

## 1 SENATE JOINT RESOLUTION

2 WHEREAS, It is the goal of the Illinois General Assembly  
3 to encourage individuals to save for unexpected health care  
4 expenses through appropriate tax incentives; and

5 WHEREAS, Ensuring the efficient use of health care  
6 resources and encouraging access to affordable health care is  
7 of primary concern to the citizens of Illinois; and

8 WHEREAS, A little-known federal tax law is forcing some  
9 of this State's citizens to annually forfeit part of their  
10 salary to their employer; and

11 WHEREAS, This forfeiture is required at the end of each  
12 year for the total amount of a worker's unused money in the  
13 worker's flexible savings accounts (FSAs); and

14 WHEREAS This egregious penalty is contained in Section  
15 125 of the current Internal Revenue Service tax code's "use  
16 it or lose it" rule; and

17 WHEREAS, This outdated tax policy discourages savings and  
18 encourages Americans to spend money, even on unnecessary  
19 services, rather than lose the money entirely; and

20 WHEREAS, The "use it or lose it" rule is inconsistent  
21 with the priorities of the citizens of Illinois; and

22 WHEREAS, Only an estimated one-fifth of workers eligible  
23 to contribute to an FSA do so today; and

24 WHEREAS, The "use it or lose it" rule is a major reason  
25 workers choose not to participate in FSAs; and

26 WHEREAS, Allowing workers to carry over any unused FSA  
27 funds would empower them with greater choice and control over  
28 how they spend their health care dollars; and

29 WHEREAS, Allowing contributions to be carried over in an

1 FSA would encourage efficiency and personal savings for  
2 future health care spending and benefit a significant number  
3 of American workers; therefore, be it

4 RESOLVED, BY THE SENATE OF THE NINETY-THIRD GENERAL  
5 ASSEMBLY OF THE STATE OF ILLINOIS, THE HOUSE OF  
6 REPRESENTATIVES CONCURRING HEREIN, that we respectfully urge  
7 the Congress of the United States to adopt legislation to  
8 allow amounts elected by American workers for reimbursement  
9 of medical care expenses under a health flexible spending  
10 arrangement, as defined in the Internal Revenue Service Code  
11 Section 106(c)(2) and the regulations promulgated under  
12 Section 125, to be carried over to subsequent plan years  
13 without penalty of any kind; and be it further

14 RESOLVED, That FSA funds may be used for the payment of  
15 COBRA or State continuation coverage after the individual has  
16 become separated from employment; and be it further

17 RESOLVED, That a suitable copy of this resolution be  
18 delivered to each member of the Illinois Congressional  
19 delegation, the Speaker of the United States House of  
20 Representatives, the Majority Leader of the United States  
21 Senate, the President of the United States, and the Secretary  
22 of the Department of the Treasury.