

116TH CONGRESS
2D SESSION

H. R. 6286

To amend the Internal Revenue Code of 1986 to modify rules relating to health savings accounts.

IN THE HOUSE OF REPRESENTATIVES

MARCH 13, 2020

Mr. BURGESS introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on the Judiciary, and Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Internal Revenue Code of 1986 to modify rules relating 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. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the
5 “Health Savings Act of 2020”.

6 (b) **TABLE OF CONTENTS.**—The table of contents for
7 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Health savings accounts for children.
- Sec. 3. Allowing HSA rollover to child or parent of account holder.

Sec. 4. Maximum contribution limit to HSA increased to amount of deductible and out-of-pocket limitation.

Sec. 5. Equivalent bankruptcy protections for health savings accounts as retirement funds.

Sec. 6. Allowance of silver and bronze plans in connection with health savings accounts.

Sec. 7. Identification of HSA compatible plans.

1 **SEC. 2. HEALTH SAVINGS ACCOUNTS FOR CHILDREN.**

2 (a) IN GENERAL.—Section 223 of the Internal Rev-
3 enue Code of 1986 is amended by redesignating subsection
4 (h) as subsection (i) and by inserting after subsection (g)
5 the following new subsection:

6 “(h) CHILD HEALTH SAVINGS ACCOUNTS.—

7 “(1) IN GENERAL.—In the case of an indi-
8 vidual, in addition to any deduction allowed under
9 subsection (a) for any taxable year, there shall be al-
10 lowed as a deduction under this section an amount
11 equal to the aggregate amount paid in cash by the
12 taxpayer during the taxable year to a child health
13 savings account of a child or grandchild of the tax-
14 payer.

15 “(2) LIMITATIONS.—

16 “(A) DEDUCTION LIMITATION.—The
17 amount taken into account under paragraph (1)
18 with respect to each child or grandchild of the
19 taxpayer, as the case may be, for the taxable
20 year shall not exceed the sum of the monthly
21 limitations with respect to such child for

1 months during the taxable year that the child
2 is an eligible individual.

3 “(B) LIMIT ON ACCOUNTS WITH RESPECT
4 TO INDIVIDUAL.—The aggregate amount of
5 contributions which may be made for any tax-
6 able year to all child health savings accounts es-
7 tablished and maintained on behalf of a child
8 shall not exceed the sum of the monthly limita-
9 tions for months during the taxable year that
10 the child is an eligible individual.

11 “(C) MONTHLY LIMITATION.—The month-
12 ly limitation for any month with respect to a
13 child is $\frac{1}{12}$ of the amount in effect for the tax-
14 able year under subsection (c)(2)(A)(ii)(I).

15 “(3) TREATMENT OF ACCOUNT WHILE A DE-
16 PENDENT.—For purposes of this section, except as
17 otherwise provided in this subsection, a child health
18 savings account established for the benefit of the
19 child of a taxpayer shall be treated as a health sav-
20 ings account of the taxpayer until the first taxable
21 year (and each taxable year thereafter) for which no
22 deduction under section 151 is allowable to any tax-
23 payer with respect to such child, after which such
24 account shall be treated as a health savings account
25 of the child. The preceding sentence shall not apply

1 for purposes of applying the limitations in subsection
2 (b) to a health savings account of the taxpayer.

3 “(4) CHILD HEALTH SAVINGS ACCOUNT.—For
4 purposes of this subsection, the term ‘child health
5 savings account’ means a health savings account
6 designated as a child health savings account and es-
7 tablished for the benefit of a child of a taxpayer.

8 “(5) QUALIFIED MEDICAL EXPENSES.—For
9 purposes of this section, the term ‘qualified medical
10 expenses’ shall, with respect to any child health sav-
11 ings account, not include any amounts paid for med-
12 ical care (as defined in section 213(d)) for any indi-
13 vidual other than the child for whose benefit the ac-
14 count is maintained.

15 “(6) EXCEPTIONS FOR DISABILITY OR DEATH
16 OF CHILD.—If the child becomes disabled within the
17 meaning of section 72(m)(7) or dies—

18 “(A) subsection (f)(4)(A) shall not apply to
19 any subsequent payment or distribution, and

20 “(B) the taxpayer may rollover the amount
21 in such account to any health savings account
22 of the taxpayer or grandparent of the child or
23 to any child health savings account of any other
24 child of the taxpayer.

1 “(7) GUARDIANS.—Any legal guardian of a
2 child shall be treated as the parent of such child for
3 purposes of this section.

4 “(8) REGULATIONS.—The Secretary shall pre-
5 scribe such regulations as may be necessary to carry
6 out the purposes of this subsection, including rules
7 for determining application of this subsection in the
8 case of legal guardians and in the case of parents
9 of a child who file separately, are separated, or are
10 not married.”.

11 (b) COORDINATION WITH MEANS-TESTED PRO-
12 GRAMS.—Amounts in a child health savings account shall
13 not be taken into account in determining resources for
14 purposes of title XIX of the Social Security Act.

15 (c) EFFECTIVE DATE.—The amendments made by
16 this section shall apply to taxable years beginning after
17 the date of the enactment of this Act.

18 **SEC. 3. ALLOWING HSA ROLLOVER TO CHILD OR PARENT**
19 **OF ACCOUNT HOLDER.**

20 (a) IN GENERAL.—Subparagraph (A) of section
21 223(f)(8) of the Internal Revenue Code of 1986 is amend-
22 ed—

23 (1) by inserting “child, parent, or grandparent”
24 after “surviving spouse”,

1 (2) by inserting “child, parent, or grandparent,
2 as the case may be,” after “the spouse”,

3 (3) by inserting “, CHILD, PARENT, OR GRAND-
4 PARENT” after “SPOUSE” in the heading thereof,
5 and

6 (4) by adding at the end the following: “In the
7 case of a child who acquires such beneficiary’s inter-
8 est and with respect to whom a deduction under sec-
9 tion 151 is allowable to another taxpayer for a tax-
10 able year beginning in the calendar year in which
11 such individual’s taxable year begins, such health
12 savings account shall be treated as a child health
13 savings account of the child.”.

14 (b) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to taxable years beginning after
16 the date of the enactment of this Act.

17 **SEC. 4. MAXIMUM CONTRIBUTION LIMIT TO HSA IN-**
18 **CREASED TO AMOUNT OF DEDUCTIBLE AND**
19 **OUT-OF-POCKET LIMITATION.**

20 (a) SELF-ONLY COVERAGE.—Subparagraph (A) of
21 section 223(b)(2) of the Internal Revenue Code of 1986
22 is amended by striking “\$2,250” and inserting “the
23 amount in effect under subsection (c)(2)(A)(ii)(I)”.

24 (b) FAMILY COVERAGE.—Subparagraph (B) of sec-
25 tion 223(b)(2) of such Code is amended by striking

1 “\$4,500” and inserting “the amount in effect under sub-
2 section (c)(2)(A)(ii)(II)”.

3 (c) CONFORMING AMENDMENT.—Section 223(g)(1)
4 of such Code is amended by striking “subsections (b)(2)
5 and” and inserting “subsection”.

6 (d) EFFECTIVE DATE.—The amendments made by
7 this section shall apply to taxable years beginning after
8 the date of the enactment of this Act.

9 **SEC. 5. EQUIVALENT BANKRUPTCY PROTECTIONS FOR**
10 **HEALTH SAVINGS ACCOUNTS AS RETIRE-**
11 **MENT FUNDS.**

12 (a) IN GENERAL.—Section 522 of title 11, United
13 States Code, is amended by adding at the end the fol-
14 lowing new subsection:

15 “(r) For purposes of this section, any health savings
16 account (as described in section 223 of the Internal Rev-
17 enue Code of 1986) shall be treated in the same manner
18 as an individual retirement account described in section
19 408 of such Code.”.

20 (b) EFFECTIVE DATE.—The amendment made by
21 this section shall apply to cases commencing under title
22 11, United States Code, after the date of the enactment
23 of this Act.

1 **SEC. 6. ALLOWANCE OF SILVER AND BRONZE PLANS IN**
2 **CONNECTION WITH HEALTH SAVINGS AC-**
3 **COUNTS.**

4 (a) IN GENERAL.—Section 223 of the Internal Rev-
5 enue Code of 1986 is amended—

6 (1) by striking “a high deductible health plan”
7 each place it appears and inserting “an HSA com-
8 patible health plan”,

9 (2) by striking “high deductible health plan” in
10 subsection (b)(8)(A)(ii) and inserting “HSA compat-
11 ible health plan”, and

12 (3) by striking “the high deductible health
13 plan” in subsection (c)(1)(A)(ii)(II) and inserting
14 “the HSA compatible health plan”.

15 (b) HSA COMPATIBLE HEALTH PLAN DEFINED.—
16 Paragraph (2) of section 223(c) of such Code is amended
17 by redesignating subparagraphs (A), (B), (C), and (D) as
18 subparagraphs (B), (C), (D), and (E) and by inserting
19 before subparagraph (B), as so redesignated, the following
20 new subparagraph:

21 “(A) IN GENERAL.—The term ‘HSA com-
22 patible health plan’ means—

23 “(i) any high deductible health plan,

24 “(ii) any plan described in section
25 1302(e) of the Patient Protection and Af-

1 fordable Care Act (42 U.S.C. 18022(e))
2 (relating to catastrophic plan), or
3 “(iii) any silver or bronze plan which
4 was enrolled in through an Exchange es-
5 tablished under section 1311 or section
6 1321 of the Patient Protection and Afford-
7 able Care Act (42 U.S.C. 1311, 18041).”.

8 (c) CLERICAL AMENDMENTS.—Section 223 of such
9 Code is amended—

10 (1) by striking “IN GENERAL” in the heading
11 for subsection (c)(2)(B), as redesignated by sub-
12 section (b) of this Act, and inserting “HIGH DE-
13 DUCTIBLE HEALTH PLAN”,

14 (2) by striking “HIGH DEDUCTIBLE HEALTH
15 PLAN” in the heading for subsection (b)(8)(B) and
16 inserting “HSA COMPATIBLE HEALTH PLAN”, and

17 (3) by striking “HIGH DEDUCTIBLE HEALTH
18 PLAN” in the heading for subsection (c)(2) and in-
19 serting “HSA COMPATIBLE HEALTH PLAN”.

20 (d) EFFECTIVE DATE.—The amendments made by
21 this section shall apply to taxable years beginning after
22 December 31, 2020.

1 **SEC. 7. IDENTIFICATION OF HSA COMPATIBLE PLANS.**

2 Section 1103(b) of the Patient Protection and Af-
3 fordable Care Act (42 U.S.C. 18003(b)) is amended by
4 adding at the end the following new paragraph:

5 “(3) IDENTIFICATION OF HSA COMPATIBLE
6 PLANS.—Beginning for plan year 2018, the format
7 described in paragraph (1) shall require that infor-
8 mation on a coverage option described in subsection
9 (a)(2) that is an HSA compatible health plan (as de-
10 fined in section 223(c)(2) of the Internal Revenue
11 Code of 1986) identifies such plan as a plan that
12 satisfies the requirement of section 223(c)(1)(A)(i)
13 of such Code.”.

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