the employee will receive them. You may wish (but are not required) to have employees sign a receipt for RideECO vouchers.
- **Redeeming RideECO vouchers.** The easiest part of the program is that once employees receive their RideECO vouchers, they purchase their own transit passes and tickets (or in the case of the PATCO FREEDOM Card, the benefit goes to your employees electronically). You avoid handling any fare materials! Your first shipment will include employee instruction sheets that outline how to redeem RideECO vouchers. Additional copies are available upon request.

* Please consult your accountant or tax attorney for details.



RideECO Program Option A (cont):

- **Update your personnel policy handbook.** Let employees know how to participate in the program. Include a description of the program in the handbook and on appropriate bulletin boards.

You may wish to include:

- The contact person at your company
 - A listing of available RideECO denominations
 - How new employees can participate in the program
 - How to change the amount employees receive
 - How and where employees can redeem RideECO vouchers
 - Local customer service phone numbers at participating transit agencies
 - Information on the availability of electronic uploads for PATCO FREEDOM Cards
- **Save copies of your RideECO order forms/invoice notices.** The processing fees and shipping charges can be deducted as a business expense.* Purchase receipts are the only documentation that the IRS currently requires for employers.

If you would like to streamline your company's RideECO administration, please contact us about RideECO Select.

* Please consult your accountant or tax attorney for details.



RideECO Program Option B: *RideECO as an employer-paid benefit*

The employer-paid benefit approach is a very tax-efficient way to enhance employee compensation and boost your benefits package. Under this option, RideECO vouchers are paid for by employers and given to employees.

- **Decide how much to give.** The IRS allows you to provide up to \$130/month (\$1,560/year) to each employee in transit benefits.
- **Tabulate quantities and denominations.** Determine the number of RideECO vouchers for each denomination and collect FREEDOM Card serial numbers if you wish to load the benefit electronically for PATCO riders. As employees are not “charged” for RideECO vouchers under this option, transit usage will quickly grow, so a “high side” estimate is best for your first order.
- **Order the RideECO vouchers.** Order RideECO vouchers and FREEDOM Card loads at our secure, online ordering site at www.RideECO.org. Submit your payment.
- **Distribute RideECO vouchers to employees.** RideECO vouchers can be distributed to employees at an established location or via hand delivery by an assigned staff person. Just as you would not leave paychecks in open mailboxes, it is best to distribute RideECO vouchers in a manner that ensures that the employee will receive them. You may wish (but are not required) to have employees sign a receipt for RideECO vouchers.
- **Redeeming RideECO vouchers.** The easiest part of the program is that once employees receive their RideECO vouchers, they purchase their own transit passes and tickets (or in the case of the PATCO FREEDOM Card, the benefit goes to your employees electronically). You avoid handling any fare materials! Your first shipment will include employee instruction sheets that outline how to redeem RideECO vouchers. Additional copies are available upon request.
- **Update your personnel policy handbook.** Let employees know how to participate in the program. Include a description of the program in the handbook and on appropriate bulletin boards.

You may wish to include:

- The contact person at your company
- A listing of available RideECO denominations
- How new employees can participate in the program
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RideECO Program Option C: *Combination of employee pre-tax salary deduction and employer-provided benefit (Share the Fare)*

With this option, the employer gives a portion of RideECO as a benefit, and employees pay the balance with pre-tax payroll deductions.

- Tell your employees about RideECO and decide how much the company will offer as a benefit to each employee. Then, allow them to choose how much of the difference (up to the maximum \$130 per month/\$1,560 per year) they would like to deduct in pre-tax dollars from their salary. The employee share can be treated as a required copayment if desired.
- Tabulate quantities and denominations. Determine the number of RideECO vouchers for each denomination that you'll need to order and collect FREEDOM Card serial numbers if you wish to load the benefit electronically for PATCO riders (see tip above).
- Establish a payroll deduction code for RideECO vouchers and arrange for payroll deduction processing. No special record keeping or reporting is required; you only need to satisfy your internal office procedures. The deducted amounts can appear on employee pay stubs and on annual W-2 forms in Box 14 as nontaxable compensation. You can use the heading "RideECO" if needed.
- Order the RideECO vouchers. Purchase RideECO and FREEDOM Card loads at our secure, online ordering site: www.RideECO.org. Submit the order and send your payment.
- Distribute RideECO vouchers to employees. RideECO vouchers can be distributed to employees at an established location or via hand delivery by an assigned staff person. Just as you would not leave paychecks in open mailboxes, it is best to distribute RideECO vouchers in a manner that ensures that the employee will receive them. You may wish (but are not required) to have employees sign a receipt for RideECO vouchers.
- Redeeming RideECO vouchers. The easiest part of the program is that once employees receive their RideECO vouchers, they purchase their own transit passes and tickets (or in the case of the PATCO FREEDOM Card, the benefit goes to your employees electronically). You avoid handling any fare materials! Your first shipment will include employee instruction sheets that outline how to redeem RideECO vouchers. Additional copies are available upon request.



RideECO Program Option C (cont):

- Update your personnel policy handbook. Let employees know how to participate in the program. Include a description of the program in the handbook and on appropriate bulletin boards.

You may wish to include:

- The contact person at your company
 - A listing of available RideECO denominations
 - How new employees can participate in the program
 - How to change the amount employees receive
 - How and where employees can redeem RideECO vouchers
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