

THE NYC TRANSIT ORDINANCE, LOCAL LAW 53

The NYC Transit Ordinance, Local Law 53, requires **New York City employers, located in the 5 boroughs with 20 or more full-time employees** to offer pre-tax transit benefits. What does that mean for employers and employees? That means SAVINGS FOR ALL! With pre-tax commuter benefits, employers save on payroll taxes and employees save up to 40% on their commuting costs! That's a WIN for everyone!

HOW IT WORKS

Commuter benefits save both your company and your employees some serious bucks. Based on current legislation, your company can offer commuter benefits in the form of:

- A tax-free employer-paid subsidy
- A pre-tax employee-paid payroll deduction
- A combination of both

WHAT ARE THE CURRENT MONTHLY TAX-FREE ALLOWABLE LIMITS?

- Transit and eligible vanpooling: \$130
- Qualified commuter parking: \$250
- Combined parking and transit benefits: \$380

HOW YOU SAVE

Commuter benefits are considered tax-free benefits, not employee wages, so your company can save on payroll taxes.

HOW YOUR EMPLOYEES SAVE

Employees who participate in your commuter benefit program don't have to pay income taxes on the money they set aside for their commute, saving up to a whopping 40% on their commuting expenses.

WHAT NEXT?

If you fall under the type of employer required to comply with the law, you should:

- Establish a Commuter Benefits Program – this can be a simple addition to your employee handbook with information about how your program will work and how an employee who wishes to participate should notify you of their desire to participate and which benefit they choose (a sample form for this is attached); and
- Let your employees know about your Commuter Benefits Program; and
- Notify your payroll services provider by submitting a copy of the completed enrollment form along with the employee's next payroll.