

Over 100 Benefit Plan Administrators Swarm the Hill in Support of Cafeteria/Flex Plan Benefits for Employees

April 28, 2011, WASHINGTON, DC--Cafeteria plans and flexible spending arrangements enable employees to make tax advantaged “salary reduction” contributions to benefits such as health care and child care. Over 100 Flex plan professionals recently made the trip down advocacy lane to educate Congress about the importance of this employee friendly benefit. One of the attendees was local Third Party Administrator Mark Schmersahl of Beneflex HR Resources. He recently returned from a whirlwind Flex benefit conference held annually in Washington, DC, by the Employers Council on Flexible Compensation (ECFC).

The annual conference is an assemblage of the highest levels of all manner of professionals who deal daily with flexible benefits and have championed the cause to enhance pre-tax plans, their use and effectiveness for employers and their employees. Flexible benefits received a lot of attention during the Health Care Reform debate.

The ECFC urged members of the Senate and the House to maintain flexible benefits, which millions of Americans rely on to get the health care services they need. Schmersahl said, “Gathered here at the heart of the action in DC, we are uniquely positioned to present the needs of the clients we represent to the legislators and their staffs.”

The day started off with a well-received speech by Representative Cathy McMorris Rodgers (R-WA) who stressed the importance of benefit choices for employers and their employees. She went on to discuss her legislation, H.R. 791, to extend Flex plans to members of the military, which was met with great enthusiasm. This was followed by a three-person panel comprised of staff who serve on the Senate finance committee for Chairman Max Baucus (D-MT) and Ranking member Orrin Hatch (R-UT). The panel provided some behind-the-scenes perspective on how policy proposals related to flex are developed, scored (for tax impact) and presented for discussion.

That afternoon the ECFC membership took to Capitol Hill. The group had 100+ meetings with Senate and House offices over the course of the day, including 25 member-level meetings. Schmersahl and his team personally visited with the offices of Senator Roy Blunt (R-MO), Senator Claire McCaskill (D-MO) and Congressman Todd Akin (R-MO).

The message shared by the ECFC membership received very positive feedback from offices on both sides of the aisle. Priority issues included elimination of the “use it or lose it rule” and the new onerous prescription requirement for over the counter drugs.

ECFC members were encouraged by the positive receptions experienced in meeting with the Hill staff. Both parties were engaged and interested in the facts we presented. There was a willingness to learn about how Flex benefits are important to Americans and how they help many workers budget for and afford out of pocket health care cost.

Since the conference, legislators have introduced H.R. 1004, The Medical FSA Improvement Act, which would eliminate the “use it or lose it rule” by allowing a cash out of unspent balances with the funds being treated as taxable wages. ECFC and its members continue to reach out on behalf of their clients to urge their representatives to co-sponsor this legislation. Schmersahl said, “It is encouraging to see bi-partisan efforts supporting this legislation. We encourage employees and employers everywhere to speak up and visit the web site www.savemyflexplan.org. It is a quick and easy way to tell your representative how important flex and pre-tax benefits are to you.”

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