

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 6313
OFFERED BY MR. BRADY OF TEXAS**

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the “Responsible Additions
3 and Increases to Sustain Employee Health Benefits Act
4 of 2018”.

**5 SEC. 2. CARRYFORWARD OF HEALTH FLEXIBLE SPENDING
6 ARRANGEMENT ACCOUNT BALANCES.**

7 (a) IN GENERAL.—Section 106 of the Internal Rev-
8 enue Code of 1986 is amended by adding at the end the
9 following new subsection:

10 “(h) CARRYFORWARD OF HEALTH FLEXIBLE
11 SPENDING ARRANGEMENT ACCOUNT BALANCES.—A plan
12 shall not fail to be treated as a health flexible spending
13 arrangement under this section or section 105 merely be-
14 cause such arrangement’s account balance (or any portion
15 thereof) determined as of the end of any plan year may
16 be carried forward to the succeeding plan year.”.

17 (b) COORDINATION WITH LIMITATION ON SALARY
18 REDUCTION CONTRIBUTIONS.—

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

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

9 “(A) the amount of any account balance
10 which is carried forward to such plan year from
11 the preceding plan year, over

12 “(B) \$500.”.

13 (2) CONFORMING AMENDMENTS.—Section
14 125(i) of such Code is amended by striking “taxable
15 year” each place it appears in paragraphs (1) and
16 (3) (as redesignated by paragraph (1) of this sub-
17 section) and inserting “plan year”.

18 (c) COORDINATION WITH CAFETERIA PLAN LIMITA-
19 TION ON DEFERRED COMPENSATION.—Section 125(d)(2)
20 of such Code is amended by adding at the end the fol-
21 lowing new subparagraph:

22 “(E) EXCEPTION FOR HEALTH FLEXIBLE
23 SPENDING ARRANGEMENTS.—Subparagraph (A)
24 shall not apply to a plan to the extent of
25 amounts in a health flexible spending arrange-

1 ment which may be carried forward as de-
2 scribed in section 106(h).”.

3 (d) **EFFECTIVE DATE.**—The amendment made by
4 this section shall apply to plan years beginning after De-
5 cember 31, 2018.

