

MISSION STATEMENT

The Maryland Department of Transportation is a customer-driven leader that delivers safe, sustainable, intelligent, exceptional, and inclusive transportation solutions in order to connect our customers to life's opportunities.

2024 Edition



COMMUTER CHOICE MARYLAND

Carpool and Vanpool Benefits Toolkit

Helping Maryland's Employers and Commuters



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1 ABOUT COMMUTER CHOICE MARYLAND

Commuter Choice Maryland is a free program of the Maryland Department of Transportation (MDOT). We work with employers across the state to build, expand, and promote commuter programs and we deliver transportation solutions and services to employees and residents that can save money, reduce congestion, conserve energy, protect the environment, and facilitate economic opportunity for all Marylanders. We also work in collaboration with 12 local commuter programs, so no matter where you work or manage an organization in Maryland, we have you covered!



How can we help you?

We aim to help take the stress out of the daily commute by promoting alternative options to driving alone such as the use of public transportation, **carpooling**, **vanpooling**, walking, biking, teleworking, and alternative work schedules, to enhance the quality of life for all Marylanders. The Commuter Choice Maryland team, in conjunction with local TDM specialists, provide free support to help commuters find their best way to work, and to help employers establish commuter benefits programs that help recruit and retain top talent, meet sustainability goals, and qualify for financial benefits including the Federal Transportation Fringe and Maryland Commuter Tax Credit.

Visit CommuterChoiceMaryland.com for more information.

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2 WHAT IS VANPOOLING? WHAT IS CARPOOLING?

Sharing the drive to work is a convenient and easy way to commute. This toolkit offers guidance on two approaches: carpooling and vanpooling. There are similarities and differences to each option:

	Carpool	Vanpool
How Many People Typically Drive Together?	2-4	5-12 (vehicle must seat at least 6, not including driver; employees must occupy at least 50% of seats)
What Vehicle is Used?	Personally owned, no requirements on type of vehicle.	Leased vehicle (or owned if employer-sponsored) with capacity for at least 7; typical vanpool vehicles are minivans and SUVs, but can be larger in size.
How are Costs Split?	Members of the group decide how to split costs between themselves.	Each participant has a lease agreement which they pay monthly through their account to cover operation, maintenance, and insurance.
Who Drives?	That's up to the group to decide!	Must have at least 1 driver and 1 backup designated by the group, but driving responsibilities may be decided between members of the group.
Where Does Everyone Meet?	The group decides. There are many free park-and-ride lots that could be used as meeting points.	The group decides. There are many free park-and-ride lots that could be used as meeting points. The driver can decide to keep the vehicle at their residence or leave it in a common parking area.
Eligible for Pre-Tax Benefits?	No. Carpool subsidies may only be offered on a post-tax basis at this time.	Yes, up to the federal monthly limits (\$315 in 2024), paid for as a pre-tax employee-paid deduction; a pre-tax employer-provided subsidy; or a combination of both.
Eligible for the Maryland Commuter Tax Credit?	Yes, employers may subsidize the cost of gas, parking, tolls, or other appropriate costs, and claim back 50%, up to \$100 per employee per month.	Yes, employers may subsidize vanpool costs and claim back 50%, up to \$100 per employee per month.
Additional Incentives for Participants?	Yes: 'Pool Rewards, incenTrip, Guaranteed Ride Home, and local incentive programs.	Yes: 'Pool Rewards, incenTrip, Guaranteed Ride Home, and local incentive programs.

Carpools and vanpools can be a great way to commute!

Commuters typically experience:

- a more efficient commute than driving alone, especially in areas where High Occupancy Vehicle or Toll lanes are available
- more predictable costs that are usually cheaper than driving alone
- reduced costs of vehicle ownership because their personal vehicle is used less often
- less stress related to commuting
- a better work/life balance

Employers who sponsor carpool or vanpool programs may experience:

- increased employee satisfaction, recruitment, and retention
- reduced absenteeism by providing or sponsoring a reliable form of commuting
- tax savings through the Transportation Fringe Benefit, the Maryland Commuter Tax Credit, or both
- new ways to meet corporate social responsibility goals by contributing directly to reducing carbon emissions associated with company operations.



3 BUILDING A CARPOOL/VANPOOL BENEFITS PROGRAM

Encouraging and subsidizing ridesharing through carpooling and vanpooling programs are great ways to reduce your company's tax burden while providing your employees with a cheaper, more reliable commute. You may choose to make it part of a larger commuter benefits program; see our additional commuter benefits toolkits for more information.

Employers who wish to start a carpool and/or vanpool program can follow these steps to get started:

1. Designate a program coordinator

Choose an employee who will coordinate your carpool/vanpool program; they may be in your HR department, in your sustainability office, or in some other field. This person will be responsible for working with employees and the vanpool provider (if applicable) to maximize the program's effectiveness.

2. Decide on your organization's investment in the program

At this point, it will be useful for employees to know how much the organization is willing to invest in a ridesharing program:

- Will the organization offer a subsidy or pre-tax benefit to employees for carpooling or vanpooling costs? If so, how much?
 - Carpooling subsidies may be offered as a post-tax benefit only for E-ZPass and/or tolls, parking fees, or other fees as appropriate (not including purchasing or maintaining a vehicle). Employers may be eligible to claim back 50% of the subsidies provided, up to \$100 per employee per month, using the Maryland Commuter Tax Credit.
 - Vanpooling benefits may be offered as tax-free subsidies or pre-tax employee deductions (or both) up to the Federal Transportation Fringe Benefit limit (\$315/month for 2024). Subsidies may also be claimed back, up to 50% or \$100 per month, using the Maryland Commuter Tax Credit.
 - If employees need to pay to park at work or as part of their commute, employers may also offer a pre-tax subsidy or employee pre-tax deduction benefit towards those parking costs up to the Federal Transportation Fringe Benefit amount (\$315/month for 2024).
- In the case of vanpooling, is the organization providing the vanpool vehicle, or administering a monthly benefit to employees who participate in a vanpool lease on their own?
- Will preferential parking or other perks be provided to employees to carpool or vanpool?
- Will the organization help with ride matching? Distributing materials as part of new employee onboarding and frequent reminders to existing employees throughout the year can help the program grow and be successful.





3. If providing or promoting a vanpool, choose a vanpool provider

If the employer plans on working directly with a third-party vanpool leasing company or encouraging employees to work with the third-party vendor, it is a good idea to invite one or more vanpool providers to attend an on-site meeting with employees and managers to discuss the elements of the program and bring a demonstration vehicle.

4. Determine method of benefits administration and pick a launch date to promote your carpool/vanpool program

Decide how the organization will administer a carpool and/or vanpool benefit, whether in-house, using a third-party benefits administrator, or both. Since carpooling is not an option covered by the Federal Transportation Fringe Benefit, it may be difficult to find a third-party administrator and may need to be managed in-house. Once these details are determined, advertise the programs in a variety of ways: send emails, hold a commuter fair or launch event, post digitally on internal video screens and company intranet and post physical notices, and be sure to include as part of your organization's job postings, new employee onboarding materials, an annual benefits fair information.

5. Evaluate and refine the programs as necessary

Plan on surveying your employees six months and every 12 months after implementing the new benefits and provide a mechanism for them to offer feedback in between. This will help your organization understand what is working well for a carpool and/or vanpool program, and what adjustments could be made to improve awareness and use of the programs.

6. Join the Employer Partner Program for recognition of your efforts!

The free Commuter Choice Maryland Employer Partner Program offers employers assistance in developing, expanding, evaluating, and promoting commuter programs, and gives organizations statewide recognition for implementing these important commuter benefits. Join for free at: www.mdot.maryland.gov/employerpartner.



4 CLAIMING THE MARYLAND COMMUTER TAX CREDIT

For-profit businesses, 501c3, and 501c4 employers with a physical location in Maryland may be eligible to claim back 50% of the subsidies they provide for qualifying costs:

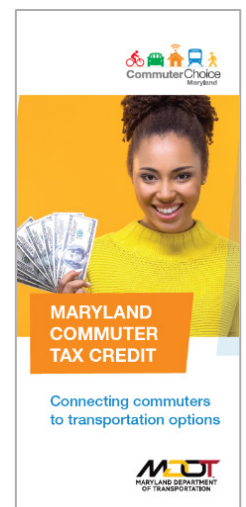
- Carpool: E-ZPass and/or toll fees, parking fees, or other costs as appropriate (vehicle purchase and maintenance are not eligible). Two or more commuters must drive together for more than 80% of the trip and be registered in the Commuter Connections Ridesharing Program.
- Vanpool: Employer funded program that provides a qualifying vanpool to employees for commuting.

Once you start offering qualifying commuter subsidies to your employees, follow these three easy steps to claim the tax credit:

1. Visit www.onestop.md.gov to set up your organization's free account.
2. Complete the Commuter Tax Credit form outlining the total amount of subsidy provided and a monthly breakdown of qualifying commute options and subsidy amounts provided to employees.*
3. Once the form is approved, file it with the annual business tax returns. The Commuter Tax Credit may be claimed against the state personal income tax, corporate income tax, or insurance premium tax.

More information on the Maryland Commuter Tax Credit is available at: www.mdot.maryland.gov/mdcommutertaxcredit

*Employers are not required to submit receipts or other backup documentation as part of the Commuter Tax Credit claim form but should keep good records of the qualifying subsidies they provide to their employees during the year and their method for calculating the amount of tax credit claimed in case an audit is performed.





5 ADDITIONAL INCENTIVES AND REWARDS PROGRAMS

CarpoolNow | www.commuterconnections.org/carpool-now-app/

This free app helps commuters in the Washington, D.C. metro region form carpools in real-time by matching commuters who need a ride with drivers who can earn \$10 each trip by adding passengers to their drive to work.

Frederick County Transit Services Vanpool Incentive Program | <https://frederickcountymd.gov/210/Vanpools>

New, not-for-profit vanpools traveling to and from Frederick County may be eligible to receive financial assistance to fill empty seats during the first 12 months of operation. Assistance ranges from \$158 to \$500 a month per-seat depending on the size of the van and the length of participation with the incentive program.

Guaranteed Ride Home | www.commuterconnections.org/guaranteed-ride-home/

Carpool and vanpool commuters traveling to the Washington, D.C. metropolitan area may access up to six free rides home from work each year for personal emergencies and unplanned overtime. The program is free but advanced registration is required.

incenTrip | www.commuterconnections.org/incentrip-app/

Carpool and vanpool commuters in the Washington, D.C. area and all of Maryland who log their commute trips using the free incenTrip app earn points that convert to cash and other rewards. Additional points are awarded for sharing the drive through heavily congested travel corridors.

Maryland Commuter Tax Credit | www.mdot.maryland.gov/mdcommutertaxcredit

Tax benefit for employers who subsidize carpool and/or vanpool costs for their employees. Employers may claim a tax credit for 50% of the cost of providing carpool or vanpool subsidies, up to a maximum of \$100 per month for each employee. The tax credit can be taken against the state personal income tax, corporate income tax, or the insurance premium tax.

Montgomery County FareShare Program | www.montgomerycountymd.gov/dot-dir/commuter/index.html

FareShare is an incentive for Montgomery County employers to start or expand their transit and vanpool benefits program. Montgomery County employers in the program pay \$25 per month for employees' vanpool costs and Montgomery County will fund the rest, up to the monthly allowable limit.

'Pool Rewards | www.commuterconnections.org/pool-rewards/

Carpool and vanpool commuters traveling to and from the Washington, DC area may be eligible for additional monthly benefits. New carpools are eligible to earn up to \$130 for the first three months. New vanpools may qualify for a \$200 monthly subsidy for the length of the lease.

Tri-County Council for Southern Maryland Vanpool Incentive | <https://tccsmd.org/transportation/>

Vanpools starting or ending in Calvert, Charles, or St. Mary's Counties may qualify for a \$300 monthly subsidy in addition to other regional vanpool subsidy programs.

Vanpool Alliance | <https://vanpoolalliance.org/>

Vanpools with routes start from, travel through or terminate in northern Virginia region receive \$300 monthly for participation in the program, with additional incentives of up to \$200 for parking and \$400 for operation depending on where the vanpool is traveling.



6 FINDING CARPOOLS AND VANPOOLS

Commuter Connections Ridematching | www.commuterconnections.org/ridematching

Free ridematching for carpool and vanpool options across Maryland and the Washington, D.C. metro region.

Commute with Enterprise Vanpool | <https://www.commutewithenterprise.com/>

Find vanpools leased by Commute with Enterprise starting or terminating in Maryland.

Northern Virginia Vanpool Alliance | <http://vanpoolalliance.org/>

Maryland commuters can locate and join vanpools traveling from Maryland into Northern Virginia.

Washington Metropolitan Area Transit Authority

<https://www.wmata.com/service/regional-transportation/vanpools.cfm>

Information on additional vanpool providers can be found on WMATA's Vanpool Resources website.

7 ADDITIONAL RESOURCES

Commuter Choice Maryland Employer Partner Program | www.mdot.maryland.gov/employerpartner

This free program offers any employer in Maryland assistance to build a commuter benefits program, and gives statewide recognition for organizations' efforts to promote commuter options.

Federal Transportation Fringe Benefit | <https://www.irs.gov/pub/irs-pdf/p15b.pdf>

Information on the annual limits set by the IRS on monthly pre-tax amounts for vanpool, transit, and qualified parking.



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