

Anchin Compensation and Benefits Services Group

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NYC Commuter Benefits Law

On January 1, 2016, New York City's Commuter Benefits Law goes into effect. This law requires employers with 20 or more full-time, non-union staff members to offer commuter benefits to eligible full-time employees.

Under the law, employees can deduct up to \$130 per month from their pre-tax income to pay for qualified transportation, allowing them to reduce the amount of income tax they pay and enjoy tax-free commuting costs. Employers may see a reduction in their payroll taxes and contribute to their employee satisfaction/retention by offering commuter benefits. This law does not apply to part-time employees, independent contractors or full-time employees that are NYC residents, but commute to a job outside of New York City.

Employers who do not currently offer commuter benefits can utilize the NYC Department of Consumer Affairs (DCA) [resources](#) to implement this program. There is a six month grace period, after which qualified employers must offer this program for their employees. Employers will not be subject to penalties for violations that take place before July 1, 2016, and 90 days will be granted to an employer to correct a violation before the Department of Consumer Affairs (DCA) seeks penalties. Additionally, employers can also offer a pretax parking benefit of up to \$250, but this is not required.

It is critically important to be in compliance with New York City's laws and regulations. To better understand how this law impacts your business, contact your Anchin Relationship Partner.

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