

State of California

M E M O R A N D U M

To: PERSONNEL MANAGEMENT LIAISONS

Date: September 7, 1990  
Reference Code: 90-41

**THIS MEMORANDUM SHOULD BE DISTRIBUTED TO:**

Transportation Management Coordinators

From: Department of Personnel Administration

Subject: Reimbursement for Transit Pass Subsidy

This memo is to notify State agencies that the Department of Personnel Administration (DPA) is modifying the existing process for the purchase of transit passes. Recent changes in the Internal Revenue Service tax law now permit employers to reimburse employees who purchase passes with no adverse tax impact.

Under the State's existing program, departments have been selling transit passes at a discount to employees. Departments will now have the option of:

1. Continuing to sell discounted transit passes to employees;
2. Allowing employees to purchase passes on their own and file a travel expense claim to receive reimbursement for the discount; or
3. Doing a combination of one and two above.

To receive reimbursement for the discount in item 2 above, employees must file a Standard 262, 262A (travel expense claim), or a department generated expense form.

Departments that choose the reimbursement method should continue to monitor the number of employees who are receiving discounts for transit passes or tickets.

If you have any questions regarding this issue, please call Sydney Miguel at (916) 324-9363 or ATSS 454-9363.

*Wendell M. Coon*

Wendell M. Coon, Chief  
Policy Development Office