

119TH CONGRESS
2D SESSION

H. R. 8314

To amend the Internal Revenue Code of 1986 to establish that employers may offer employees a choice among tax-favored employer contributions.

IN THE HOUSE OF REPRESENTATIVES

APRIL 15, 2026

Mr. STEUBE (for himself and Ms. DELBENE) introduced the following bill;
which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to establish that employers may offer employees a choice among tax-favored employer contributions.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Optimizing Participant
5 Tax Incentives through Optional Noncash Selections Act”
6 or the “OPTIONS Act”.

1 **SEC. 2. EXCLUSION OF CERTAIN EMPLOYER-PROVIDED**
 2 **BENEFITS UNDER A QUALIFIED BENEFIT OP-**
 3 **TIONS PLAN.**

4 (a) IN GENERAL.—Part III of subchapter B of chap-
 5 ter 1 of the Internal Revenue Code of 1986 is amended
 6 by inserting after section 125 the following new section:

7 **“SEC. 125A. QUALIFIED BENEFIT OPTIONS PLANS.**

8 “(a) IN GENERAL.—Except as provided in subsection
 9 (c), no amount shall be included in the gross income of
 10 a participant in a qualified benefit options plan solely be-
 11 cause, under the plan, the participant may choose among
 12 the benefits of the plan.

13 “(b) QUALIFIED BENEFIT OPTIONS PLAN.—For
 14 purposes of this section—

15 “(1) IN GENERAL.—The term ‘qualified benefit
 16 options plan’ means a written plan or arrangement
 17 offered by an employer to employees and former em-
 18 ployees (including retired employees) of the em-
 19 ployer, under which participants—

20 “(A) may elect to allocate employer con-
 21 tributions among qualified benefits, and

22 “(B) may not elect to receive cash or any
 23 other taxable benefit instead of qualified bene-
 24 fits.

25 “(2) QUALIFIED BENEFITS.—The term ‘quali-
 26 fied benefits’ includes—

1 “(A) non-elective employer contributions
2 which are excluded from gross income under
3 section 402 or 403,

4 “(B) contributions to a health reimburse-
5 ment arrangement or health savings account
6 which are excluded from gross income under
7 section 105 or 106,

8 “(C) amounts paid by an employer pursu-
9 ant to a qualified educational assistance pro-
10 gram which are excluded from gross income
11 under section 127, and

12 “(D) other benefits which are excluded
13 from gross income under any other provision of
14 this chapter.

15 “(c) EXCEPTION FOR HIGHLY COMPENSATED PAR-
16 TICIPANTS AND KEY EMPLOYEES, ETC.—Rules similar to
17 the rules of subsections (b), (c), (e), and (g) of section
18 125 shall apply for purposes of this section.

19 “(d) APPLICATION OF NONDISCRIMINATION
20 RULES.—For purposes of applying the requirements of
21 sections 401(a)(4) and 416, in the case of any qualified
22 plan described in section 401(a) that is included as a
23 qualified benefit under this section, the amount of any em-
24 ployer contribution made available to a participant shall
25 be treated as an employer contribution made to such plan,

1 without regard to whether the participant elects to have
 2 any portion of such amount contributed to such plan.

3 “(e) CROSS-REFERENCE.—For reporting and record-
 4 keeping requirements, see section 6039D.”.

5 (b) REPORTING AND RECORDKEEPING.—Subsection
 6 (d) of section 6039D of the Internal Revenue Code of
 7 1986 is amended—

8 (1) by inserting “, 125A” after “125” in para-
 9 graph (1), and

10 (2) by adding at the end of paragraph (2) the
 11 following: “In the case of a qualified benefit options
 12 plan under section 125A, such term means, with re-
 13 spect to such plan, the section under which each
 14 qualified benefit (as defined in section 125A(b)(2))
 15 included in the plan is excludable from gross in-
 16 come.”.

17 (c) CLERICAL AMENDMENT.—The table of sections
 18 for part III of subchapter B of chapter 1 of the Internal
 19 Revenue Code of 1986 is amended by inserting after the
 20 item relating to section 125 the following new item:

“Sec. 125A. Qualified benefit options plans.”.

21 (d) EFFECTIVE DATE.—The amendments made by
 22 this section shall apply to taxable years beginning after
 23 December 31, 2025.

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