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Philadelphia Commuter Transit Benefits Coming Soon

Law and the Workplace on **December 19, 2022**

Effective December 31, 2022, the Philadelphia, Pennsylvania Employer Commuter Transit Benefit Program requires covered employers to make available for all covered employees a mass transit and bicycle commuter benefits program.

For purposes of the law, covered employers are those that employ fifty or more covered employees, which are defined as any person who performs an average of at least 30 hours of work per week within the city of Philadelphia, for the same employer within the previous 12 months.

Covered employers must provide covered employees with at least one of the following employee commuter transit benefit programs:

1. Election of a pre-tax payroll deduction, consistent with the Internal Revenue Code for: (a) mass transit expenses which include fare instruments (e.g., passes, tokens, or fare cards), or (b) qualified bicycle commuting expenses (e.g., purchase, maintenance, repair, and storage);
2. An employer-paid benefit whereby the covered employer supplies a fare instrument for a covered employee’s mass transit expenses, consistent with the Internal Revenue Code; or
3. Any combination of the programs above.

Employees may report potential violations to an agency designated by the Mayor to oversee employer compliance. After receiving a report, the agency will investigate and attempt to mediate the complaint. If the agency finds the employer is not in compliance following a 30-day mediation period, the agency must first issue a written warning to the employer requiring compliance or face penalties. If the employer is still not in compliance within 30 days of receiving the written warning, the agency may ask the court to compel compliance and impose fines ranging from $150 to $300 per day for each day the employer remains out of compliance.

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