



General Assembly

February Session, 2004

Raised Bill No. 485

LCO No. 1818

* SB00485FIN 040704 *

Referred to Committee on Insurance and Real Estate

Introduced by:
(INS)

**AN ACT ESTABLISHING FLEXIBLE HEALTH CARE SPENDING
ACCOUNTS FOR STATE EMPLOYEES.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2004*) The Comptroller shall
2 maintain a flexible health care spending account program for state
3 employees in accordance with Sections 105 and 125 of the Internal
4 Revenue Code of 1986, or any subsequent corresponding internal
5 revenue code of the United States, as from time to time amended, and
6 regulations adopted pursuant to Sections 105 and 125 of said Internal
7 Revenue Code. Under the program, the Comptroller or the program
8 administrator, upon receipt of the written request of an employee,
9 shall establish and maintain a flexible health care spending account for
10 such employee. The Comptroller shall reduce the salary of such
11 employee by the amount designated in such request. Such amount
12 shall be transferred to the employee's flexible health care spending
13 account and shall be used to reimburse the employee for expenses
14 incurred for medical care which are eligible for reimbursement under
15 Section 213 of said Internal Revenue Code. The Comptroller may
16 contract with a program administrator for the management of the

17 program. For the purposes of this section, "state employees" includes
18 members of the General Assembly.

19 Sec. 2. (NEW) (*Effective July 1, 2004*) All funds deposited pursuant
20 to the flexible health care spending account program established in
21 section 1 of this act shall be held by the Comptroller or by a program
22 administrator as agent for the participating employer. Such funds shall
23 be separately accounted for and shall remain the property of the
24 employer. The funds shall be maintained in accordance with Section
25 125 of the Internal Revenue Code of 1986, or any subsequent
26 corresponding internal revenue code of the United States, as from time
27 to time amended, and such funds shall be used to reimburse the
28 employee for expenses incurred for medical care which are eligible for
29 reimbursement under Section 213 of said Internal Revenue Code. The
30 funds deposited pursuant to the program shall be exempt from the
31 provisions of chapter 66 of the general statutes concerning additional
32 employee contributions under the tier I retirement plan and additional
33 hazardous duty employee contributions.

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| This act shall take effect as follows: | |
| Section 1 | <i>July 1, 2004</i> |
| Sec. 2 | <i>July 1, 2004</i> |

INS *Joint Favorable*

FIN *Joint Favorable*