

116TH CONGRESS  
1ST SESSION

# H. R. 2163

To amend the Internal Revenue Code of 1986 to allow for tax-advantaged distributions from health savings accounts during family or medical leave, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 9, 2019

Mr. BIGGS (for himself, Mr. MEADOWS, Mr. GAETZ, Mr. GOHMERT, Mr. GOSAR, Mr. WRIGHT, Mrs. LESKO, Mr. NORMAN, Mr. HICE of Georgia, Mr. JOYCE of Pennsylvania, Mr. WALKER, Mr. COLE, Mr. BUCK, and Mr. GROTHMAN) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to allow for tax-advantaged distributions from health savings accounts during family or medical leave, and for other purposes.

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 “Freedom for Families  
5 Act”.

1 **SEC. 2. DISTRIBUTIONS FROM HEALTH SAVINGS ACCOUNTS**  
2 **DURING PERIODS OF QUALIFIED CAREGIV-**  
3 **ING.**

4 (a) IN GENERAL.—Paragraphs (1) and (2) of section  
5 223(f) of the Internal Revenue Code of 1986 are amended  
6 to read as follows:

7 “(1) EXCLUSION OF AMOUNTS USED FOR  
8 QUALIFIED MEDICAL EXPENSES OR DISTRIBUTED  
9 DURING PERIODS OF QUALIFIED CAREGIVING.—Any  
10 amount paid or distributed out of a health savings  
11 account shall not be includible in gross income if it  
12 is—

13 “(A) used exclusively to pay qualified med-  
14 ical expenses of any account beneficiary, or

15 “(B) paid or distributed during a period of  
16 qualified caregiving.

17 “(2) INCLUSION OF AMOUNTS NEITHER USED  
18 FOR QUALIFIED MEDICAL EXPENSES NOR DISTRIB-  
19 UTED DURING PERIODS OF QUALIFIED  
20 CAREGIVING.—Any amount paid or distributed out  
21 of a health savings account shall be included in the  
22 gross income of the account beneficiary if it is not  
23 described in paragraph (1).”.

24 (b) DEFINITION OF PERIOD OF QUALIFIED  
25 CAREGIVING.—Section 223(f) of the Internal Revenue

1 Code of 1986 is amended by adding at the end the  
2 following new subsection:

3 “(9) PERIOD OF QUALIFIED CAREGIVING.—For pur-  
4 poses of this section, the term ‘period of qualified  
5 caregiving’ means any period during which an individual  
6 is on leave or not employed by reason of a situation de-  
7 scribed in subparagraphs (A) through (E) of section  
8 102(a)(1) of the Family and Medical Leave Act of 1993.”.

9 (c) CONFORMING AMENDMENTS.—

10 (1) Section 223(d)(1) of such Code is amended  
11 by inserting “or the expenses incurred during a pe-  
12 riod of qualified caregiving of the account bene-  
13 ficiary”.

14 (2) Section 223(f)(4) of such Code is amended  
15 in the heading by striking “DISTRIBUTIONS NOT  
16 USED FOR QUALIFIED MEDICAL EXPENSES” and in-  
17 serting “CERTAIN DISTRIBUTIONS”.

18 (d) EFFECTIVE DATE.—The amendments made by  
19 this section shall apply with respect to taxable years begin-  
20 ning after the date of the enactment of this Act.

21 **SEC. 3. NO HIGH DEDUCTIBLE HEALTH PLAN REQUIRED**  
22 **FOR HEALTH SAVINGS ACCOUNTS.**

23 (a) IN GENERAL.—Section 223(a) of the Internal  
24 Revenue Code of 1986 is amended by striking “who is an  
25 eligible individual for any month during the taxable year”.

1 (b) CONFORMING AMENDMENTS.—

2 (1) Section 223(b) of such Code is amended by  
3 striking paragraphs (7) and (8).

4 (2) Section 223 of such Code is amended by  
5 striking subsection (c).

6 (c) INCREASE IN CONTRIBUTION LIMIT FOR HEALTH  
7 SAVINGS ACCOUNTS.—

8 (1) IN GENERAL.—Section 223(b)(1) of the In-  
9 ternal Revenue Code of 1986 is amended by striking  
10 “the sum of the monthly” and all that follows  
11 through “eligible individual” and inserting “\$9,000  
12 (twice such amount in the case of a joint return)”.

13 (2) CONFORMING AMENDMENTS.—

14 (A) Section 223(b) of such Code is amend-  
15 ed by striking paragraphs (2), (3), and (5) and  
16 by redesignating paragraphs (4) and (6) as  
17 paragraphs (2) and (3), respectively.

18 (B) Section 223(b)(2) of such Code (as re-  
19 designated by subparagraph (A)) is amended by  
20 striking the last sentence.

21 (C) Section 223(d)(1)(A)(ii) is amended by  
22 striking “the sum of” and all that follows  
23 through the period at the end and inserting  
24 “the dollar amount in effect under subsection  
25 (b)(1).”.

1 (D) Section 223(g)(1) of such Code is  
2 amended—

3 (i) by striking “Each dollar amount in  
4 subsections (b)(2) and (c)(2)(A)” and in-  
5 sserting “The dollar amount in subsection  
6 (b)(1)”;

7 (ii) by striking “thereof” and all that  
8 follows through “‘calendar year 2003’.”  
9 and inserting “‘calendar year 1997’.”; and

10 (iii) by striking “under subsections  
11 (b)(2) and (c)(2)(A)” and inserting “under  
12 subsection (b)(1)”.

13 (d) EFFECTIVE DATE.—The amendments made by  
14 this section shall apply with respect to months in taxable  
15 years beginning after the date of the enactment of this  
16 Act.

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