

108<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 4372

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IN THE SENATE OF THE UNITED STATES

JUNE 23 (legislative day, JUNE 22), 2004

Received; read twice and referred to the Committee on Finance

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## AN ACT

To amend the Internal Revenue Code of 1986 to provide for the carryforward of \$500 of unused benefits in cafeteria plans and flexible spending arrangements for dependent care assistance.

1        *Be it enacted by the Senate and House of Representa-*  
2        *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Working Families As-  
3 sistance Act of 2004”.

4 **SEC. 2. CARRYFORWARD OF UNUSED BENEFITS IN CAFETERIA PLANS AND FLEXIBLE SPENDING ARRANGEMENTS FOR DEPENDENT CARE ASSISTANCE.**

8 (a) IN GENERAL.—Section 125 of the Internal Revenue Code of 1986 (relating to cafeteria plans) is amended  
9 by redesignating subsections (h) and (i) as subsections (i)  
10 and (j), respectively, and by inserting after subsection (g)  
11 the following new subsection:  
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13 “(h) CARRYFORWARD OF CERTAIN UNUSED BENEFITS FOR DEPENDENT CARE.—

15 “(1) IN GENERAL.—For purposes of this title,  
16 a plan or other arrangement shall not fail to be  
17 treated as a cafeteria plan solely because qualified  
18 benefits under such plan include a dependent care  
19 flexible spending arrangement under which not more  
20 than \$500 of unused dependent care benefits may be  
21 carried forward to the succeeding plan year of such  
22 dependent care flexible spending arrangement.

23 “(2) DEPENDENT CARE FLEXIBLE SPENDING  
24 ARRANGEMENT.—For purposes of this subsection,  
25 the term ‘dependent care flexible spending arrange-  
26 ment’ means a flexible spending arrangement (as de-

