

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

NYC'S COMMUTER BENEFITS LAW

Important Information for Employers

NYC's Commuter Benefits Law takes effect on January 1, 2016. Under the law, covered employers must offer commuter benefits to existing full-time employees beginning January 1, 2016 or four weeks after an employee begins full-time work, whichever is later.

EMPLOYERS COVERED/NOT COVERED BY THE LAW

Covered

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

*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

- Employers whose employees are covered by a collective bargaining agreement (CBA). Exception: If the employer has 20 or more full-time employees who are not covered by the CBA, the employer must offer these employees commuter benefits.
- 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.

EMPLOYERS WHOSE EMPLOYEES ARE NOT COVERED BY THE LAW

The law does not apply to:

- Part-time, temporary, or seasonal employees
- Full-time employees who are New York City residents but commute to their job outside of New York City
- Independent contractors
- Former employees

RECORDKEEPING

Employers must keep records that demonstrate that each eligible full-time employee was offered the opportunity to use pre-tax income to purchase transit benefits and whether the employee accepted or declined the offer. Employers must keep records for two years. Employers may use the model form available on the DCA website nyc.gov/commuterbenefits to document compliance for recordkeeping purposes.



Bill de Blasio
Mayor

**Consumer
Affairs**

Julie Menin
Commissioner

10/2015

TRANSIT COVERED/NOT 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

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.

Important Resources for Employers

SETTING UP A COMMUTER BENEFITS PROGRAM

Under the Internal Revenue Code, employers can offer full-time employees a qualified transportation benefit that is excluded from taxable income, also known as a pre-tax benefit.

Below is a list of third-party providers that manage commuter benefits programs.

Provider	Website	Contact Information
Benefit Resource, Inc.	benefitresource.com	(866) 996-5200 Ext. 212 info@BenefitResource.com
Commuter Benefit Solutions	commuterbenefits.com	(800) 531-2828
Qualified Transportation Benefits	qtbervices.com	(516) 794-1953 Ext. 22 info@qtbervices.com
TotalBen, LLC	totalben.com	(718) 535-7070 info@totalben.com
WageWorks	wageworks.com	(866) 602-3887

This is not a complete listing of available providers. Providers are listed in alphabetical order.

All employers are advised to investigate and compare their options before signing up with a provider.

Employers who decide to manage a commuter benefits program without a third-party provider should consult their tax advisors and accountants to understand the administrative impact and how to comply with applicable laws, including the federal tax code and NYC's Commuter Benefits Law.

QUESTIONS?

Contact DCA in the following ways:

- Online Live Chat, available at nyc.gov/BusinessToolbox
- Email commuterbenefits@dca.nyc.gov
- Call 311 (212-NEW-YORK outside NYC) and ask for information about Commuter Benefits



Julie Menin
Commissioner

42 Broadway
New York, NY 10004

Dial 311
(212-NEW-YORK)

nyc.gov/consumers

Dear Employer:

As you may be aware, NYC's Commuter Benefits Law takes effect January 1, 2016, and the Department of Consumer Affairs (DCA) wants to make sure you have important information. DCA is responsible for enforcing the law and coordinating the City's public education and outreach campaign, and we are committed to working with businesses to make sure the law, which benefits both employers and employees, is administered effectively and fairly.

Below are key dates for covered employers to know. We have also enclosed a flyer with basic information and resources to help employers establish a commuter benefits program.

Key Dates in the Rollout of the Law:

- **January 1, 2016: NYC's Commuter Benefits Law takes effect.**
Beginning January 1, for-profit and nonprofit employers with 20 or more full-time non-union employees in New York City must offer their full-time employees the opportunity to use pre-tax income to pay for their commute. Under federal tax law, employees can currently deduct up to \$130 a month from pre-tax income to pay for qualified transportation.
- **July 1, 2016: DCA may start issuing violations to businesses that do not comply with the law.**
The law gives employers a six-month grace period—from January 1 to July 1—to begin offering a commuter benefits program. *Employers will not be subject to penalties for violations that take place before July 1.* The law also gives employers 90 days to cure (correct) a violation before DCA is authorized to seek penalties.

How NYC's Commuter Benefits Law Helps Employers and Employees:

- **Benefits for Employers:** Employers may save by reducing their payroll taxes. Employers can also attract and retain employees by offering a transportation benefit.
- **Benefits for Employees:** Employees may save by reducing the amount of income tax they pay, and the money they spend on commuting costs is tax-free.

Questions?

For more information, please contact 311 (212-NEW-YORK outside NYC), live chat with us at nyc.gov/BusinessToolbox, or visit nyc.gov/commuterbenefits for helpful FAQs and updates.

"There's a better way to work" with NYC's Commuter Benefits Law.

Sincerely,

Julie Menin
Commissioner

Encl.