

Legal Update Article

# Illinois Enacts Pre-Tax Commuter Benefits Requirement

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## Meet the Authors



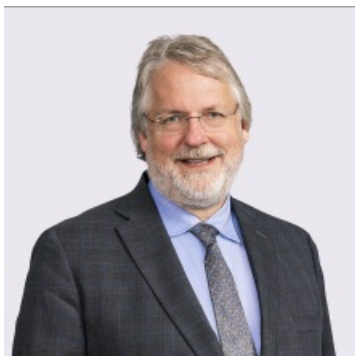
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## Related Services

Employee Benefits

The new Illinois [Transportation Benefits Program Act](#) (HB 2068; P.A. 103-291) aims to promote the commuter benefits available to employees who use public transportation to commute to and from work.

Beginning January 1, 2024, certain employers located within designated Illinois counties and townships will be required to provide employees a “pre-tax commuter benefit.”

The pre-tax benefit means that employers must allow covered employees to use pre-tax dollars for the purchase of a transit pass through payroll deduction. A transit pass is any pass, token, care card, and the like entitling the employee to take public transit. Participating transit programs may include those offered by the Chicago Transit Authority (CTA) or the Regional Transportation Authority.

### Covered Employees

To qualify for the benefit, an employee must average at least 35 hours of work per week. For newly hired employees, the benefit begins on the first full pay period after 120 days of employment.

### Covered Employers, Locations

The Act applies to employers with at least 50 covered employees in a geographic area specified below at an address located within one mile of a transit service location in any of the following locations:

- All of the City of Chicago, as well as most of its suburbs, including those in Cook County.
- The following townships: 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; and Troy Township.

### Next Steps

Employers must prepare to implement their plans for offering the newly required benefits by January 1, 2024.

Employers operating in any of the covered locations should confirm whether they have such an offering, as well as whether they employ at least 50 covered employees in a covered location. In determining the number of employees, employers should be careful to look beyond their own “full” or “part time” designations and use the Act’s 35-hour requirement.

Please contact a Jackson Lewis attorney with any questions.

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