

Bicycle Commuter Benefit Recommendation

The Bicycle Commuter Act allows employers, if they chose to do so, to reimburse employees for commuting by bicycle and/or reasonable expenses incurred by the employee in conjunction with their commute to work by bike.

Employers may choose to have the benefit as a taxable or non-taxable reimbursement. If an employer chooses a non-taxable reimbursement there are several limitations and conditions specified by the IRS that must be met to qualify for the reimbursement. Limitations such as:

- The bicycle must be regularly used for travel between the employee’s residence and place of employment.
- The annual reimbursement cannot exceed \$20 a month, \$240 during a calendar year.
- Employees who receive the reimbursement are not allowed to receive a discounted bus pass, parking, or carpool benefit during the qualified commuting month.

If an employer chooses to tax the reimbursement, then terms and conditions can be determined by the employer and not limited to the specified IRS conditions above.

Employers Offering Commuter Benefits

Though the bicycle commuter benefit has been available for several years, locally there has been minimal uptake of employers offering the benefit.

	Discounted Transit Pass	Discounted Van Pool	Bicycle Commuter Benefit
Salt Lake County	Yes	Yes	No
State of Utah	Yes, 100% subsidized	Yes	No
Salt Lake City	No	No	No
South Salt Lake City	No	No	No
Utah County	No	No	No
Davis County	No	No	No
Other Local Large Employers			
University of Utah	Yes, 100% subsidized	No	No
Intermountain Healthcare	No	No	No
LDS Church	Yes	No	No
Adobe	Yes	Yes	Yes, \$20 per month (taxable)

Several small local employers, 50-250 employees, are providing the bicycle commuter benefit. Most are offering the benefit as a taxable benefit to allow their employees to continue to receive discounted transit passes. Employers who offer the bicycle commuter benefit reported 1-5% of the employees participating in the program.

Recommendation

If Salt Lake County were to offer the Bicycle Commuter Benefit, the County would be the first local large public employer to provide the benefit, support encouraging employees to bike to work and the local effort of supporting a bicycle friendly community.

The recommendation is to offer the Bicycle Commuter Reimbursement Benefit to employees as a taxable reimbursement, which would allow employees to continue to receive bus pass, parking, or carpool benefit during months that they receive a Bicycle Commuter Reimbursement Benefit. The County would provide a \$25 per month reimbursement for biking to work. The reimbursement benefit would be administered as part of our commuter benefits. Based on other employers' participation, it is estimated that 40 – 200 employees would participate in the program for an estimated annual cost of \$9,600 to \$48,000.