


Proposed Treasury Reg. Section 1.125-1(q)(1)(iii) Employee Benefits, Cafeteria Plans

(q) Nonqualified benefits—

(1) In general. The following benefits are nonqualified benefits that are not permitted to be offered in a cafeteria plan—

- i. Scholarships described in section 117;
- ii. Employer-provided meals and lodging described in section 119;
-  iii. Educational assistance described in section 127;
- iv. Fringe benefits described in section 132;
- v. Long-term care insurance, or any product which is advertised, marketed or offered as long-term care insurance;
- vi. Long-term care services (but see paragraph (q)(3) of this section);
- vii. Group-term life insurance on the life of any individual other than an employee (whether includible or excludible from the employee's gross income);
- viii. Health reimbursement arrangements (HRAs) that provide reimbursements up to a maximum dollar amount for a coverage period and that all or any unused amount at the end of a coverage period is carried forward to increase the maximum reimbursement amount in subsequent coverage periods;
- ix. Contributions to Archer MSAs (section 220); and
- x. Elective deferrals to a section 403(b) plan.