



National Finance Center Customer Notification

Update - Bicycle Subsidy

July 5, 2019

Reference Number: NFC-1559310706

This is an updated notification from the previous [Customer Notification](#) (CN) sent out on July 6, 2018.

The National Finance Center (NFC) is notifying customers that on December 22, 2017, the President signed the Tax Cuts and Jobs Act into Public Law 115-97. Section 11047 of the Law suspended qualified bicycle commuting reimbursement from an employee's income for any tax year beginning after December 31, 2017, and before January 1, 2026. IRS Publication 15-B, Employer's Tax Guide to Fringe Benefits, further stated, if an employer chooses to continue offering this benefit, there is no deduction for the employer and the amounts reimbursed to the employee will be taxable.

In addition, NFC does not disburse subsidy payments on behalf of our customers. The Agency will pay the bicycle subsidy through their transportation group (this is paid outside of the NFC system). Consequently,

- The Agency should record the subsidy payment impact to the Form W-2, Wage and Tax Statement via personnel system (EPIC or EmpowHR) by using document type 127 - Parking Subsidy. The subsidy payment received is taxable wages. System processing should take place no later than **November 9, 2019, (PP22/2019)**.
- The Agency can also request NFC to process the tax impact of their subsidy payments. An SCR/IAA must be submitted, processed and approved before PP22/2019 in order to timely and accurately process the adjustments impacting the 2019 W-2.

Federal employees with questions concerning this notification should contact their Servicing Personnel Office. Authorized Agency representatives with questions concerning this notification should contact NFC's Contact Center at either 1-855-632-4468; or via ServiceNow Customer Service Portal (CSP).