

# Employee Transit Discount Program

### Organization

York Region — York Region Transit

### Status

Started 2002, ongoing

### Overview

The employee transit discount program allows all regional employees to buy bus tickets for commuting purposes at half-price. The goal was to increase the use of public transit by employees and reduce single occupancy vehicle use. In addition, by leading by example, the Region hoped to encourage other municipalities and businesses to adopt similar programs.

### Budget:

- The program is part of York Region Transit's operating budget.

### Results:

- Approximately 50 regional employees use the program on a regular basis. Of these employees, 52% began using York Region Transit as a result of the program. A pilot project to replicate the program for businesses is being planned.

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### Resources

- York Region ([www.region.york.on.ca](http://www.region.york.on.ca))
- York Region Transit ([www.yorkregiontransit.com](http://www.yorkregiontransit.com))
- York Region Transportation Master Plan ([www.region.york.on.ca/Departments/Transportation+and+Works/TMP\\_Overview.htm](http://www.region.york.on.ca/Departments/Transportation+and+Works/TMP_Overview.htm))

### Community context

York Region's population was approximately 730,000 in 2004 and is expected to double within 30 years. As such, the region is facing serious transportation challenges and needs to find methods to support and encourage the use of public transit.

In 2003, the modal share for public transit in York Region (the percentage of people using public transit) was 8%.

In January 2001 York Region Transit (YRT) was formed to provide transit services to the entire Regional Municipality of York, assuming responsibility for five conventional and seven specialized transit systems that operate in area municipalities throughout the region.

As one of the largest employers in the area (with 2,300 employees), York Region and the amalgamated YRT saw an opportunity to increase the use of public transit—and provide leadership to others—by implementing a discount transit program for its employees.



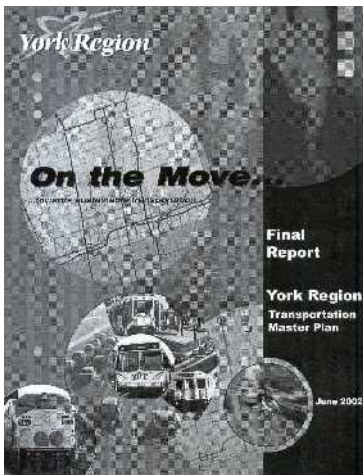
*A 1996 Transportation Tomorrow Survey found that almost 80% of York Region residents use their car for commuting, compared to only 8% who use public transit (bus, GO Transit, etc.)*

## Policy context

On January 17, 2002, YRT proposed an employee transit discount program to the region's Transit Committee. The program would allow all regional employees to buy bus tickets for commuting purposes at half price. The discount would apply only to bus tickets because, unlike other jurisdictions, YRT bus passes are transferable (i.e., the pass can be used by more than one person, and not necessarily by a York Region employee). The region wanted employees to use the discount program for work-related commuting only.

The committee recommended the program to regional council, which subsequently approved the program in February 2002.

The discount program is viewed as a "first step" in York Region's broader transportation demand management (TDM) strategy, a part of On the Move, the region's Transportation Master Plan.



*On the Move is the region's transportation plan to the year 2031*

The plan was adopted in June 2002 and includes such other employee-focused transportation strategies as:

- A centralized information service for transit information, ridesharing, and matching assistance
- Telecommuting programs
- Incentives for other employers to develop and participate in TDM programs
- An employee education and awareness program

## Rationale and objectives

York Region believed that by implementing an employee discount transit program, it would "lead by example" and encourage other municipalities and businesses to adopt transportation demand management programs.

In the April 17, 2002 minutes of the Transit Committee, members set out the goals of the program:

*The program is part of a broader Transportation Demand Management (TDM) strategy aimed at influencing the travel behaviour of Regional employees and encouraging alternatives to driving.*

*The ultimate goal is to reduce traffic congestion by reducing the use of single occupancy vehicles. Other benefits will result including a reduction in parking requirements and in the emission of harmful air pollutants.*

## Actions

**Researching similar programs.** YRT conducted Internet-based research on a variety of employer-based TDM programs across North America, including GO Transit and the Toronto Transit Commission, which offer similar employee discounts on transit services. In particular, they learned from the experiences of the Town of Richmond Hill, which also has 50% employee transit discount program.

**Choosing bus tickets instead of bus passes.** In many Ontario jurisdictions, bus passes contain photo identification that makes the pass non-transferable. In York Region, YRT bus passes are transferable and, therefore, several people could conceivably use the same pass. The region chose to discount bus tickets to ensure that employees used the tickets for commuting purposes only.

A YRT bus pass costs \$74 per month; one strip of 10 bus tickets costs \$20. Employees are allowed to purchase up to four strips of tickets per month (one for each week of the month). The employee pays \$10 per strip and the region pays the other \$10. If employees (who use public transit for commuting purposes only) purchase all four strips each month (\$40) instead of a bus pass they would save \$34.

**Making the tickets available.** There are two locations where employees can purchase the discounted tickets: the Newmarket administration building and the South Service Centre in Richmond Hill. These two buildings already had ticket agencies where employees could purchase bus tickets and passes. Typically, agents at any YRT ticketing agency receive a 2% commission on all sales; for the discounted bus ticket sales, these locations do not receive the 2% commission.

The program is also available to employees who use YRT's Mobility Plus specialized transit. Mobility Plus provides exterior-door-to-door service for residents of York Region, who due to a physical or functional limitation, are unable to board, ride or disembark from a regular transit bus.

**Promoting the service to employees.** YRT staff used the York Region Intranet (internal web site available only to employees), and email bulletins and notices to inform staff of the program and its benefits.

Beginning in April 2004, the region began including a promotional brochure on the benefits of the program and of public transit to all employees in their paycheque stubs.

All new employees were also provided with information about the program when they begin work for the region. The region's human resources department has made the information part of the employee orientation package.

**Surveying employees about the program.** In 2003, YRT conducted a brief survey of those employees who use the program to determine how many trips per week employees made on YRT and which routes they used.

**Resolution passed to make transit benefits tax exempt.** In May 2003, the Transit Committee passed a resolution to make employer-provided transit benefits tax exempt, and forwarded it to the Association of Municipalities of Ontario. Although the resolution was not a direct result of this program, if benefits become tax exempt in future, it will be an added incentive for the region to provide more employer-based TDM measures.

## Results

**Increases in ridership.** Approximately 50 employees use the discount program on a regular basis and, of these, half said that they started using YRT as a result of the discount; 45% said that they travel more often on YRT because of the program.

**Employee satisfaction.** Employees who were surveyed believe that the discount program will encourage the use of transit by all employees—not just those who use the discount program regularly. Employees also mentioned that they appreciated how the program has reduced their personal transportation costs.

## Participants

York Regional Municipality

York Region Transit

## Resources

The employee transit discount program was an internal initiative and all costs, therefore, came under the YRT's operating budget. Promotional and survey costs were minimal.

To date, the region has spent approximately \$16,000 on ticket subsidies (figure includes all discounted ticket sales during 2003 and January and February of 2004).

## Timeline

**Fall 2001.** York Region Transit staff research similar TDM programs in order to prepare its proposal and recommendations for the employee transit discount program.

**January 2002.** YRT report presented to Transit Committee. The committee approves the report. It is subsequently approved by regional council.

**February 2002.** The discounted bus tickets are promoted to employees and sales begin.

**2003.** Employee satisfaction survey performed.

**April 2004.** All employees begin receiving promotional material in their paycheque stubs.

## Lessons learned

**The discount program is a good "first step."** This program was a relatively modest, low-cost initiative to increase the use of public transit by employees. Using the program, YRT staff have been able to increase staff and council awareness of transit's importance in a growing region and will use it to leverage other TDM initiatives—such as expanding the program to other municipalities and businesses.

**Increased awareness and promotion are needed to ensure success.** The program was first promoted to employees through the region's Intranet site and the employee orientation package. As only about 50 of approximately 2,300 regional employees are using the program, the region learned that promotion needs to be greatly expanded. In April 2004, therefore, the region began including a brochure with each employee paycheque stubs. The brochure outlines the financial and environmental benefits of the program.

## Next steps

The employee transit discount program was one of the region's "first steps" towards a broader TDM strategy and was initially designed only for York regional employees. However, since YRT (which was amalgamated in 2001) and the region also wanted to show leadership in providing employer-based transportation programs, the program has encouraged similar actions in other municipal areas. In March 2002, the region received a request from the Town of Newmarket to provide the same discount to Newmarket regional staff who use YRT services.

In its survey of employees, the region discovered that employees would like to see the discount program expanded to include a subsidy for monthly passes, and to include more transit services (e.g., the Yonge B and Newmarket services). The region has discussed with GO Transit the possibility of making the program available to the Yonge B service, which connects the north and south urban areas of the region.

York Region is also working on a new rapid transit network, called Quick Start that will introduce new vehicles, stations, routes and technology by 2005. For example, dedicated transit lanes are planned for sections along four key corridors, which will provide better transit service and shape new growth in a sustainable way. Quick Start is the first phase of a long-term program to implement rapid transit in York Region.

Transit to York's municipal buildings will be better linked on Quick Start and YRT staff are confident that once the network is established, transit ridership, and by extension use of the discount program, will increase.

Staff are also planning to allow employees to pay on-line for discounted tickets. Similar to paying municipal bills (e.g., for water or property taxes), employees would be able to pay for the tickets electronically, and then pick them up at one of the two ticketing locations or have the tickets mailed to them.

In addition, staff are looking to develop a pilot program for area businesses that have expressed interest in partnering with the region on transit issues. A similar employee transit discount program would be offered to these businesses, with the businesses subsidizing the bus tickets, instead of the region.