

NYC's Commuter Benefits Law

Information for Employers and Employees

NYC's Commuter Benefits Law takes effect on January 1, 2016. Under the law, covered employers must offer commuter benefits to eligible full-time employees beginning January 1, 2016.

WHAT ARE THE ADVANTAGES OF A COMMUTER BENEFITS PROGRAM?

Advantages for Employers

- Employers save by reducing their payroll taxes. The more employees who sign up for transportation benefits, the more the employer can save.
- Employers can attract and retain employees by offering transportation benefits.

Advantages for Employees

- Employees can lower monthly expenses by using pre-tax income to pay for their commute.

WHO IS COVERED BY THE LAW?

Employers

Covered

- For-profit and nonprofit employers with 20 or more full-time* non-union employees in New York City, including temporary help firms.

*Under the Commuter Benefits Law, a full-time employee is an employee who works an average of 30 hours or more per week in the most recent four weeks, any portion of which was in New York City.

Not Covered

- United States, New York State, and New York City governments, including any office, department, independent agency, authority, institution, association, society, or other body of the state, including the legislature and the judiciary.
- Employers not required to pay federal, state, and City payroll taxes.

Employees

Covered

- Full-time* employees of covered employers.

Not Covered

- Employees who work less than an average of 30 hours per week in a four-week period.
- Full-time employees who are New York City residents but work outside of New York City.
- Full-time employees who are covered by a collective bargaining agreement.
- Independent contractors.
- Former employees.

WHICH TRANSIT IS COVERED BY THE LAW?

Covered

- New York City regional mass transit services, including Metropolitan Transportation Authority (MTA) subway and bus; Long Island Rail Road; Amtrak; New Jersey Transit; and Metro-North.
- Eligible ferry and water taxi services.
- Eligible vanpool services.
- Eligible commuter bus services.
- Access-A-Ride and other area paratransit providers.

Not Covered

- Parking expenses.
 - Bicycling expenses, including CitiBikes.**
- **Under federal tax law, employees cannot use pre-tax income for the qualified bicycle commuting reimbursement benefit, and bicycle rental fees are not qualified transportation fringe benefits.

WHAT INFORMATION AND RESOURCES ARE AVAILABLE?

For Employers

Contact **311** or visit nyc.gov/commuterbenefits for information about:

- NYC's Commuter Benefits Law
- Setting up a commuter benefits program

For Employees

Contact **311** or visit nyc.gov/commuterbenefits for information about NYC's Commuter Benefits Law.

For employees eligible for refundable tax credits like the Earned Income Tax Credit (EITC), the pre-tax transit benefit could reduce the amount of a tax credit. Employees should consult a tax professional.

Contact **311** or visit nyc.gov/dcwp for information about:

- NYC Financial Empowerment Centers, where New Yorkers can get free one-on-one professional financial counseling
- Free tax preparation assistance for eligible New Yorkers (during tax season)

**THERE'S A BETTER
WAY TO WORK.**

**NYC's Commuter
Benefits Law**