

Washington, DC Transit Ordinance FAQs

D.C. Law 20-142

The Sustainable DC Omnibus Amendment Act of 2014

What is the DC Transit Ordinance?

The DC Transit Ordinance, DC Law 20-142, is a transit benefit ordinance requiring employers with 20 or more employees in Washington DC to offer pre-tax transit benefits in one of three ways:

1. A pre-tax transit fringe benefit
2. An employer-paid benefit program where the employer supplies a transit pass or covered reimbursement of vanpool or bicycling costs
3. Employer provided transportation at no cost to the covered employee in a vanpool or bus operated by or for the employer

The law was signed by Mayor Gray on July 29, 2014, and became effective after Congressional review on December 17, 2014. The Ordinance aims to encourage the use of public transportation to reduce use of single occupancy vehicles.

What are the definitions of employers and employees?

Employers and employee are defined in section 3(2) and 3(3), respectively of the Minimum Wage Act Revision Act of 1992, DC Law 9-248: DC Official Code 32-1002(3).

It is expected that the DC Government will issue full guidelines as well as rules governing exemptions.

When will this go into effect?

The Washington, DC Transit Ordinance will go into effect on January 1, 2016. Rules on compliance are currently being developed.

What is the penalty for failing to comply?

A covered employer who fails to offer at least one the transportation benefit program options will be as subject to civil fines and penalties. The District government is addressing the specifics.

Who will enforce the DC Transit Ordinance?

The DC government will be establishing enforcement procedures and guidelines.

How does a business go about complying?

The Ordinance is easy to comply with! Employers that currently offer pre-tax transit benefits are already compliant. Ahead of the December 31st deadline, any company that doesn't already offer the benefit should sign-up. By doing so, employers will benefit in three ways: First, they will become compliant, second, they will save on payroll tax dollars, and third, their participating employees will save on their personal income taxes.

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