

116TH CONGRESS
2D SESSION

H. R. 6824

To amend the Internal Revenue Code of 1986 to provide for the carryover of the remaining 2020 balance in health flexible spending arrangements.

IN THE HOUSE OF REPRESENTATIVES

MAY 12, 2020

Mr. KILMER (for himself and Mrs. RODGERS of Washington) 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 provide for the carryover of the remaining 2020 balance in health flexible spending arrangements.

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. CARRYOVER OF REMAINING 2020 BALANCE IN**
4 **HEALTH FLEXIBLE SPENDING ARRANGE-**
5 **MENTS.**

6 (a) IN GENERAL.—Section 125 of the Internal Rev-
7 enue Code of 1986 is amended by redesignating sub-
8 sections (k) and (l) as subsections (l) and (m), respec-
9 tively, and by inserting after subsection (j) the following:
10 “(k) HEALTH FSA.—For purposes of this title—

1 “(1) CARRYOVER TO 2021.—Any portion of the
2 balance in the employee’s account under a health
3 flexible spending arrangement remaining at the end
4 of the plan year beginning in 2020 may be carried
5 to the first plan year beginning in 2021.

6 “(2) TREATMENT OF CARRYOVER AMOUNT.—Of
7 the amount carried to 2021 under paragraph (1)—

8 “(A) \$500 shall not be treated as a con-
9 tribution to such arrangement for the first plan
10 year beginning in 2021, and

11 “(B) the amount that exceeds \$500 shall
12 be treated as a contribution to such arrange-
13 ment for the first plan year beginning in 2021.

14 “(3) TREATMENT AS CAFETERIA PLAN AND
15 HEALTH FSA.—A plan or other arrangement shall
16 not fail to be treated as a cafeteria plan or health
17 flexible spending arrangement (and shall not fail to
18 be treated as an accident or health plan) for a plan
19 year ending in 2020 or 2021 merely because such
20 plan or other arrangement allows all or a portion of
21 the balance in the employee’s account under such ar-
22 rangement to be used in the first plan year begin-
23 ning in 2021.”.

1 (b) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to years ending after the date of
3 the enactment of this Act.

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