

ILLINOIS

Illinois Commuter Benefit Extended to Part-time Workers; Construction Employers Exempted

Illinois has [amended](#) its commuter benefit law, effective Jan. 1, 2026. The amendments expand the benefit to cover part-time employees and provide an exemption for certain construction employers from having to provide the benefit.

Part-time Employees

The amendments remove from the definition of “covered employee” the requirement that such employees work for at least 35 hours per week.

Construction Exemption

The amendments also change the law to provide an exemption for construction industry employers with respect to their collectively bargained employees. “Construction industry” is defined broadly.

Illinois Commuter Benefit Requirement

Starting on Jan. 1, 2024, the Illinois [Transportation Benefits Program Act](#) has required employers in Cook County and other specified localities to allow employees to use pre-tax dollars to buy a transit pass via a payroll deduction.

Employers must exclude the cost of the transit pass from employees’ taxable wages and compensation, up to the maximum amount permitted by federal tax law. In 2025, the monthly limit is \$325.

The benefit must be offered to employees starting on their first full pay period after 120 days of employment. Currently, employees must work 35 hours per week to be eligible for the benefit.

The law covers employers if they have at least 50 workers employed within 1 mile of fixed-route transit in Cook County or any of 37 specified townships.

Employers may meet their obligation by participating in a program offered by the [Chicago Transit Authority](#) or the [Regional Transportation Authority](#).

Provided to you by **Employco USA, Inc.**

Important Dates

Jan. 1, 2024

The Illinois commuter benefit requirement took effect.

Jan. 1, 2026

Amendments to the commuter benefit law take effect.

Employers will be required to allow part-time employees to buy transit passes with pre-tax dollars.