

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 5858
OFFERED BY MR. CAMP OF MICHIGAN**

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE, ETC.

2 (a) **SHORT TITLE.**—This Act may be cited as the
3 “Health Savings Accounts Improvements Act of 2012”.

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

Sec. 1. Short title, etc.

Sec. 2. Saver’s credit for contributions to health savings accounts.

Sec. 3. Special rule for certain medical expenses incurred before establishment
of account.

Sec. 4. Allow both spouses to make catch-up contributions to the same health
savings account.

Sec. 5. Individuals eligible for veterans benefits for a service-connected dis-
ability.

Sec. 6. Distributions by certain early retirees for health coverage treated as
qualified medical expense.

**6 SEC. 2. SAVER’S CREDIT FOR CONTRIBUTIONS TO HEALTH
7 SAVINGS ACCOUNTS.**

8 (a) **ALLOWANCE OF CREDIT.**—Subsection (a) of sec-
9 tion 25B of the Internal Revenue Code of 1986 is amend-
10 ed by inserting “aggregate qualified HSA contributions
11 and” after “so much of the”.

12 (b) **QUALIFIED HSA CONTRIBUTIONS.**—Subsection
13 (d) of section 25B of such Code is amended by redesignig-

1 nating paragraph (2) as paragraph (3) and by inserting
2 after paragraph (1) the following new paragraph:

3 “(2) QUALIFIED HSA CONTRIBUTIONS.—The
4 term ‘qualified HSA contribution’ means, with re-
5 spect to any taxable year, any contribution to a
6 health savings account (as defined in section
7 223(d)(1)) if—

8 “(A) such contribution is allowable as a
9 deduction to the taxpayer under section 223(a)
10 for such taxable year, or

11 “(B) such contribution is made by an em-
12 ployer of the taxpayer at the election of the tax-
13 payer under a cafeteria plan (as defined in sec-
14 tion 125(d)) and is not includible in the gross
15 income of the taxpayer by reason of section
16 125.”.

17 (c) REPORTING OF HSA ELECTIVE CONTRIBU-
18 TIONS.—Paragraph (12) of section 6051(a) of such Code
19 is amended to read as follows:

20 “(12) the total amount contributed to health
21 savings accounts (as defined in section 223(d)) of
22 the employee or the employee’s spouse and the por-
23 tion of such total amount contributed at the election
24 of the employee under any cafeteria plan (as defined
25 in section 125(d)),”.

1 (d) CONFORMING AMENDMENTS.—Section 25B(d)(3)
2 of such Code, as redesignated by subsection (b), is amend-
3 ed—

4 (1) by striking the first sentence of subpara-
5 graph (A) and inserting the following: “The aggre-
6 gate qualified retirement savings contributions deter-
7 mined under paragraph (1) and qualified HSA con-
8 tributions determined under paragraph (2) shall be
9 reduced (but not below zero) by the aggregate dis-
10 tributions received by the individual during the test-
11 ing period from any entity of a type to which con-
12 tributions under paragraph (1) or paragraph (2) (as
13 the case may be) may be made.”, and

14 (2) by inserting “223(f)(1) or (3),” after “sec-
15 tion 72(p)” in subparagraph (C)(i).

16 (e) EFFECTIVE DATE.—The amendments made by
17 this section shall apply to taxable years beginning after
18 December 31, 2012.

19 **SEC. 3. SPECIAL RULE FOR CERTAIN MEDICAL EXPENSES**
20 **INCURRED BEFORE ESTABLISHMENT OF AC-**
21 **COUNT.**

22 (a) IN GENERAL.—Paragraph (2) of section 223(d)
23 of the Internal Revenue Code of 1986 is amended by add-
24 ing at the end the following new subparagraph:

1 “(D) TREATMENT OF CERTAIN MEDICAL
2 EXPENSES INCURRED BEFORE ESTABLISHMENT
3 OF ACCOUNT.—If a health savings account is
4 established during the 60-day period beginning
5 on the date that coverage of the account bene-
6 ficiary under a high deductible health plan be-
7 gins, then, solely for purposes of determining
8 whether an amount paid is used for a qualified
9 medical expense, such account shall be treated
10 as having been established on the date that
11 such coverage begins.”.

12 (b) EFFECTIVE DATE.—The amendment made by
13 this section shall apply with respect to coverage beginning
14 after the date of the enactment of this Act.

15 **SEC. 4. ALLOW BOTH SPOUSES TO MAKE CATCH-UP CON-**
16 **TRIBUTIONS TO THE SAME HEALTH SAVINGS**
17 **ACCOUNT.**

18 (a) IN GENERAL.—Paragraph (5) of section 223(b)
19 of the Internal Revenue Code of 1986 is amended to read
20 as follows:

21 “(5) SPECIAL RULE FOR MARRIED INDIVIDUALS
22 WITH FAMILY COVERAGE.—

23 “(A) IN GENERAL.—In the case of individ-
24 uals who are married to each other, if both
25 spouses are eligible individuals and either

1 spouse has family coverage under a high de-
2 ductible health plan as of the first day of any
3 month—

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

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

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

20 “(B) TREATMENT OF ADDITIONAL CON-
21 TRIBUTION AMOUNTS.—If both spouses referred
22 to in subparagraph (A) have attained age 55
23 before the close of the taxable year, the limita-
24 tion referred to in subparagraph (A)(iii) which
25 is subject to division between the spouses shall

1 include the additional contribution amounts de-
2 termined under paragraph (3) for both spouses.
3 In any other case, any additional contribution
4 amount determined under paragraph (3) shall
5 not be taken into account under subparagraph
6 (A)(iii) and shall not be subject to division be-
7 tween the spouses.”.

8 (b) **EFFECTIVE DATE.**—The amendment made by
9 this section shall apply to taxable years beginning after
10 December 31, 2012.

11 **SEC. 5. INDIVIDUALS ELIGIBLE FOR VETERANS BENEFITS**
12 **FOR A SERVICE-CONNECTED DISABILITY.**

13 (a) **IN GENERAL.**—Paragraph (1) of section 223(c)
14 of the Internal Revenue Code of 1986 is amended by add-
15 ing at the end the following new subparagraph:

16 “(C) **SPECIAL RULE FOR INDIVIDUALS ELI-**
17 **GIBLE FOR CERTAIN VETERANS BENEFITS.**—An
18 individual shall not fail to be treated as an eli-
19 gible individual for any period merely because
20 the individual receives hospital care or medical
21 services under any law administered by the Sec-
22 retary of Veterans Affairs for a service-con-
23 nected disability (within the meaning of section
24 101(16) of title 38, United States Code).”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to months beginning after Decem-
3 ber 31, 2012.

4 **SEC. 6. DISTRIBUTIONS BY CERTAIN EARLY RETIREES FOR**
5 **HEALTH COVERAGE TREATED AS QUALIFIED**
6 **MEDICAL EXPENSE.**

7 (a) IN GENERAL.—Subparagraph (C) of section
8 223(d)(2) of the Internal Revenue Code of 1986 is amend-
9 ed by striking “or” at the end of clause (iii), by striking
10 the period at the end of clause (iv) and inserting “, or”,
11 and by adding at the end the following new clause:

12 “(v) in the case of an account bene-
13 ficiary who has attained age 55 but not the
14 age specified in section 1811 of the Social
15 Security Act, any group health plan (as de-
16 fined in section 5000(b)(1)) in which such
17 account beneficiary is enrolled by reason of
18 being a former employee or a surviving
19 spouse of a former employee.”.

20 (b) EFFECTIVE DATE.—The amendments made by
21 this section shall apply to amounts paid for coverage for
22 periods after December 31, 2012.

