

of a beneficiary or an alternate payee in the same manner as the payment of premiums charged against the account of a participant.

(6) *Example.* The provisions of this paragraph (e) are illustrated by the following example:

Example. (i) *Facts.* Employer sponsors a profit-sharing plan qualified under section 401(a). The plan provides solely for non-elective employer profit-sharing contributions. The plan's trustee enters into a contract with a third-party insurance carrier to provide health insurance for certain plan participants. The insurance policy provides for the payment of medical expenses incurred by those participants. The plan limits the amounts used to provide medical benefits with respect to a participant to 25 percent of the funds held in the participant's account. The trustee makes monthly payments of \$1,000 to pay the premiums due for Participant A's health insurance. The trustee also reduces Participant A's account balance by \$1,000 at the time of each premium payment. In June of a year, Participant A is admitted to the hospital for covered medical care, and in July of the same year, the health insurer pays the hospital \$5,000 for the medical care provided to Participant A in June.

(ii) *Conclusion.* Under paragraph (e)(1) of this section, each of the trustee's payments of \$1,000 constitutes a distribution under section 402(a) to Participant A on the date of each payment. To the extent provided under section 213, the amount of these distributions constitutes payments for medical care. The \$5,000 payment to the hospital is excludable from Participant A's gross income under section 104(a)(3) and is not treated as a distribution from the plan.

Par. 8. Section 1.402(c)-2 is amended by redesignating paragraphs A-4(g) and A-4(h) as paragraphs A-4(h) and A-4(i) and adding a new paragraph A-4(g) to read as follows:

§1.402(c)-2 Eligible rollover contributions; questions and answers.

* * * * *

A-4: * * * *

(g) Distributions of premiums for accident or health insurance under §1.402(a)-1(e).

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Par. 9. Section 1.403(a)-1 is amended by revising paragraph (g) to read as follows:

§1.403(a)-1 Taxability of beneficiary under a qualified annuity plan.

* * * * *

(g) The rules of §1.402(a)-1(e) apply for purposes of determining the treatment of amounts paid to provide accident and health insurance benefits.

Par. 10. Section 1.403(b)-6 is amended by adding a sentence following the first sentence of paragraph (g) to read as follows:

§1.403(b)-6 Timing of distributions and benefits.

* * * * * (g) *Death benefits and other incidental benefits.* * * * The rules of §1.402(a)-1(e) apply for purposes of determining when incidental benefits are treated as distributed and included in gross income. See §§1.72-15 and 1.72-16.

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Linda E. Stiff,
*Acting Deputy Commissioner
for Services and Enforcement.*

(Filed by the Office of the Federal Register on August 10, 2007, 8:45 a.m., and published in the issue of the Federal Register for August 20, 2007, 72 F.R. 46421)

Employer Comparable Contributions to Health Savings Accounts Under Section 4980G; Hearing Cancellation

Announcement 2007-85

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Cancellation of notice of public hearing on proposed rulemaking.

SUMMARY: This document cancels a public hearing on proposed regulations (REG-143797-06, 2007-26 I.R.B. 1495) providing guidance on employer comparable contributions to Health Savings Accounts (HSAs).

DATES: The public hearing, originally scheduled for September 28, 2007 at 10 a.m. is cancelled.

FOR FURTHER INFORMATION CONTACT: Kelly Banks of the Publications and Regulations Branch, Legal Processing Division, Associate Chief Counsel (Procedure and Administration) at (202) 622-0392 (not a toll-free number).

SUPPLEMENTARY INFORMATION: A notice of proposed rulemaking and notice of public hearing that appeared in the **Federal Register** on Friday, June 1, 2007 (72 FR 30501), announced that a public hearing was scheduled for September 28, 2007, at 10 a.m. in the IRS Auditorium, Internal Revenue Service, 1111 Constitution Avenue, NW, Washington, DC. The subject of the public hearing is under section 4980G of the Internal Revenue Code.

The public comment period for these regulations expired on August 30, 2007. The notice of proposed rulemaking and notice of public hearing instructed those interested in testifying at the public hearing to submit a request to speak and an outline of the topics to be addressed by August 28, 2007. As of September 6, 2007, no one has requested to speak and therefore, the public hearing scheduled for September 28, 2007, is cancelled.

LaNita Van Dyke,
*Branch Chief,
Publications and Regulations Branch,
Legal Processing Division,
Associate Chief Counsel
(Procedure and Administration).*

(Filed by the Office of the Federal Register on September 12, 2007, 8:45 a.m., and published in the issue of the Federal Register for September 13, 2007, 72 F.R. 52319)

Deletions From Cumulative List of Organizations Contributions to Which are Deductible Under Section 170 of the Code

Announcement 2007-86

The names of organizations that no longer qualify as organizations described in section 170(c)(2) of the Internal Revenue Code of 1986 are listed below.

Generally, the Service will not disallow deductions for contributions made to a listed organization on or before the date of announcement in the Internal Revenue Bulletin that an organization no longer qualifies. However, the Service is not precluded from disallowing a deduction for any contributions made after an organization ceases to qualify under section 170(c)(2) if the organization has not timely filed a suit for declaratory judgment under

section 7428 and if the contributor (1) had knowledge of the revocation of the ruling or determination letter, (2) was aware that such revocation was imminent, or (3) was in part responsible for or was aware of the activities or omissions of the organization that brought about this revocation.

If on the other hand a suit for declaratory judgment has been timely filed, contributions from individuals and organizations described in section 170(c)(2) that are otherwise allowable will continue to be deductible. Protection under section 7428(c) would begin on September 24, 2007, and would end on the date the court first determines that the organization is not described in section 170(c)(2) as more par-

ticularly set forth in section 7428(c)(1). For individual contributors, the maximum deduction protected is \$1,000, with a husband and wife treated as one contributor. This benefit is not extended to any individual, in whole or in part, for the acts or omissions of the organization that were the basis for revocation.

Museum of American Piano
Bangor, PA
Transitional Living Collaborative
Moraga, CA
Ken-Ray, Incorporated
Orem, UT
DreamHome Foundation
Sherwood, OR

Creativity Innovation
Productivity Incorporated DBA
Horizon Event Foundation
Highwood, MT
Community Fellowship for Battered
Women of Silicon Valley, Inc.
San Jose, CA
Alta Crossing, Inc.
Nampa, ID
Home Buyers Assistance Foundation, Inc.
Denver, CO
International Housing Solutions, Inc.
Sacramento, CA
Filipino American Community
Development Council, Inc.
San Jose, CA