

**CLIENT ALERT**

**New York City Commuter Benefits Law**

On January 1, 2016, the New York City Commuter Benefits Law will take effect. Now is the time to prepare.

**Who the Law Covers**

The law applies to for-profit and nonprofit employers with twenty (20) or more full-time non-union employees in New York City. For purposes of the law, an employee is full-time if he or she works an average of thirty (30) hours or more per week in the most recent four weeks, any portion of which was in New York City.

**What the Law Requires**

Covered employers must offer their full-time employees the opportunity to use pre-tax income to pay for their commute.

**Maximum Pre-Tax Income Employees Must be Allowed to Deduct for Qualified Commuting Expenses**

Currently, employees can deduct up to \$130 a month from pre-tax income to use to pay for qualified transportation. That amount is set by federal law and may change from time to time.

**Six-Month Grace Period**

Employers have a six-month grace period, until July 1, 2016, to begin offering a commuter benefits.

**How to Set Up a Commuter Benefits Program**

The law is enforced by the New York Department of Consumer Affairs. Its internet website provides more detailed information and a list of providers that can help an employer provide this benefit at the following address: <http://www1.nyc.gov/site/dca/about/commuter-benefits-FAQs.page#6>.

*If you have questions or would like additional information, please contact Amanda M. Fugazy ([afugazy@egsllp.com](mailto:afugazy@egsllp.com)), Paul P. Rooney ([prooney@egsllp.com](mailto:prooney@egsllp.com)), Valerie J. Bluth ([vbluth@egsllp.com](mailto:vbluth@egsllp.com)) or the primary EGS attorney with whom you work.*

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