

S 723

SIMPLE Cafeteria Plan Act of 2005

Congress: 109 (2005–2007, Ended)

Chamber: Senate

Policy Area: Taxation

Introduced: Apr 6, 2005

Current Status: Read twice and referred to the Committee on Finance. (text of measure as introduced: CR S3291-3294)

Latest Action: Read twice and referred to the Committee on Finance. (text of measure as introduced: CR S3291-3294)
(Apr 6, 2005)

Official Text: https://www.congress.gov/bill/109th-congress/senate-bill/723

Sponsor

Name: Sen. Snowe, Olympia J. [R-ME]

Party: Republican • State: ME • Chamber: Senate

Cosponsors (2 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Bingaman, Jeff [D-NM]	D · NM		Apr 6, 2005
Sen. Bond, Christopher S. [R-MO]	R · MO		Apr 6, 2005

Committee Activity

Committee	Chamber	Activity	Date
Finance Committee	Senate	Referred To	Apr 6, 2005

Subjects & Policy Tags

Policy Area:

Taxation

Related Bills

No related bills are listed.

SIMPLE Cafeteria Plan Act of 2005 - Amends the Internal Revenue Code to establish a new employee benefit cafeteria plan to be known as a Simple Cafeteria Plan. Defines "Simple Cafeteria Plan" as a cafeteria plan which: (1) is established and maintained by an employer with an average of 100 or fewer employees during a two-year period; (2) requires employers to make contributions or match employee contributions to the plan; (3) requires participating employees to have at least 1,000 hours of service for the preceding plan year and allows such employees to elect any benefit available under the plan; (4) permits participation by self-employed individuals; and (5) includes long-term care insurance as a qualified benefit. Exempts employers who make contributions for employees under a simple cafeteria plans from pension plan nondiscrimination requirements applicable to highly compensated and key employees.

Modifies rules applicable to employee benefit flexible spending arrangements, including health and dependent care arrangements, to permit participants to make or modify elections regarding covered benefits and to carry over up to \$500 (indexed for inflation) of unused benefits to the succeeding year or transfer such unused amounts to another plan, including an individual retirement plan or a health savings account.

Allows an exclusion from the gross income of an employee of up to \$7,500 (\$10,000 for employees with one or more dependents) for employer contributions to a flexible spending arrangement. Provides for a cost-of-living adjustment to such exclusion amounts beginning in calendar year 2006.

Actions Timeline

- **Apr 6, 2005:** Introduced in Senate
- **Apr 6, 2005:** Sponsor introductory remarks on measure. (CR S3290-3291)
- **Apr 6, 2005:** Read twice and referred to the Committee on Finance. (text of measure as introduced: CR S3291-3294)