



**U.S. Department of Transportation**

Office of the Secretary  
of Transportation

Assistant Secretary for Administration

1200 New Jersey Avenue, S.E.  
Washington, DC 20590

December 16, 2021

## **ACTION MEMORANDUM TO THE SECRETARY**

**From:** Philip A. McNamara  
Assistant Secretary for Administration  
202-770-7795

**Prepared by:** Marie Petrosino-Woolverton  
Director, Office of Financial Management and Transit Benefit Programs  
202-366-3967

**Subject:** U.S. Department of Transportation Active Bicycle Commuting Subsidy  
(DOT Order 1752.1A)

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### **ACTION REQUESTED**

I request that you approve the attached proposed U.S. Department of Transportation (DOT) Active Bicycle Commuting (ABC) Subsidy Policy, DOT Order 1752.1A.

### **SUMMARY**

The proposed DOT Order 1752.1A expands the guidelines and procedures for the ABC Program, under which DOT may provide employees regularly using a bicycle for a substantial portion of their work commute a \$20 monthly subsidy to defray costs they incur by commuting by bicycle.

### **BACKGROUND**

To encourage sustainable commuting practices, DOT previously established a bicycle benefit program, consistent with 5 U.S.C. § 7905. DOT Order 1752.1, issued in 2010, previously set forth DOT's Employee Bicycle Benefit Program as a qualified non-taxable transportation fringe benefit under 26 U.S.C. § 132(f). However, the 2017 Tax Cuts and Jobs Act suspended the bicycle commuter benefit as an eligible non-taxable fringe benefit until 2026.

The proposed DOT Order 1752.1A will supersede the previous Order and will expand DOT's taxable ABC Subsidy Policy. Under the ABC Subsidy Policy, employees who use a bicycle to commute to work are eligible to receive up to \$20 per month to defray the costs of commuting by

bicycle. Employees must certify they commuted by bicycle for each month they claim the subsidy and must provide evidence of claimed expenses in order to receive the subsidy. The subsidy is a taxable fringe benefit, and employees may claim the subsidy in combination with also receiving a monthly transit benefit pursuant to 5 U.S.C. § 7905.

Once you approve the policy, it will be signed by the Assistant Secretary for Administration.

**RECOMMENDATION**

I request that you approve the attached proposed DOT ABC Subsidy Policy, DOT Order 1752.1A.

The Secretary

APPROVED:



DATE:

1/18/2022

COMMENTS:

Attachments:

- Proposed DOT Order 1752.1A

Subject: U.S. DEPARTMENT OF TRANSPORTATION ACTIVE BICYCLE COMMUTING SUBSIDY

1. PURPOSE: This order establishes the guidelines and procedures for the U.S. Department of Transportation (DOT) Active Bicycle Commuting (ABC) Subsidy. The DOT ABC Subsidy Policy is available at <http://transerve.dot.gov>. Violations of these guidelines and procedures may be grounds for suspension or revocation of the fringe benefit and disciplinary action.

## 2. CANCELLATIONS

- a. DOT 1752.1, Employee Bicycle Benefit Program, dated 5-21-10

## 3. BACKGROUND:

- a. To encourage sustainable commuting practices and consistent with Executive Order 13990 titled “Protecting Public Health and the Environment and Restoring Science to Tackle the Climate Crisis, DOT established the ABC Subsidy consistent with 5 U.S.C. 7905. This ABC Subsidy is taxable and can be used in conjunction with the non-taxable transit benefit described in 26 U.S.C. 132(f) as a qualified transportation fringe benefit.
- b. This ABC Subsidy Policy supersedes the non-taxable transportation fringe benefit to bicycle commuters. In accordance with the 2017 Tax Cuts and Jobs Act, the non-taxable bicycle commuter benefit is suspended until 2026. DOT is expanding the ABC Subsidy Policy.

## 4. REFERENCES

- a. 5 U.S.C 7905: Programs to encourage commuting by means other than single-occupancy motor vehicles.
- b. 26 U.S.C 132(f): Qualified transportation fringe benefit is excluded from gross income.

## 5. DEFINITIONS

- a. Daily commute to and/or from work: The daily bicycle trip to and from the participant’s residence and place of employment.
- b. Daily commute to and/or from work in conjunction with the transit benefit: A daily bicycle trip to and from the participant’s residence and place of employment in conjunction with the monthly transit benefit or a portion of the daily commute used by bicycle in conjunction with the monthly transit benefit

- c. Substantial Portion of Travel: A portion of travel (50 percent or greater) of the days commuted to and from work during each month.
- d. Non-motorized bicycle: A powered bicycle designed to transport by the act of pedaling. Class 1 pedal-assist electronic bikes with a maximum speed of 20 mph and no throttle are considered non-motorized bicycles under this policy.
- e. False Claim: Knowingly presenting or knowingly causing to be presented to the Federal Government an untrue statement to obtain payment or funds from the Federal Government.
- f. Qualified participant: A Federal employee or student providing services under United States Code, Title 5, Government Organization and Employees (5 U.S.C. § 2105).
- g. Commuting Cost: Costs incurred by a qualified participant in connection with a daily commute to or from work on a non-motorized bicycle. Examples of commuting costs include, but are not limited to, bike lock, bike parking/storage, bike upgrades (lights, rack), repairs, and general maintenance.

## 6. POLICY

- a. Participants regularly using a non-motorized bicycle for a substantial (50 percent or greater) portion of travel between the participant's residence and the worksite and/or in conjunction with the monthly transportation benefit as part of their work commute can receive assistance to defray some of the costs they incur. Bicycle commuting costs under this program may include the purchase of a commuter bicycle, bike lock, bike parking/storage, bike upgrades (such as lights or racks), repairs, and general maintenance. These items are considered reasonable expenses if the bicycle and equipment are used for a substantial portion of travel between the participant's residence and place of employment and/or in conjunction with the monthly transportation benefit as part of their work commute.
- b. The ABC Subsidy shall be recorded as a taxable fringe benefit on the participant's W-2 form.
- c. Contractors, and other non-DOT Federal employees working in DOT offices are not eligible for the ABC Subsidy.
- d. Participants applying for the ABC Subsidy are eligible to receive the monthly transit benefit during the months they receive the subsidy if they utilized a non-motorized bicycle for a substantial (50 percent or greater of days commuted) portion of travel when commuting to and from work each month between their residence and the worksite.
- e. DOT will reimburse up to \$20 for bicycle commuting costs for eligible participants per month, not to exceed \$240 during the period of November 1 – October 31, effective immediately.
- f. The ABC Subsidy shall be provided through a cash reimbursement method and is a taxable fringe benefit. Participants will certify bicycle-commuting months on the

ABC Subsidy Certification form provided under Appendix A of this Order. Participants can receive up to \$20 per month for months in which they regularly use a non-motorized bicycle for a substantial portion of travel to and from work (50 percent or greater of days commuted) and/ or in conjunction with the monthly transit benefit as part of their work commute.

- g. Participants may claim reimbursement for an item that costs more than \$20 only within the claim period (November 1-October 31) of the purchase.
- h. Participants must follow the procedures for submitting claims for reimbursement as outlined under Section 8. Participants must submit receipts for covered expenses, ABC Subsidy Certification form, Optional Form 1164, and a direct deposit form (if applicable) by October 10 after the participant has incurred the expense. The only exception will be when the participant is leaving the Agency and must apply for reimbursement off-schedule. The participant is responsible for submitting documentation of cost. See FAQs 13 through 17 in Section 9, below, for additional guidance.
- i. All ABC Subsidy participants must adhere to the policy and rules of the garage and/or building policy for safeguarding a bicycle on DOT-owned or -rented property.

## 7. RESPONSIBILITIES

- a. The Transportation Services (TRANServe) Program Office provides a service to DOT participants in the ABC Subsidy Program. The role of TRANServe is to:
  - 1. Administer the ABC Subsidy Policy
  - 2. Establish and implement Best Practices.
  - 3. Establish and implement Internal Controls for managing the payment of the taxable fringe benefit.
- b. The role of the DOT Operating Administrations is to:
  - 1. Establish a Point-of-Contact for the ABC Program.
  - 2. Ensure a supervisor or appropriate person signs the Optional Form 1164.
  - 3. Establish and implement internal controls for employee participation.
- c. The role of the Federal employees who participate in the ABC Subsidy Program is to:
  - 1. Complete all paperwork as described in the policy for the ABC Subsidy.
  - 2. Understand the scope and limitations of the ABC Subsidy Policy.
  - 3. Understand the penalties involved in misuse or false claims involving the ABC Subsidy.
  - 4. Understand that it is a violation of law to provide false or fraudulent information

to the Federal Government to obtain the ABC Subsidy.

## 8. PROCEDURES FOR DOT ACTIVE BICYCLE COMMUTING SUBSIDY

- a. To participate in the ABC Subsidy, Qualified Participants shall take the following steps:
  1. Complete the ABC Subsidy certification form found in Appendix A.
  2. Complete Optional Form 1164 found in Appendix B. Scan or copy receipts and obtain the appropriate signatures.
  3. Complete the Direct Deposit Sign-Up Form found in Appendix C if this is the participant's first time submitting a claim for the ABC Subsidy or if there are any changes in the employee's banking information.
  4. Submit the ABC Subsidy certification form, with the appropriate receipts and signatures, the completed Optional Form 1164, and if necessary, the Direct Deposit Sign-up Form via email with the title ABC Subsidy on the subject line to [Parking.TransitOffice@dot.gov](mailto:Parking.TransitOffice@dot.gov). For security purposes, all forms submitted via email containing Personally Identifiable Information (PII) shall be encrypted and password protected.
- b. ABC Subsidy period and submission dates are as follows:
  1. The ABC Subsidy period is November 1 – October 31
  2. Expenses incurred November 1 through October are due by October 10th. For example, expenses incurred November 1, 2021 –October 31, 2022 are due by October 10, 2022.
  3. All claims received after the deadline will be processed on a case-by-case basis and no later than the next cycle if process approval has been granted. The participant will be notified by email if a claim is being held over or if a claim has not been approved for processing
  4. The subsidy will be posted to the participant's account within 30 days after approval.
  5. All forms filled out improperly will be returned to the participant for correction.

## 9. FREQUENTLY ASKED QUESTIONS (FAQs)

The FAQs will be posted on the TRANServe website (<http://transerve.dot.gov>), as well as available by request via email at [parking.transitoffice@dot.gov](mailto:parking.transitoffice@dot.gov).

Question		Answer
1	What is the ABC Subsidy?	<i>The ABC Subsidy is an employer provided taxable fringe benefit intended to defray some of the costs a bicycle commuter may incur.</i>

2	What is considered a bicycle commuting month?	<p><i>A qualified bicycle commuting month is any month in which a participant:</i></p> <p><i>(1) Regularly (50 percent or greater of days commuted) uses a bicycle for travel between his/her residence and his/her place of employment or the employee's tour of duty.</i></p> <p style="text-align: center;"><b>or</b></p> <p><i>(2) Regularly (50 percent or greater of days commuted) uses a bicycle for travel between his/her residence and his/her place of employment or the employee's tour of duty in conjunction with the monthly transportation benefit.</i></p> <p style="text-align: center;"><b>or</b></p> <p><i>(3) Regularly (50 percent or greater of days commuted) uses a bicycle for travel as a portion of his/her commute between his/her residence and his/her place of employee or tour of duty.</i></p>
3	Who is eligible?	<i>DOT Federal employees and students providing services under 5 U.S.C. § 2105.</i>
4	Do I have to commute via bicycle every day in order to qualify for the benefit?	<i>No. In order to qualify for the ABC Subsidy, you must use a non-motorized bicycle for a substantial (50 percent or greater) portion of travel and/or in conjunction with the monthly transportation benefit when commuting to and from work each month.</i>
5	Are electric bicycles eligible for the ABC Subsidy?	<i>Only Class 1 pedal assist electric bicycles with a maximum speed of 20 mph and no throttle are eligible.</i>
6	Is the \$20 ABC Subsidy taxable?	<i>Yes. The ABC Subsidy is a taxable fringe benefit to be recorded on the employees W-2 form.</i>
7	What is the maximum amount of reimbursement I can receive?	<i>DOT may reimburse up to \$20 per month, not to exceed up to \$240 per claim period (November 1-October 31), toward bicycle commuting expenses for eligible participants.</i>

8	How do I know if I am eligible for the ABC Subsidy?	<p><i>DOT Employees and students providing services are eligible. Participants regularly using a non-motorized bicycle for a substantial (50 percent or greater) portion of travel and/or in conjunction with the monthly transportation benefit when commuting to and from work each month between the participant's residence and the worksite can receive assistance defraying some of the costs a bicycle commuter may incur.</i></p>
9	How do I apply?	<p><i>Complete the ABC Subsidy Certification Form, the Optional Form 1164, and the Direct Deposit Sign-Up Form if this is your first submission. Attach receipts to the completed Optional Form 1164, obtain the proper signatures for supervisor and/or authorized certifying officer and email the packet to <a href="mailto:parking.transitoffice@dot.gov">parking.transitoffice@dot.gov</a>.</i></p> <p><i>For security purposes, all forms submitted via email containing Personally Identifiable Information (PII) shall be encrypted and password protected. The cash reimbursement will be posted to your personal account.</i></p> <p><i>If you are parking your bicycle at a DOT-owned or -leased site, you must adhere to the rules and policy of the garage and/or building policy for safeguarding a bicycle on DOT owned or rented property.</i></p>



10	When and how often do I need to certify that I used a bicycle for my commute?	<i>On your annual certification form due October 10<sup>th</sup> of each year. You must certify each month that you used a non-motorized bicycle for a substantial (50 percent or greater) portion of travel and/or in conjunction with your monthly transportation benefit between your residence and your worksite. You must keep a record of the months that you commute via bicycle and items purchased so you are able to complete the certification form correctly.</i>
11	What costs are covered?	<i>Covered costs include those items or services associated with a participant's bicycle commute, such as a bike lock, bike helmet, bike parking/storage, bike upgrades and equipment (e.g. lights, rack), bikeshares, and general maintenance or repair costs.</i>
12	Some months, I take mass transit to work and receive the transit benefit. Can I receive both the transit benefit and ABC Subsidy in the same month?	<i>Yes. An employee can receive both the transit benefit and ABC Subsidy in the same month. Certification forms require you to certify that you used a non-motorized bicycle for a substantial (50 percent or greater of days commuted) portion of travel in conjunction with your monthly transportation benefit between your residence and your worksite during the months claimed.</i>

13	Are there specific dates to apply for the subsidy?	<p><i>Beginning immediately, the following reimbursement dates apply:</i></p> <p><i>Items purchased November 1st through October 31<sup>st</sup> must be submitted for reimbursement by the following October 10<sup>th</sup>.</i></p> <p><i>For example, expenses incurred November 1, 2021 – October 31, 2022 are due by October 10, 2022.</i></p>
14	I bought a bicycle helmet for \$50 in February. Will I only receive up to \$20?	<p><i>No. An ABC Subsidy reimbursement may be claimed more than one month, not to exceed 12 months within the claim period (November-October) of the purchase.</i></p> <p><i>You will be able to submit the helmet receipt on the certification form you submit by October 10th. You can receive up to \$20 per month for qualifying items purchased.</i></p> <p><i>For example, in February you buy a helmet for \$50. On the ABC certification form, you certify that you used a non-motorized bicycle for a substantial (50 percent or greater) portion of travel and /or in conjunction with the monthly transit benefit between your residence and your worksite in February, March and April. By October 10th, you may claim \$20 for February, \$20 for March, and \$10 for April.</i></p> <p><i>Please note that you are only able to submit a reimbursement claim for up to \$20 during the months in which you commuted a substantial portion (50 percent or greater) to and from work by bicycle and/or in conjunction with the monthly transportation benefit.</i></p>

15	I bought a bicycle lock and helmet in February. The total of both items equals \$60. Am I able to apply for reimbursement for both items?	<p><i>Yes. An ABC Subsidy reimbursement may be claimed for more than one month, not to exceed 12 months within the claim period (November-October) of the purchase.</i></p> <p><i>You may submit the lock and helmet receipts on the certification form you submit by Oct 10th. You can receive up to \$20 per month for qualifying items purchased.</i></p> <p><i>Please note that you are only able to submit a reimbursement claim for up to \$20 during the months in which you commuted a substantial portion (50 percent or greater) to and from work by bicycle and/or in conjunction with the monthly transportation benefit.</i></p> <p><i>For instance, in this example, if you certified that you used a non-motorized bicycle for a substantial (50 percent or greater) portion of travel and /or in conjunction with the monthly transit benefit between your residence and your worksite in February, March and May, you may claim \$20 for February, \$20 for March, and \$20 for May by October 10<sup>th</sup>.</i></p>
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16	I bought a bicycle in September for \$1,000. Can I claim \$240?	<p><i>No. If you commuted 50 percent or greater of days commuted by bicycle to and from work and/or in conjunction with the monthly transit benefit as part of your work commute for September and October, you are eligible to receive \$40 (\$20 for September and \$20 for October). Expenses incurred late in the claim submission period (November - October) cannot be carried over into the next 12 month claim period.</i></p> <p><i>*Bicycle subsidies are not retroactively disbursed.</i></p>
17	I bought a bicycle in November for \$1,000. Can I claim \$240?	<p><i>Yes, if you commuted 50 percent or greater by bicycle to and from work and/or in conjunction with the monthly transit benefit as part of your work commute for twelve months.</i></p> <p><i>Remember, you can claim only those months you commuted 50 percent or greater by bicycle to and from work and/or in conjunction with the monthly transportation benefit as part of your work commute.</i></p>
18	I certified for January through April, but purchased a bicycle for \$500 in March. Can I claim this purchase for January and February?	<p><i>No, bicycle subsidies are not applied retroactively. In this case, you may claim \$20 per month starting in March, as long as, you commuted 50 percent or greater by bicycle.</i></p>

19	I use bikeshares as part of my commute. Can I claim the cost?	<p><i>Yes. If you commuted 50 percent or greater by bikeshare to and from work and/or in conjunction with the monthly transportation benefit as part of your work commute, you may claim up to \$20 per month for bikeshare rides and subscriptions.</i></p> <p><i>*Receipts will be required to substantiate bikeshare claims and to confirm that the bikeshare costs apply only to commuting between home and work.</i></p>
20	Can I use a bikeshare for local official government travel and claim the cost?	<p><i>No. Bikeshare costs may only be claimed for expenses incurred for the commute between your home and workplace. Since local official government travel is not your regular home-to-work-to-home commute, the costs cannot be claimed under this program.</i></p>

## 10. SUMMARY

The ABC Subsidy is a taxable fringe benefit in which eligible DOT employees and students providing services under 5 USC § 2105 may be reimbursed for self-certified out-of-pocket expenses not exceeding \$20 per month, up to \$240 per participant during the 12-month claim period of November 1-October 31.

Participants must have utilized a non-motorized bicycle for a substantial (50% percent or greater) portion of travel to and from work and/or in conjunction with the monthly transportation benefit between their residence and worksite.

Please note the table below for the reimbursement schedule.

<b>Expense Month</b>	<b>Claim Submission Date</b>
November – October	The following October 10

**Appendix A**

**ABC Subsidy Certification Form (Taxable Subsidy)**

Participant Name: \_\_\_\_\_

Claims for the ABC subsidy will be accepted annually and are due to the Parking and Transit Office as follows:

- a) Claims for the months of November 1<sup>st</sup> to October 31<sup>st</sup> are due October 10th.

Attach the completed form below and your paid receipt(s) to a paper form 1164. Proper Signature(s) are required. Submit completed forms via email to [Parking.TransitOffice@dot.gov](mailto:Parking.TransitOffice@dot.gov) or to the below address:

TRANServe Parking and Transit Office W12-101  
1200 New Jersey Ave. SE  
Washington, DC 20590

January Year _____  I certify that I rode my bike a minimum of 50% to and from work and /or in conjunction with my monthly transit benefit as part of my work commute for this month.  Participant Signature
March Year _____  I certify that I rode my bike a minimum of 50% to and from work and /or in conjunction with my monthly transit benefit as part of my work commute for this month.  Participant Signature
May Year _____  I certify that I rode my bike a minimum of 50% to and from work and /or in conjunction with my monthly transit benefit as part of my work commute for this month.  Participant Signature
July Year _____  I certify that I rode my bike a minimum of 50% to and from work and /or in conjunction with my monthly transit benefit as part of my work commute for this month.  Participant Signature
September Year _____  I certify that I rode my bike a minimum of 50% to and from work and /or in conjunction with my monthly transit benefit as part of my work commute for this month.  Participant Signature
November Year _____  I certify that I rode my bike a minimum of 50% to and from work and /or in conjunction with my monthly transit benefit as part of my work commute for this month.  _____ Participant Signature

February Year _____  I certify that I rode my bike a minimum of 50% to and from work and /or in conjunction with my monthly transit benefit as part of my work commute for this month.  Participant Signature
April Year _____  I certify that I rode my bike a minimum of 50% to and from work and /or in conjunction with my monthly transit benefit as part of my work commute for this month.  Participant Signature
June Year _____  I certify that I rode my bike a minimum of 50% to and from work and /or in conjunction with my monthly transit benefit as part of my work commute for this month.  Participant Signature
August Year _____  I certify that I rode my bike a minimum of 50% to and from work and /or in conjunction with my monthly transit benefit as part of my work commute for this month.  Participant Signature
October Year _____  I certify that I rode my bike a minimum of 50% to and from work and /or in conjunction with my monthly transit benefit as part of my work commute for this month.  Participant Signature
December Year _____  I certify that I rode my bike a minimum of 50% to and from work and /or in conjunction with my monthly transit benefit as part of my work commute for this month.  _____ Participant Signature

I certify the receipts attach to this form qualify for the Active Bicycle Benefit (ABC) subsidy.

Participant Signature: \_\_\_\_\_







**Appendix C**

**DIRECT DEPOSIT SIGN-UP FORM**

AGENCY: FHWA \_\_\_ FMCSA \_\_\_ FRA \_\_\_ FTA \_\_\_ MARAD \_\_\_ NHTSA \_\_\_ OIG \_\_\_ OST \_\_\_

PHMSA \_\_\_ REGION \_\_\_ SLSDC \_\_\_ VOLPE \_\_\_

ESTABLISH DIRECT DEPOSIT     CANCEL DIRECT DEPOSIT     CHANGE DIRECT DEPOSIT INFORMATION

**SOCIAL SECURITY NUMBER** \_\_\_\_\_

**NAME (Last, First Middle Initial)** \_\_\_\_\_

**MAILING ADDRESS** \_\_\_\_\_

**EMAIL ADDRESS** \_\_\_\_\_

**TELEPHONE NUMBER (Work)** \_\_\_\_\_ **(Home)** \_\_\_\_\_ **(Cell)** \_\_\_\_\_

**TYPE OF ACCOUNT**

**CHECKING**                       **SAVINGS**

**ROUTING TRANSIT NUMBER** (This number appears at the extreme bottom left of your checks.  
For savings accounts, you need to contact your financial institution.)

\_\_\_\_\_

**ACCOUNT NUMBER**

\_\_\_\_\_

**NAMES ON ACCOUNT**

\_\_\_\_\_

**FINANCIAL INSTITUTION'S NAME**

\_\_\_\_\_

**AUTHORIZATION:**

\_\_\_\_\_  
**(EMPLOYEE'S SIGNATURE)**

\_\_\_\_\_  
**(DATE)**

All information on this form is required under 31 CFR 209 and/or 210. The information is voluntary, confidential and is needed to prove entitlement to payments. The information will be used to process payments data from the Federal Aviation on to the financial institution and/or its agent. Failure to provide the requested information may affect the processing of this form and may delay or prevent the receipt of payments through the Direct Deposit for Travel Payments.