

114TH CONGRESS
1ST SESSION

H. R. 1494

To amend the Internal Revenue Code of 1986 to permit rollovers from retirement plans to health savings accounts.

IN THE HOUSE OF REPRESENTATIVES

MARCH 19, 2015

Mr. FORTENBERRY introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to permit rollovers from retirement plans 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.**

4 This Act may be cited as the “The Retirement Health
5 Savings Act of 2015”.

6 **SECTION 2. ROLLOVERS FROM RETIREMENT PLANS TO**
7 **HEALTH SAVINGS ACCOUNTS.**

8 (a) IN GENERAL.—Part III of subchapter B of chap-
9 ter 1 of the Internal Revenue Code of 1986 is amended
10 by inserting after section 139E the following new section:

1 **“SEC. 139F. HSA FUNDING DISTRIBUTIONS.**

2 “(a) IN GENERAL.—In the case of an eligible indi-
3 vidual, gross income does not include a qualified HSA
4 funding distribution.

5 “(b) QUALIFIED HSA FUNDING DISTRIBUTION.—
6 For purposes of this section, the term ‘qualified HSA
7 funding distribution’ means any distribution from an eligi-
8 ble retirement plan of an eligible individual to the extent
9 that such distribution is contributed to a health savings
10 account of such individual (or of the surviving spouse, a
11 dependent of the surviving spouse, or alternate payee (as
12 defined in section 414(p)(8)) of such individual) not later
13 than the 60th day after the day on which such individual
14 (or such surviving spouse, dependent, or alternate payee)
15 receives such distribution or in a direct trustee-to-trustee
16 transfer.

17 “(c) DISTRIBUTION TREATED AS ROLLOVER TO
18 HSA.—For purposes of sections 223 and 4973(g), a
19 qualified HSA funding distribution shall be treated as a
20 rollover contribution described in section 223(f)(5).

21 “(d) DEFINITIONS.—For purposes of this section—

22 “(1) ELIGIBLE RETIREMENT PLAN.—The term
23 ‘eligible retirement plan’ has the meaning given such
24 term by section 402(c)(8)(B), except that such term
25 shall also include an eligible deferred compensation

1 plan maintained by an eligible employer described in
2 section 457(e)(1)(B).

3 “(2) ELIGIBLE INDIVIDUAL.—The term ‘eligible
4 individual’ has the meaning given such term by sec-
5 tion 223(c)(1).”.

6 (b) 10-PERCENT PENALTY ON EARLY DISTRIBUTIONS NOT TO APPLY.—Section 72(t)(2)(A) of such Code
7 is amended by striking “or” at the end of clause (vii), by
8 striking the period at the end of clause (viii) and inserting
9 “, or”, and by inserting after clause (viii) the following
10 new clause:
11

12 “(ix) a qualified HSA funding dis-
13 tribution (as defined by section
14 139F(b)).”.

15 (c) REPEAL OF ONE-TIME QUALIFIED HSA FUND-
16 ING DISTRIBUTIONS FROM IRAS.—Section 408(d) of such
17 Code is amended by striking paragraph (9).

18 (d) CONFORMING AMENDMENTS.—

19 (1) Section 26(b)(2)(S) of such Code is amend-
20 ed by striking “, 223(b)(8)(B)(i)(II), and
21 408(d)(9)(D)(i)(II)” and inserting “and
22 223(b)(8)(B)(i)(II)”.

23 (2) Section 223(b)(4) of such Code is amended
24 by striking subparagraph (C), by striking “, and” at
25 the end of subparagraph (B) and inserting a period,

1 and by inserting “, and” at the end of subparagraph
2 (A).

3 (3) Section 401(k)(2)(B)(i) of such Code is
4 amended by striking “or” at the end of subclause
5 (IV), by striking “and” at the end of subclause (V)
6 and inserting “or”, and by inserting after subclause
7 (V) the following new subclause:

8 “(VI) the funding of a health
9 savings account under section 139F,
10 and”.

11 (4) Section 402(c)(4) of such Code is amended
12 by striking “and” at the end of subparagraph (B),
13 by striking the period at the end of subparagraph
14 (C) and inserting “, and”, and by inserting after
15 subparagraph (C) the following new subparagraph:

16 “(D) any qualified HSA funding distribu-
17 tion (as defined by section 139F(b)).”.

18 (5) Section 403(a) of such Code is amended by
19 adding at the end the following new paragraph:

20 “(6) SPECIAL RULE FOR QUALIFIED HSA FUND-
21 ING DISTRIBUTION.—To the extent provided in sec-
22 tion 139F, paragraph (1) shall not apply to the
23 amount distributed under the contract which is oth-
24 erwise includible in gross income under this sub-
25 section.”.

1 (6) Section 403(b) of such Code is amended by
2 adding at the end the following new paragraph:

3 “(15) SPECIAL RULE FOR QUALIFIED HSA
4 FUNDING DISTRIBUTION.—To the extent provided in
5 section 139F, paragraph (1) shall not apply to the
6 amount distributed under the contract which is oth-
7 erwise includible in gross income under this sub-
8 section.”.

9 (7) Section 457(a) of such Code is amended by
10 adding at the end the following new paragraph:

11 “(4) SPECIAL RULE FOR QUALIFIED HSA FUND-
12 ING DISTRIBUTION.—To the extent provided in sec-
13 tion 139F, paragraph (1) shall not apply to amounts
14 otherwise includible in gross income under this sub-
15 section.”.

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

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