

Beginning January 1, 2016, all D.C. Employers of 20 or More, Including Non-profits, Must Provide a Transit Benefit

Beginning on January 1, 2016, a provision of a 2014 DC law takes effect and mandates that businesses with addresses in the District of Columbia which have 20 or more employees must provide one of the following transit benefits to its employees:

1. A pre-tax election transportation fringe benefits program which provides commuter highway vehicle, transit or bicycling benefits at benefit levels at least equal to the maximum amount that may be deducted from paychecks for those programs under Section 132(f)(2) of the Internal Revenue Code;
2. An employer-paid benefit whereby the employer supplies, at the election of the employee, a transit pass for the public transit system requested by each covered employee;
3. An employer-paid benefit whereby the employer provides reimbursement of vanpool or bicycling costs in an amount at least equal to the purchase price of a transit pass for an equivalent trip on a public transit system; or
4. Employer-provided transportation at no cost to the covered employee in a vanpool or bus operated by or for the employer.

DC employers who already provide one or more of these options to all of its employees will not need to provide additional transit benefits. The D.C. Department of Employment Services should be issuing regulations to clarify some of the requirements in the Fall of 2015.

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