

H.R. 6111, The Healthcare and Tax Relief Act, addresses Health Savings Accounts (HSAs). I supported the 2003 law that gives workers the ability to open Health Savings Accounts, which I believe should be a part of health insurance reform.

Provisions in H.R. 6111 are designed to improve HSAs and allow tax-free "rollovers" from a flexible spending arrangement (FSA) or health reimbursement arrangement (HRA) to deposit in an existing health savings account if the contribution is made before 2012. The bill also permits one-time distributions from an individual retirement account (IRA) to an HSA so HSA funds can be readily available to meet family health needs. However, the "roll-over" cannot exceed the HSA contribution limit for the year.

Currently, individuals may deduct HSA contributions, subject to several limitations. Deductible contributions are limited to the policy deductible if that amount is below the annual contribution limits. H.R. 6111 allows individuals with HSA-qualified policies that have deductibles below the annual contribution limits (currently \$2,700 for self-only coverage and \$5,450 for family coverage) to contribute up to these maximum amounts each year.

The bill also allows an individual who is HSA-eligible for only part of a year, including during the last month of that year, to be treated as eligible for that entire year, and to make a contribution equal to their policy deductible for the year. Users would be required to maintain a high deductible plan for a full year starting with the month the HSA begins or pay tax on the contribution and a 10 percent penalty.

