

DISTRICT OF COLUMBIA EMPLOYMENT LAW Transit Benefit Requirements



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As of Jan. 1, 2016, District of Columbia employers with 20 or more employees must offer a transit benefit program. The goals of the transit benefit program requirement are to improve air quality and reduce carbon emissions by encouraging District workers to shift their commute trips from driving alone to taking public transit, bicycling, walking and ridesharing. Covered D.C. employers should confirm that they have a transit benefit program in place.

STATE RESOURCES

Employer Commuter Benefits Toolkit

Available [here](#)

Sustainable D.C. Omnibus Amendment Act of 2014

The [law](#) requires D.C. employers to offer transit benefit options to their employees.

Employer services offered by goDCgo, an initiative of the District Department of Transportation

<https://godcgo.com/employer/>

COVERED EMPLOYERS

Employers with **20 or more employees** working in the District are required to offer pre-tax or subsidized commuter benefits for use on public transportation.

TRANSIT BENEFIT OPTIONS

Covered employers **must offer at least one** of the following transit benefit programs:

1	Employee-paid, pre-tax benefit	Allow employees to set aside income on a pre-tax basis to cover the cost of commuting by mass transit or vanpools, up to \$265 per month for 2019.
2	Employer-paid, direct benefit	Offer a tax-free subsidy up to \$265 per month (2019) for transit and vanpool expenses.
3	Employer-provided transportation	Provide shuttle or vanpool service at no cost to employees.

Providing pre-tax, subsidized or free parking alone does not satisfy any of the transit benefit program options. Also, employers are not required to include parking expenses under any of these options.

Employers may mix-and-match with pre-tax and subsidized benefits. Although the federal tax exclusion for bicycle commuter benefits has been suspended until Jan. 1, 2026, employers may still offer a bicycle benefit of any amount to employees. Employees who participate in an employer-provided bicycle benefit must report the benefit as taxable income.

DISTRICT OF COLUMBIA EMPLOYMENT LAW

Transit Benefit Requirements



EMPLOYEE-PAID, PRE-TAX BENEFIT

An employer may establish a pre-tax election fringe benefits program that provides commuter highway vehicle (vanpools) or transit benefits consistent with the requirements of Internal Revenue Code (Code) Section 132 at benefit levels at least equal to the maximum amount that may be deducted from an employee's gross income under Code Section 132(f)(4).

Under Code Section 132, commuter highway vehicle and transit benefits paid by either the employer or employee can be excluded from an employee's gross income. For 2020, the maximum amount that can be excluded for commuter highway vehicle and transit benefits, combined, is \$270 per month.

EMPLOYER-PAID, DIRECT BENEFIT

An employer may establish a program where it supplies, at the election of the employee, a transit pass for the public transit system requested by each covered employee or 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 public transportation.

What is a Transit Pass? A transit pass includes a pass for travel by bus, streetcar or train offered by the Washington Metropolitan Area Transit Authority, Maryland Area Regional Commuter, Virginia Railway Express or the National Railroad Passenger Corporation (Amtrak).

The maximum amount that can be excluded from an employee's income for vanpool (that is, commuter highway vehicle) and transit benefits, combined, is \$270 per month for 2020.

Employers may provide a direct benefit for bicycle commuters (taxable for the employee) for bicycle expenses at least equal to the amount of a transit pass, for each month a bicycle is used for transportation to and from the employee's home and place of employment. Commuters who elect to receive the bicycle direct benefit are also eligible to receive any other transportation fringe benefit in the month they receive the bicycle direct benefit.

EMPLOYER-PROVIDED TRANSPORTATION

An employer may provide transportation at no cost to covered employees in a vanpool or bus operated by or for the employer.

PENALTIES

A covered employer that fails to offer at least one transit benefit option as required by the Act is subject to civil fines for a class four infraction under the Civil Infractions Act. These penalties start at \$100 per employee for the first offense.