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Tax Reform Contains Drastic Welfare Plan Changes

As you may have heard, the House and Senate are currently considering separate tax reform bills. If these separate bills are approved by the House and Senate, they will then go to a conference committee, whereby a single, unified bill will be drafted, and the House and Senate will vote again to approve the unified bill.

The current version of the House bill, which was approved today on a vote of 227 to 205, contains drastic welfare plan changes, including the elimination of dependent care reimbursement plans, and changes to the taxation of tuition reimbursement plans, adoption reimbursement plans, and transit/parking plans sponsored by employers.

The Senate Bill, which is still being revised, and for which actual language has not been released, currently contains some but not all of the same House bill provisions. Currently, the Senate Finance Committee, is scheduled to complete its markup and release actual language of its bill this week. However, that may slip into next week due to the drama that is currently being played out in the Senate Finance Committee. Assuming the SFC approves a bill prior to Thanksgiving, this would set up a full Senate vote on the bill after Thanksgiving. If the Senate approves the bill, then both the House and Senate bills will go to conference committee, as noted above.

Once the SFC releases actual language of its bill we will have a good idea on the possible outcomes for welfare benefits if tax reform is passed. Therefore, please stay tuned and we will provide additional updates within the next week.