



PHIT Act Frequently Asked Questions (FAQs)

What is PHIT Act?

The Personal Health Investment Today (PHIT) Act will allow flexible spending accounts (FSAs), health savings accounts (HSAs) and other pre-tax medical accounts to pay for youth sports and related fees. The PHIT Act will help reduce the financial burden on youth sports parents, by allowing families to save money on expenses for the exclusive purpose of participating in youth sports/physical activity. PHIT has bipartisan support. The PHIT Act of 2021 ([H.R. 3109](#)) was sponsored by Rep. Ron Kind (D-WI) in May 2021. Sen. John Thune (R-SD) sponsored [S.844](#) in the Senate. PHIT passed House in 2018 but dies in Senate.

What Does the PHIT Act Cover?

The PHIT Act covers youth and adult sports fees, league fees, youth camps, high school pay-to-play fees, lessons, clinics, tournament fees, recreational activity fees, sports and fitness equipment, sport-specific footwear, personal trainers, home fitness, gym membership, home fitness equipment and more.

How Does PHIT Work?

PHIT will enable individuals to use up to \$1,000 per year and up to \$2,000 for families to cover physical activity-related expenses. Money will be placed in pre-tax accounts such as HSAs, FSAs & HRAs. You may save anywhere from 25-37%

What is a Health Savings Account?

An HSA allows you to contribute earnings to a federally insured savings account before they are taxed. These pre-tax funds currently can be used for medical expenses. PHIT allows you to spend on activity expenses as form of prevention. Your HSA belongs to you, and the money in your account stays with you year-to-year, through job changes and into retirement.

What is a Flexible Savings Account?

FSAs are like HSA but often the funds must be used by the end of a calendar year.

Aren't HSAs for the Wealthy?

There's a misconception that HSAs are for older or wealthy individuals. Some 125 million Americans have access to HSAs, FSAs and/or HRAs (BLS). HSAs work for everyone but particularly for average Americans. The average household income of a HSA account holder is \$57,060 (Alegius).

How complicated would it be to use PHIT?

The passage of the PHIT Act would simply expand the reimbursement categories. Starting an account isn't difficult. You can set up your account with your employer, bank, credit union and

insurance company. The PHIT Act will allow taxpayers to place up to \$2,000 annually into pre-tax accounts to cover physical activity expenses.

Who is Supporting PHIT?

The PHIT Act has bipartisan support in Congress. You can find House co-sponsors to the bill [here](#) and Senate co-sponsors [here](#). In an unprecedented move, the commissioners from the NFL, MLB, NHL and NBA sent a [joint letter](#) to Congress asking for their support. The PHIT Act is supported by the US Conference of Mayors and some 4,000 youth-based sports organizations. Other PHIT supporters include the National Recreation & Parks Association, American Heart Association, The American College of Sports Medicine, People for Bikes, Outdoor Recreation Roundtable, The PGA of America and the Cooper Institute.

Why is This Important?

There are four reasons this effort is important including (1 cost savings for families, (2 increase in participation for youth sports organizations (3 benefits for youth sports participants (4 benefits for society. Research shows the following:

- Youth sports participants are more likely than their peers to be healthier, do better in school and develop leadership skills. Participation also serves as a protective factor against risky behaviors (e.g., drug use and teen pregnancy). However, the increase in club play and reduction of school PE programs have limited opportunities for youth to participate in sports in a diverse, equitable and inclusive environment. Sports provide an environment where young people and their families invest in personal development and shape their expectations for future goals while having fun.
- Drug and alcohol abuse deaths in the U.S. are up 20% in 2020 (CDC). Male and female students who did not meet the aerobic physical activity guideline compared to those who did were 35% and 36%, respectively, more likely to have seriously considered attempting suicide” (CDC).
- Some 80% of parents believe sports helped their child learn about discipline & dedication, and how to get along with others. (Robert Wood Johnson Foundation, Harvard T.H. Chan School of Public Health. “Sports and Health in America;”).
- The U.S. national security is threatened by the continuing decline of our nation’s health because far too many young Americans are unfit for military service. Starting in 2009, Mission: Readiness - a group of retired generals, admirals and civilian military leaders - defined this crisis through a series of troubling reports with titles such as “Ready, Willing and Unable to Serve“ (2009), “Too Fat to Fight” (2010) and “Unhealthy and Unprepared” (2018). The 2018 report detailed a worsening crisis with staggering statistics:
 - 71% of young people ages 17-24 do not qualify for military service.
 - 31% of youth are disqualified due to obesity.

- Childhood obesity threatens our military readiness and our healthcare system. By 2030, obesity medical costs are estimated to increase to \$66B a year with economic productivity loss at \$580B annually (Harvard School of Public Health).

Sports are a proven hook that creates opportunities for youth to develop positive health outcomes and lifelong skills, such as leadership, teamwork and sportsmanship. While these programs occur in out-of-school settings, they serve as bookends to in-school engagement. For young people to succeed, we need to understand the opportunity calculus for ALL young people: In-school learning + out-of-school sports = healthier youth, transformational leaders and globally-minded graduates.

Creating opportunities for young people to participate in sports can help promote a healthy lifestyle from a young age.

This looks like a no-brainer. What do I do now?

While many House and Senate members have co-sponsored PHIT, your representatives need to hear that this is important to you. Please ask your representative to co-sponsor the PHIT Act. You can act by sending a message to your Congressperson by clicking [here](#). We've pre-populated a letter or a tweet for you. It will take less than 30 seconds. Please pass this message on to others.

Time is urgent. This session of Congress is ending shortly. If the PHIT Act does not pass this year, the process of introducing legislation, adding co-sponsors and asking our representatives to support will start over. Help us get PHIT over the goal line.

Who is NCYS?

NCYS is uniquely positioned to make a difference for young people, their families and youth sports organizations. NCYS membership serves some 60 million youth registered in organized sports programs. NCYS members include national community-based organizations; local unaffiliated community-based organizations; National Governing Bodies; Parks & Recreation Departments; and Destination Marketing Organizations. NCYS member organizations have a presence in local communities in all 50 states and US Territories. Learn more at www.ncys.org.

What is the SFIA?

The Sports & Fitness Industry Association (SFIA), the #1 source for sport and fitness research, is the leading global trade association of manufacturers, retailers, and marketers in the sports products and fitness industry. SFIA seeks to promote sports and fitness participation, as well as industry vitality through research, thought leadership, public affairs, industry affairs, and member services. For more information, please visit www.sfia.org.

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