

116TH CONGRESS
2D SESSION

S. 3765

To amend the Internal Revenue Code of 1986 to expand tax benefits related to dependent care assistance programs.

IN THE SENATE OF THE UNITED STATES

MAY 19, 2020

Mrs. LOEFFLER introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to expand tax benefits related to dependent care assistance programs.

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 “Working Families
5 Childcare Access (WFCA) Act”.

6 **SEC. 2. EXPANSION OF BENEFITS FOR DEPENDENT CARE**
7 **ASSISTANCE PROGRAMS.**

8 (a) EXPANSION OF ANNUAL MAXIMUM.—

9 (1) IN GENERAL.—Subparagraph (A) of Section
10 129(a)(2) of the Internal Revenue Code of 1986 is

1 amended by striking “\$5,000 (\$2,500” and inserting
2 “\$15,000 (\$7,500,”.

3 (2) EFFECTIVE DATE.—The amendment made
4 by paragraph (1) shall apply to taxable years begin-
5 ning after December 31, 2020.

6 (b) CARRYFORWARD OF UNUSED BENEFITS UNDER
7 CAFETERIA PLANS.—

8 (1) IN GENERAL.—Section 125(d)(2) of the In-
9 ternal Revenue Code of 1986 is amended by adding
10 at the end the following new subparagraph:

11 “(E) CARRYFORWARD OF UNUSED BENE-
12 FITS UNDER DEPENDENT CARE ASSISTANCE
13 FLEXIBLE SPENDING ARRANGEMENTS.—

14 “(i) IN GENERAL.—Notwithstanding
15 subparagraph (A), a plan or arrangement
16 may permit a participant in a dependent
17 care assistance flexible spending arrange-
18 ment to elect to carry forward any aggre-
19 gate unused balances in the participant’s
20 accounts under such arrangement as of the
21 close of any year to the succeeding year.
22 Such carryforward shall be treated as hav-
23 ing occurred within 30 days of the close of
24 the year.

1 “(ii) LIMITATION.—The amount
2 which a participant may elect to carry for-
3 ward under clause (i) from any year shall
4 be any aggregate unused balances in the
5 participant’s account at the close of any
6 year.

7 “(iii) EXCLUSION FROM GROSS IN-
8 COME.—No amount shall be included in
9 gross income under this chapter by reason
10 of any carry forward under this subpara-
11 graph.

12 “(iv) COORDINATION LIMITS.—The
13 maximum amount which may be contrib-
14 uted to a dependent care assistance flexible
15 spending arrangement for any year to
16 which an unused amount is carried under
17 this subparagraph shall not be reduced by
18 such unused amount.”.

19 (2) EFFECTIVE DATE.—The amendments made
20 by this subsection shall take effect on the date of the
21 enactment of this Act.

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