

# HR Insights

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## Commuting Post-coronavirus

The coronavirus (COVID-19) pandemic has brought ambiguity and a general feeling of not knowing what to expect when returning to the workplace. One thing for certain is that businesses are reassessing their strategies to help plan for a smooth and thoughtful transition back to the workplace.

Part of that plan is acknowledging that previous work routines may need to change. Workforces will again need to be adaptive like they did with remote working. Employers should continue to demonstrate their willingness to be flexible to support employees. One of the most noticeable changes will be how employees commute.

People are craving normalcy. The majority of commuters will see no change in their post-pandemic travel habits; however, some people might shift to new travel modes if given the chance. This article explores how commute options may change and ways that employers can support employees commuting in a world altered by COVID-19.

### Public Transportation

It wasn't that long ago that a workday commute meant standing shoulder-to-shoulder on the subway, trying to find an open seat on the train or holding a handrail while standing in a crowded bus. As the pandemic threat shifts, those types of transit situations may cause anxiety for commuters who are practicing social distancing and avoiding large gatherings of people—especially people they do not know.

Employees who rely on public transportation for their commute may be worried about contracting

COVID-19. As a result, keep in mind that employees may prefer to travel at off-peak times or take a less busy route to reduce the number of changes.

### Vehicles

It's not surprising that experts predict that people will likely want to drive alone in their personal vehicles to avoid exposure to COVID-19 while commuting.

Discourage carpooling with co-workers or others not living in the employee's household. For employees who rely on carpooling or other formal ride-sharing services to get to the workplace, encourage them to ask drivers about their cleaning procedures, and practice social distancing and good hygiene (e.g. wash hands, use hand sanitizer and avoid touching the eyes, nose and mouth).

### Walking, Bike and Other Transportation

For employees who live close to the workplace, they may opt to walk, or ride a bicycle or e-scooter as an alternative. However, these may be impractical modes of transportation due to local climate or geography.

Consider understanding your employees' locations and transportation needs as you're working on a return-to-work plan and outlining commuting benefits. Employees may change how they were getting to work before COVID-19.

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## Commuter Tax Benefits

Even before the pandemic, employers may have offered benefits for employees to use a variety of ride-sharing services. Now, there may be more financial reasons to start encouraging efficient commutes. The COVID-19 pandemic qualifies as a disaster for which an employer may reimburse employees for disaster-related expenses on a tax-free basis.

Employers may consider the following strategies to assist employees when returning to the workplace:

- **Disaster relief payments**—Employer payments for mass transit alternatives might qualify as a disaster relief payment under Section 139 of the Internal Revenue Code. Employers in states receiving Federal Emergency Management Agency assistance could make direct qualified disaster relief payments to their employees. Such payments are tax-free to employees and tax-deductible for employers. They also are uncapped and do not require validation.
- **Mileage reimbursement**—Employees who have relied on public transportation to commute but switch to a personal vehicle for safety reasons could be reimbursed for mileage tax-free.
- **Transportation reimbursement**—Employees who switch from public transportation to private car services, taxis or ride-sharing services could be reimbursed or paid directly for those costs if the pandemic is the reason for the commuting change.
- **De minimis fringe benefits**—If local transportation is provided for commuting to or from work because unusual circumstances make other modes of transportation unsafe, only the first \$1.50 of the value of each one-way commute is taxed to the employee. The remainder of the value is excluded as a de minimis fringe benefit. The IRS may recognize that employers are paying for ride-sharing because mass transportation poses higher risks of COVID-19 community spread, and because employees are working hours outside their normal hours, overtime or late hours. If the unsafe conditions and unusual circumstances exclusion applies, such payments should also be deductible by employers.

Additional tax complications may happen for workers who have already purchased parking or transit passes that will go unused, as well as workers who have requested a pre-tax salary deduction on the assumption that parking expenses would be consistently incurred.

Employers who wish to provide mass transit alternative payments should continue to check for new IRS guidance.

## Other Considerations

To limit employees' exposure to many other commuters, employers could offer parking subsidies or shuttle buses. If possible, renting a temporary, additional workplace that is centrally located to employees could shorten the commute or eliminate the need for public transportation. Understandably, investing money in another workspace during the pandemic may not be the most ideal option.

If your company already has a remote work program in place, consider extending that for those who can get their work done from home—or allowing employees to work on-site and also remotely. Consider offering flexible hours to accommodate personal responsibilities that are a result of the COVID-19 pandemic (e.g., caring for children or other family members). By standardizing a mix of on-site and off-site remote work, employees could come into the workplace when it's necessary for meetings and stay at home when it's not. If it is essential to have everyone back in the workplace, consider staggering schedules so that employees do not have to travel during peak times. Most importantly, encourage employees to stay home if they are sick.

To learn more about commuting and other post-coronavirus workplace guidelines, contact INSPRO today.