

Union Calendar No. 661

115TH CONGRESS
2^D SESSION

H. R. 6313

[Report No. 115–853]

To amend the Internal Revenue Code of 1986 to allow the carryforward
of health flexible spending arrangement account balances.

IN THE HOUSE OF REPRESENTATIVES

JULY 6, 2018

Mr. STIVERS introduced the following bill; which was referred to the
Committee on Ways and Means

JULY 19, 2018

Additional sponsors: Mr. GONZALEZ of Texas, Mr. COLLINS of Georgia, Mrs.
WALORSKI, Ms. SINEMA, Mrs. LESKO, and Ms. VELÁZQUEZ

JULY 19, 2018

Reported with an amendment, committed to the Committee of the Whole
House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italie*]

[For text of introduced bill, see copy of bill as introduced on July 6, 2018]

A BILL

To amend the Internal Revenue Code of 1986 to allow the carryforward of health flexible spending arrangement account balances.

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 “Responsible Additions*
 5 *and Increases to Sustain Employee Health Benefits Act of*
 6 *2018”.*

7 **SEC. 2. CARRYFORWARD OF HEALTH FLEXIBLE SPENDING**
 8 **ARRANGEMENT ACCOUNT BALANCES.**

9 *(a) IN GENERAL.—Section 106 of the Internal Revenue*
 10 *Code of 1986 is amended by adding at the end the following*
 11 *new subsection:*

12 *“(h) CARRYFORWARD OF HEALTH FLEXIBLE SPEND-*
 13 *ING ARRANGEMENT ACCOUNT BALANCES.—A plan shall not*
 14 *fail to be treated as a health flexible spending arrangement*
 15 *under this section or section 105 merely because such ar-*
 16 *rangement’s account balance (or any portion thereof) deter-*
 17 *mined as of the end of any plan year may be carried for-*
 18 *ward to the succeeding plan year.”.*

19 *(b) COORDINATION WITH LIMITATION ON SALARY RE-*
 20 *DUCTION CONTRIBUTIONS.—*

21 *(1) IN GENERAL.—Section 125(i) of such Code is*
 22 *amended by redesignating paragraph (2) as para-*
 23 *graph (3) and by inserting after paragraph (1) the*
 24 *following new paragraph:*

1 “(2) *COORDINATION WITH CARRYFORWARD OF*
 2 *ACCOUNT BALANCES.*—*The dollar amount otherwise*
 3 *in effect under paragraph (1) for any plan year shall*
 4 *be reduced by the excess (if any) of—*

5 “(A) *the amount of any account balance*
 6 *which is carried forward to such plan year from*
 7 *the preceding plan year, over*

8 “(B) *\$500.*”.

9 (2) *CONFORMING AMENDMENTS.*—*Section 125(i)*
 10 *of such Code is amended by striking “taxable year”*
 11 *each place it appears in paragraphs (1) and (3) (as*
 12 *redesignated by paragraph (1) of this subsection) and*
 13 *inserting “plan year”.*

14 (c) *COORDINATION WITH CAFETERIA PLAN LIMITA-*
 15 *TION ON DEFERRED COMPENSATION.*—*Section 125(d)(2) of*
 16 *such Code is amended by adding at the end the following*
 17 *new subparagraph:*

18 “(E) *EXCEPTION FOR HEALTH FLEXIBLE*
 19 *SPENDING ARRANGEMENTS.*—*Subparagraph (A)*
 20 *shall not apply to a plan to the extent of*
 21 *amounts in a health flexible spending arrange-*
 22 *ment which may be carried forward as described*
 23 *in section 106(h).*”.

1 (d) *EFFECTIVE DATE.*—*The amendment made by this*
2 *section shall apply to plan years beginning after December*
3 *31, 2018.*

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