

## ALEC EXPOSED

"ALEC" has long been a secretive collaboration between Big Business and "conservative" politicians. Behind closed doors, they ghostwrite "model" bills to be introduced in state capitols across the country. This agenda-underwritten by global corporations—includes major tax loopholes for big industries and the super rich, proposals to offshore U.S. jobs and gut minimum wage, and efforts to weaken public health, safety, and environmental protections. Although many of these bills have become law, until now, their origin has been largely unknown. With **ALEC EXPOSED**, the Center for Media and Democracy hopes more Americans will study the bills to understand the depth and breadth of how big corporations are changing the legal rules and undermining democracy across the nation.

### ALEC's Corporate Board --in recent past or present

- AT&T Services, Inc.
  - centerpoint360
  - UPS
  - Bayer Corporation
  - GlaxoSmithKline
  - Energy Future Holdings
  - Johnson & Johnson
  - Coca-Cola Company
  - PhRMA
  - Kraft Foods, Inc.
  - Coca-Cola Co.
  - Pfizer Inc.
  - Reed Elsevier, Inc.
  - DIAGEO
  - Peabody Energy
  - Intuit, Inc.
  - Koch Industries, Inc.
  - ExxonMobil
  - Verizon
  - Reynolds American Inc.
  - Wal-Mart Stores, Inc.
  - Salt River Project
  - Altria Client Services, Inc.
  - American Bail Coalition
  - State Farm Insurance
- For more on these corporations, search at [www.SourceWatch.org](http://www.SourceWatch.org).

**DID YOU KNOW?** Corporations VOTED to adopt this. Through ALEC, global companies work as "equals" in "unison" with politicians to write laws to govern your life. Big Business has "a VOICE and a VOTE," according to newly exposed documents. **DO YOU?**

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### Individual Medical Account Act

Did you know that global pharmaceutical company Bayer Healthcare was the corporate co-chair in 2011?

{Title, enacting clause, etc.}

**Section 1.** This Act may be cited as the Individual Medical Account Act.

**Section 2. {Definitions}** For the purpose of this Act the following definitions apply:

(A) "Account holder" means the individual on whose behalf the individual medical account is established.

(B) "Dependent child" means any person under the age of 21 years or any person who is legally entitled or subject to a court order for the provision of proper and necessary subsistence, education, medical care, or any other care necessary for his health, guidance, or well-being, and who is not otherwise emancipated, married or a member of the armed forces of the United States, or who is so mentally or physically incapacitated that he cannot provide for himself.

(C) "Individual medical account" means a trust created or organized to pay the eligible medical, dental, and long-term care expenses of the account holder.

(D) "Trustee" means a chartered state bank, savings and loan association or trust company authorized to act as a fiduciary; a national banking association or savings and loan association authorized to act as a fiduciary; or an insurance company.

### Section 3.

(A) For taxable years beginning on or after 1991, a resident individual shall be allowed to deposit contributions to his or her individual medical account. The amount of deposit for the first taxable year subsequent to the effective date of this Act shall not exceed:

- (1) \$2,000 for the account holder; or
- (2) \$2,000 for the account holder and \$1,000 for each dependent child of the account holder.

(B) The maximum allowable amount of deposit for subsequent years shall be increased annually by a percentage equal to the previous year's increase in the national Consumer Price Index (CPI).

(C) Interest earned on an individual medical account shall be exempt from taxation as adjusted gross income in this State.

(D) Upon agreement between an employer and employee, an employee may either have his employer contribute to the employee's individual medical account or continue to make contributions under the employee's existing health insurance policy or program, subject, however, to the restrictions in Subsection (F)(1) of this Section.

(E) The individual medical account shall be established as a trust under the laws of this State and placed with a trustee. The trustee shall:

- (1) purchase long term care coverage for each account holder to cover all medical, dental, and long-term care expenses in excess of \$10,000; and
- (2) utilize the trust assets solely for the purpose of paying the medical, dental, and long-term expenses of the account holder.

(F) Individual medical account funds may be withdrawn by the account holder at any time for any purpose, subject to the following restrictions and penalties:

(1) There shall be a distribution penalty for early withdrawal of individual medical account funds by the account holder. Such penalty shall be 10% of the amount of interest earned as of the date of withdrawal on the account, and, upon such withdrawal, the interest earned during the tax year in which withdrawal occurs shall be subject to taxation as adjusted gross income in this Section.

(2) After an account holder reaches 60 years of age, withdrawals shall be permitted for medical, dental or long-term care expenses only, and may be withdrawn without penalty.

(G) Upon the death of the account holder, the account principle, as well as any interest accumulated thereon, shall be distributed to the decedent's estate as part of the estate.

Section 4. {Severability Clause}

Section 5. {Repealer Clause}

Section 6. {Effective Date}

Were your laws repealed?

*Adopted by the Health and Human Services Task Force in March 2002. Approved by the ALEC Board of Directors April 2002.*

**About Us and ALEC EXPOSED.** The Center for Media and Democracy reports on corporate spin and government propaganda. We are located in Madison, Wisconsin, and publish [www.PRWatch.org](http://www.PRWatch.org), [www.SourceWatch.org](http://www.SourceWatch.org), and now [www.ALECexposed.org](http://www.ALECexposed.org). For more information contact: [editor@prwatch.org](mailto:editor@prwatch.org) or 608-260-9713.