

COMMUTER BENEFITS LEGISLATION



Councilmember **Mike O'Brien**

Sustainability and Transportation Committee – September 7, 2018

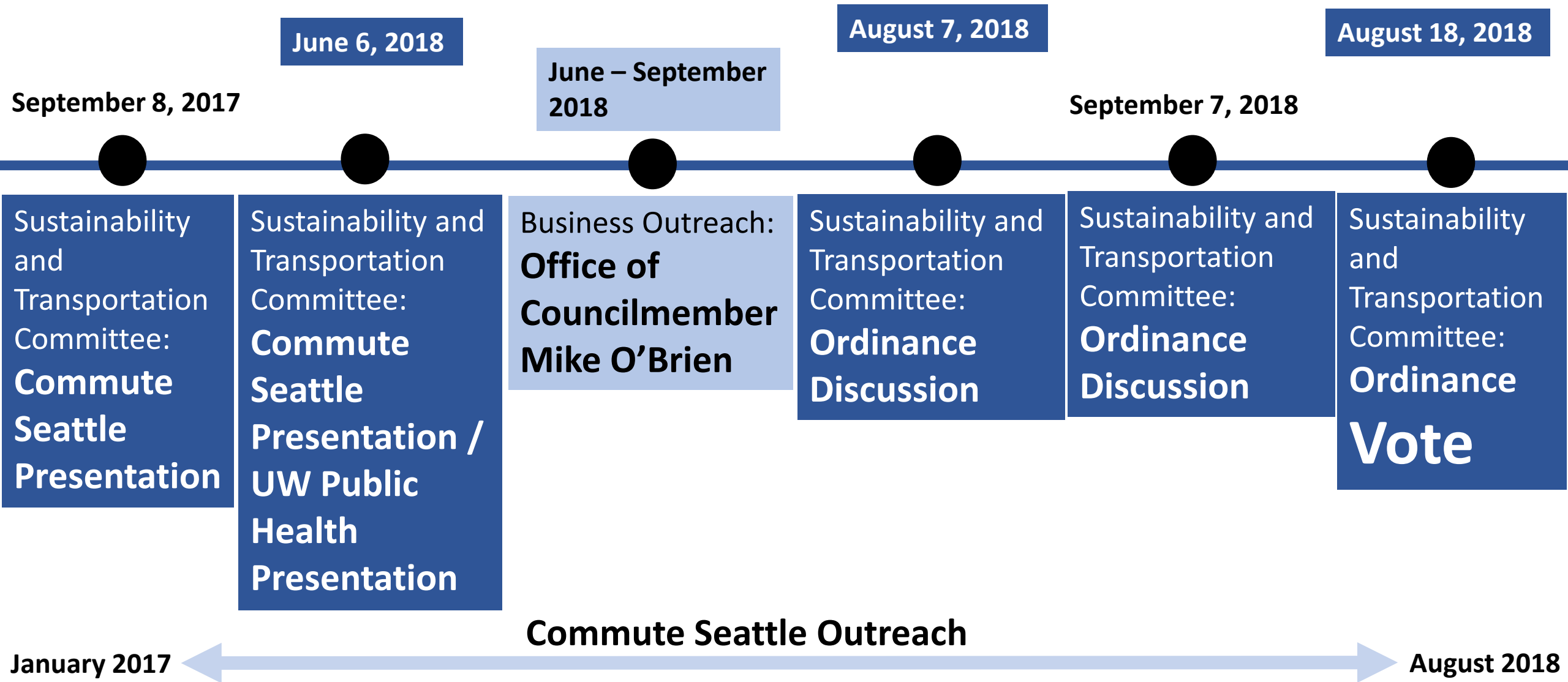
COMMUTER BENEFITS

Under Internal Revenue Code 132(f), qualified transportation benefits may be excluded from gross income subject to federal taxes for both the employer and employee.

LEGISLATIVE PROPOSAL

Policy Goal: To require specific types of businesses to provide notification of the transit benefits section of Internal Revenue Code 132(f), which allows pre-tax payroll deductions for employees, allowing employees to allocate up to \$255 per month for transit expenses.

POLICY TIMELINE



OUTREACH

SMALL BUSINESS ADVISORY COUNCIL (SBAC)

- Seventeen of twenty-seven members of SBAC responded during August 2018.
- Ten respondents did not have a strong opinion of negative or positive impact; three respondents cited a negative impact; and one respondent mentioned a positive impact.

Perceived benefits:

- Healthier communities
- Happier employees—businesses want to provide holistic benefits
- Improves employees' abilities to get to work

OUTREACH & RESPONSES

COMMON CONCERNS

Administrative burden compounding with other regulations (ex: State Paid Family and Medical Leave)

Distrust in City's ability to conduct sufficient outreach/provide support

Unfair penalization of businesses that do not comply

Potential to give large employers an advantage in hiring

OUTREACH & RESPONSES

TOP SUGGESTIONS

Create incentives to participate rather than mandatory compliance

Limit to businesses with over 50 employees

Prioritize and fund technical and administrative assistance to businesses

Engage a payroll service to weigh in on administrative expense to their small business clients

Allow more time for implementation

QUESTIONS AND COMMENTS