

117TH CONGRESS
1ST SESSION

H. R. 1860

To amend the Internal Revenue Code of 1986 to provide the opportunity for responsible health savings to all American families.

IN THE HOUSE OF REPRESENTATIVES

MARCH 11, 2021

Mr. STIVERS (for himself, Mr. VICENTE GONZALEZ of Texas, Mr. KELLY of Pennsylvania, Mrs. BEATTY, Mr. ALLEN, Mr. COHEN, Ms. NORTON, Mr. JOHNSON of Ohio, Mr. RODNEY DAVIS of Illinois, Mr. BALDERSON, Mr. GROTHMAN, Mr. FITZPATRICK, Mr. GOSAR, Mr. CHABOT, Mr. RUPPERSBERGER, Mrs. WAGNER, Mr. BAIRD, Mr. EMMER, and Ms. MENG) 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 the opportunity for responsible health savings to all American families.

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
6 of 2021”.

1 **SEC. 2. EXPANDABLE HEALTH FLEXIBLE SPENDING AR-**
2 **RANGEMENTS.**

3 (a) **EXPANSION OF ANNUAL MAXIMUM.**—

4 (1) **IN GENERAL.**—Paragraph (1) of section
5 125(i) of the Internal Revenue Code of 1986 is
6 amended—

7 (A) by striking “\$2,500” and inserting
8 “\$5,000, with an additional \$500 per each ad-
9 ditional employee dependent above two depend-
10 ents”, and

11 (B) by inserting at the end the following:
12 “An additional employee dependent may not be
13 taken into account under the preceding sen-
14 tence for any taxable year if such additional
15 employee dependent has been taken into ac-
16 count by another person under such sentence
17 for such taxable year.”.

18 (2) **ADJUSTMENT FOR INFLATION.**—Paragraph
19 (2) of section 125(i) of the Internal Revenue Code
20 of 1986 is amended—

21 (A) by striking “December 31, 2013” and
22 inserting “December 31, 2022”,

23 (B) by striking “the dollar amount” and
24 inserting “each of the dollar amounts”, and

1 (C) in subparagraph (B), by striking “cal-
2 endar year 2012” and inserting “calendar year
3 2021”.

4 (b) CARRYFORWARD OF UNUSED BENEFITS.—Sec-
5 tion 125(i) of the Internal Revenue Code of 1986 is
6 amended by adding at the end the following new para-
7 graph:

8 “(3) CARRYFORWARD OF UNUSED BENEFITS.—

9 “(A) IN GENERAL.—A plan or arrange-
10 ment may permit a participant in a health flexi-
11 ble spending arrangement to elect to carry for-
12 ward any aggregate unused balances in the par-
13 ticipant’s accounts under such arrangement as
14 of the close of any year to the succeeding year.
15 Such carryforward shall be treated as having
16 occurred within 30 days of the close of the year.

17 “(B) LIMITATION.—The amount which a
18 participant may elect to carry forward under
19 subparagraph (A) from any year shall be any
20 aggregate unused balances in the participant’s
21 account at the close of any year.

22 “(C) EXCLUSION FROM GROSS INCOME.—
23 No amount shall be included in gross income
24 under this chapter by reason of any carryfor-
25 ward under this paragraph.

1 “(D) COORDINATION LIMITS.—The max-
2 imum amount which may be contributed to a
3 health flexible spending arrangement for any
4 year to which an unused amount is carried
5 under this paragraph shall not be reduced by
6 such unused amount.”.

7 (c) CONFORMING AMENDMENT.—Section 125(i) of
8 the Internal Revenue Code of 1986 is amended by striking
9 “LIMITATION ON HEALTH FLEXIBLE SPENDING AR-
10 RANGEMENTS” in the heading and inserting “SPECIAL
11 RULES FOR HEALTH FLEXIBLE SPENDING ARRANGE-
12 MENTS”.

13 (d) EFFECTIVE DATE.—The amendments made by
14 this section shall apply to taxable years beginning after
15 December 31, 2021.

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