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(Original Signature of Member)

114TH CONGRESS
2^D SESSION

H. R. 5445

To amend the Internal Revenue Code of 1986 to improve the rules with respect to health savings accounts.

IN THE HOUSE OF REPRESENTATIVES

Mr. PAULSEN introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to improve the rules with respect to health savings accounts.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. ALLOW BOTH SPOUSES TO MAKE CATCH-UP**
4 **CONTRIBUTIONS TO THE SAME HEALTH SAV-**
5 **INGS ACCOUNT.**

6 (a) IN GENERAL.—Section 223(b)(5) of the Internal
7 Revenue Code of 1986 is amended to read as follows:

8 “(5) SPECIAL RULE FOR MARRIED INDIVIDUALS
9 WITH FAMILY COVERAGE.—

1 “(A) IN GENERAL.—In the case of individ-
2 uals who are married to each other, if both
3 spouses are eligible individuals and either
4 spouse has family coverage under a high de-
5 ductible health plan as of the first day of any
6 month—

7 “(i) the limitation under paragraph
8 (1) shall be applied by not taking into ac-
9 count any other high deductible health
10 plan coverage of either spouse (and if such
11 spouses both have family coverage under
12 separate high deductible health plans, only
13 one such coverage shall be taken into ac-
14 count),

15 “(ii) such limitation (after application
16 of clause (i)) shall be reduced by the ag-
17 gregate amount paid to Archer MSAs of
18 such spouses for the taxable year, and

19 “(iii) such limitation (after application
20 of clauses (i) and (ii)) shall be divided
21 equally between such spouses unless they
22 agree on a different division.

23 “(B) TREATMENT OF ADDITIONAL CON-
24 TRIBUTION AMOUNTS.—If both spouses referred
25 to in subparagraph (A) have attained age 55

1 before the close of the taxable year, the limita-
2 tion referred to in subparagraph (A)(iii) which
3 is subject to division between the spouses shall
4 include the additional contribution amounts de-
5 termined under paragraph (3) for both spouses.
6 In any other case, any additional contribution
7 amount determined under paragraph (3) shall
8 not be taken into account under subparagraph
9 (A)(iii) and shall not be subject to division be-
10 tween the spouses.”.

11 (b) EFFECTIVE DATE.—The amendment made by
12 this section shall apply to taxable years beginning after
13 December 31, 2016.

14 **SEC. 2. SPECIAL RULE FOR CERTAIN MEDICAL EXPENSES**
15 **INCURRED BEFORE ESTABLISHMENT OF**
16 **HEALTH SAVINGS ACCOUNT.**

17 (a) IN GENERAL.—Section 223(d)(2) of the Internal
18 Revenue Code of 1986 is amended by adding at the end
19 the following new subparagraph:

20 “(D) TREATMENT OF CERTAIN MEDICAL
21 EXPENSES INCURRED BEFORE ESTABLISHMENT
22 OF ACCOUNT.—If a health savings account is
23 established during the 60-day period beginning
24 on the date that coverage of the account bene-
25 ficiary under a high deductible health plan be-

1 gins, then, solely for purposes of determining
2 whether an amount paid is used for a qualified
3 medical expense, such account shall be treated
4 as having been established on the date that
5 such coverage begins.”.

6 (b) **EFFECTIVE DATE.**—The amendment made by
7 this section shall apply with respect to coverage beginning
8 after December 31, 2016.

9 **SEC. 3. MAXIMUM CONTRIBUTION LIMIT TO HEALTH SAV-**
10 **INGS ACCOUNT INCREASED TO AMOUNT OF**
11 **DEDUCTIBLE AND OUT-OF-POCKET LIMITA-**
12 **TION.**

13 (a) **SELF-ONLY COVERAGE.**—Section 223(b)(2)(A)
14 of the Internal Revenue Code of 1986 is amended by strik-
15 ing “\$2,250” and inserting “the amount in effect under
16 subsection (c)(2)(A)(ii)(I)”.

17 (b) **FAMILY COVERAGE.**—Section 223(b)(2)(B) of
18 such Code is amended by striking “\$4,500” and inserting
19 “the amount in effect under subsection (c)(2)(A)(ii)(II)”.

20 (c) **CONFORMING AMENDMENT.**—Section 223(g)(1)
21 of such Code is amended by striking “subsections (b)(2)
22 and” and inserting “subsection”.

23 (d) **EFFECTIVE DATE.**—The amendments made by
24 this section shall apply to taxable years beginning after
25 December 31, 2016.