



Impact level
Basic

SUBSIDIES & REIMBURSEMENTS

A **subsidy** is a broad term for financial support provided by an employer to offset the costs of any commute mode. A subsidy is provided before the employee makes the purchase to use a commute mode.

A **reimbursement** is the same as a subsidy, but provided to the employee after the purchase is made.

Common examples of subsidies:

- Transit subsidy via employer accounts such as ORCA Business Choice or Passport.
- Commuter pre-tax benefits for any alternative commute mode.
- Pre-paid HOV, Vanpool, Vanshare, or other rideshare parking spot (reserved for exclusive use by vehicles that fall into these categories).
- Rideshare, carshare, and bikeshare subsidies for regional vendors.



Common examples of reimbursements:

- Post-commute reimbursement via receipt tracking and processing, or online account.
- Bike repair reimbursements via receipt tracking.



Pros/Cons of subsidies and reimbursements:

Subsidies provide direct financial support to employees, often saving the employer and employee money through tax benefits. Transit subsidies combined with parking management strategies have been proven to reduce drive alone rates more than most other strategies.

Reimbursements often require greater administrative time investment and may eliminate the opportunity for employer and employee cost savings via tax benefits.

Company Example



Casey Family Programs walks the walk and talks the talk (so to speak). As an organization with a mission to provide stable and caring homes for youth across the nation, they see transportation benefits as a key component to building healthy and sustainable communities for people of all ages and backgrounds.

By fully subsidizing transit, vanpool, vanshare, and home free guarantee for their employees they make it easy for employees to choose alternative modes of transportation when they can.

The choice to promote transit also saves the organization money. As a downtown employer, parking spaces can be a financial burden. Subsidizing transit and alternative modes allows Casey Family Programs to spend resources where they are needed most: on the families they support.



SUBSIDIES & REIMBURSEMENTS CHECKLIST

- Research your reimbursement and subsidy options (e.g., **ORCA Business Choice or Passport**, see resource section for more options).
- Bring upper management and stakeholders (Accounting, HR, Executives) to table for budget planning.
- Invest in the most appropriate subsidy for your workforce.
- Communicate reimbursement and subsidy policies to all new hires and current employees.

Resources

- **ORCA Business Accounts | King County Services**
- **ORCA Business Accounts | Commute Seattle Services**
- **Tax Benefits | Commute Seattle Webinar: Taxes and Transportation**
- **RideshareOnline.com**