



**UPCOMING ENROLLMENT DEADLINES:**

**Next:**  
**Tuesday, June 23, 2015**  
(for August benefit)

**Future:**  
**Wednesday, July 22, 2015**  
**Friday, August 21, 2015**



**WHAT IS THE 50 IN THE 80/50 RULE?**



Deputy Assistant Secretary of the Navy for Financial Operations memorandum dated 6 February 2012 outlines the Department's vanpool policy. Two of the policies in the memorandum are the "80/50 rule" and the "50% minimum riding requirement" rule. Because these two policies both have "50%" as part

of their calculation some have been confused as to how two rules relate to one another. This article helps show the difference between two policies and how they relate to one another.

**The 80/50 Rule**

The 80/50 rule is defined as at least eighty percent (80%) of the mileage use of the vehicle must be for:

1. the purpose of transporting personnel in their local commute to and from their residence to their place of employment/duty station and
2. on trips during which the number of riders is at least one-half (50%) of the adult seating capacity (not including the driver).

The purpose of this rule is to assess a vanpool's qualification. Not all vans are automatically considered qualified vanpools. This rule is used to evaluate whether a van meets the definition of a qualified means of transportation in the Transportation Incentive Program. Carpools and vans with minimal ridership do not qualify for transit benefits. The 80/50 rule is used to draw a line to determine which vans are qualified as vanpools and which vans do not meet the threshold requirement. It is also helpful to understand the "object" of the percentages in this rule. In the 80/50 rule there are two different objects. First, the "eighty percent" is applied to the vehicle's mileage (or days the vehicle operates assuming the vehicle is only used for commuting), so the object of the eighty percent calculation is the vehicle's mileage. Similarly, in the 80/50 rule, the "fifty percent" is of the adult seating capacity (not including the driver), so the object of the fifty percent calculation is the adult seating capacity (not including the driver).

**The 50% Minimum Riding Requirement**

The fifty percent (50%) minimum riding requirement also known as the individual ridership requirement requires participants to ride a qualified vanpool for at least fifty percent of their eligible or scheduled workdays. This policy requires participants to use the vanpool enough days to justify

the government paying the full monthly cost of the vanpool up to the maximum benefit. If the participant does not ride at least fifty percent of their scheduled workdays then they are only eligible to keep the transit benefits equal to the pro-rated certified commuting cost for the days that they did ride a qualified vanpool. The purpose of this rule is to assess the participant's utilization of a qualified vanpool. As with the 80/50 rule, the object of the percentage in this rule is important. In the individual ridership requirement, the "fifty percent" is applied to eligible workdays, so the object of the fifty percent calculation is eligible workdays.

While the number "50%" is used in both rules, each rule has a different purpose and each rule is measuring a different object when using fifty percent in the rule's calculation. The Vanpool Policy Comparison Chart provides a helpful quick look at the differences between the two policies.

**Vanpool Policy Comparison Chart**

| Policy Item                      | 80/50 Rule  | 50% Riding Requirement          |
|----------------------------------|---|---------------------------------|
| <b>Purpose</b>                   | Vanpool qualification                             | Participant Utilization         |
| <b>Object of 80% calculation</b> | Vehicle mileage                                   | N/A                             |
| <b>Object of 50% calculation</b> | Adult seating capacity (not including the driver) | Eligible or Scheduled work days |

Participants are required to ensure that they meet both of these policies in order to maximize their transit benefit. Participants who ride more than fifty percent of their scheduled workday but whose vanpool does not meet the 80/50 rule are not eligible to receive transit benefits unless it is the first month of the calendar year that their vanpool did not meet the 80/50 rule. Similarly, if a participant's vanpool qualifies, but he or she only rides ten percent of his or her eligible workdays, the participant will only be eligible for the pro-rated commuting cost for the days that he or she rode. In order to maximize their transit benefit each month participants must meet the requirements of both policies. Vanpoolers need to work together to ensure that their vanpool will qualify from month-to-month. Vanpools that routinely fall below the fifty percent occupancy level should actively recruit more riders to optimize their vanpool and preserve their transit benefit eligibility.

**IMPORTANT REMINDERS**

1. All participants are required to recertify their transit benefit application between the 1<sup>st</sup> and the 15<sup>th</sup> of every month.
2. Debit cards are loaded on the 10<sup>th</sup> of every month to pay for the commuting expenses for the following month. Transit benefits are available until midnight on the 9<sup>th</sup> of the commuting month. Any transit benefit remaining on the card at that time will be swept off the card and forfeited.

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