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*In order to help you be aware of some of the rules that govern HRA's, HSA's, and FSA's, we will be periodically providing information that will address some of the more frequent questions that are asked of us. Quite often there are exceptions to the general rule, so it is important to either contact us for clarification or contact your tax adviser when the circumstances differ from those contained in our summary.*

As many of you know, the Governor of New Jersey signed the New Jersey Transit Benefits Law on March 1, 2019. This new law mandates that employers with 20 or more employees must establish a Transportation Fringe Benefit Plan by 3/1/2020. Attached you'll find more information about the law and a flyer to share with your clients.

**Please click to read and download:**

## **["New Jersey Commuter Benefits Law: What You Need To Know"](#)**

With over 30 years of experience, The Harrison Group, Inc. is a nationwide specialist in the technical consultation, design and administration of specialized tax advantaged benefit plans.

Our software platform and HG Advantage Card are capable of administering your client's transportation benefits so you can trust that we will have your

client's plan up and running without delay. Our concierge customer service provides you a Best-In-Class solution.

**Please feel free to reach out to me with any questions. I am happy to respond to your questions in a timely manner.**



**NEW JERSEY COMMUTER BENEFITS LAW:  
What You Need To Know**



On March 1, 2019, Governor Phil Murphy signed the New Jersey Transit Benefits Law which requires employers with 20 or more employees working in the State of New Jersey to offer pre-tax transportation fringe benefits. Employees include both union and non-union employees. Required fringe transportation benefits include those provided by Section 132(f) of the Internal Revenue Code.

Currently, Section 132(f) allows employees to contribute on a pre-tax basis up to \$265 per month into a Mass Transit Spending Account, up to \$265 per month into a Parking Spending Account, or both. This monthly maximum may increase in 2020, based upon an increase in the cost of living. Although employers will save Social Security and Medicare taxes due to a decrease in taxable wages; there may be additional income tax imposed on employee contributions.

Employers must establish a Transportation Fringe Benefit plan no later than March 1, 2020; however there is nothing preventing an employer from establishing a plan at an earlier date. Establishing a plan may be advantageous to employers whose benefit plans renew before 3/1/2020, such as a January 1, 2020 renewal date. It is important to note that there are potential penalties for employers who fail to comply with this new law by March 1, 2020.



Since the new law requires employers to "offer" a pre-tax transportation fringe benefit, we recommend that all applicable employers have a Plan Document and Summary Plan Description prepared.



Our software and HG Advantage Card are currently designed to administer Pre-Tax Transportation Plans for employers and their employees so we are able to help when you have a client that needs these services.

For more information, please contact Rich Miller, Jr, CPA at (855) 222-5727 or via email at [rmiller@theharrisongrouponline.com](mailto:rmiller@theharrisongrouponline.com).

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