

New Illinois Law Requires Larger Employers to Give Transit Benefits to Employees

By Michael Brohman & Delaney Perl

Toward the end of 2023, Illinois enacted the Transportation Benefits Program Act. This Act, which became effective January 1, 2024, requires employers with 50 or more employees to provide their employees with a pre-tax commuter benefit. In this regard, covered employers must allow their employees to use pre-tax dollars for the purchase of a transit pass through payroll deduction. The cost for such transit pass may be excluded from employees' taxable wages and compensation up to the maximum allowed by federal tax law. The maximum amount per month in 2024 is \$315 per employee.

This benefit should be offered to all employees starting at the first full pay period after 120 days of employment.

Employers can comply with this law by participating in a program offered by the [Chicago Transit Authority](#) or the [Regional Transportation Authority](#).

Please see the checklist on the following checklist to see if this Act applies to you:

Are you a Covered Employer?	Y	N
1. Do you have 50 or more employees that:	—	—
a. Work at least 35 hours per week		
b. Are compensated on a full-time basis	—	—
2. Is the business located in any of the following geographic locations:		
a. Cook County; Warren Township in Lake County; Grant Township in Lake County; Frankfort Township in Will County; Wheatland Township in Will County; Addison Township; Bloomingdale Township; York Township; Milton Township; Winfield Township; Downers Grove Township; Lisle Township; Naperville Township; Dundee Township; Elgin Township; St. Charles Township; Geneva Township; Batavia Township; Aurora Township; Zion Township; Benton Township; Waukegan Township; Avon Township; Libertyville Township; Shields Township; Vernon Township; West Deerfield Township; Deerfield Township; McHenry Township; Nunda Township; Algonquin Township; DuPage Township; Homer Township; Lockport Township; Plainfield Township; New Lenox Township; Joliet Township; or Troy Township?	—	—

- b. Within one mile of a public transit service? (if you are unsure you can search your business address on the Regional Transit Authority's website) — —

If you answered yes to these questions, you are a covered employer who will need to comply with the transportation benefits program.

For its employer clients, Roetzel attorneys provide advice on employment and post-employment issues. **We can help you navigate through these important issues.** If you have any questions regarding this area of the law, please do not hesitate to contact us.

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