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Coming in 2016: Pre-Tax Transit Benefits
Coming Now: NYS Minimum Wage Increases

Pre-Tax Transit Benefits: On October 20, 2014, Mayor Bill de Blasio enacted Intro 295-A, which requires New York City companies with 20 or more full-time employees to offer pre-tax transit benefits. The bill encourages employers to take advantage of an existing federal tax benefit, which already allows businesses to offer its workers \$130 a month as pre-tax income for transportation.

The legislation, sponsored by Council Member Dan Garodnick, is expected to save employees opting into the program an average of over \$400 a year on their Metro Card expenses. Once companies start offering this benefit, employers can save more than \$100 per year per employee in tax liability. Reports also indicate that this law will extend transit benefits to more than 450,000 New Yorkers who are not currently offered them, in addition to retaining approximately \$85 million in New York City's economy.

The law, which will be enforced by the Department of Consumer Affairs, takes effect in January 2016. Companies that do not comply will be subject to a civil penalty, but employers will have 90 days to fix a violation before it is imposed. To allow businesses adequate time to adjust to the new law, employers will not be subject to penalties that take place before July 1, 2016.

Reminder: NYS Minimum Wage Increases Again: New York State's minimum wage goes up to \$8.75 on 12/31/14, and will go up again, to \$9.00, on 12/31/15. The state minimum wage will automatically increase to match any higher federal minimum wage.

This alert is meant to provide general information only, not legal advice. If you have any questions about this alert please contact Judith Moldover at (212) 219-1800 ext. 250 or visit our website at www.lawyersalliance.org for further information.

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