



(Original Signature of Member)

113TH CONGRESS
1ST SESSION

H. R. _____

To amend the Internal Revenue Code of 1986 to allow the transfer of required minimum distributions from a retirement plan to a health savings account.

IN THE HOUSE OF REPRESENTATIVES

Mr. HUIZENGA of Michigan introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to allow the transfer of required minimum distributions from a retirement plan to a health savings account.

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 "Health Freedom for
5 Seniors Act".

1 **SEC. 2. TRANSFER OF REQUIRED MINIMUM DISTRIBUTION**
2 **FROM RETIREMENT PLAN TO HEALTH SAV-**
3 **INGS ACCOUNT.**

4 (a) TRANSFER FROM RETIREMENT PLAN.—

5 (1) INDIVIDUAL RETIREMENT ACCOUNTS.—Sec-
6 tion 408(d) of such Code is amended by adding at
7 the end the following new paragraph:

8 “(10) REQUIRED MINIMUM DISTRIBUTION
9 TRANSFERRED TO HEALTH SAVINGS ACCOUNT.—

10 “(A) IN GENERAL.—In the case of an indi-
11 vidual who has attained the age of 70½ and
12 who elects the application of this paragraph for
13 a taxable year, gross income of the individual
14 for the taxable year does not include a qualified
15 HSA transfer to the extent such transfer is oth-
16 erwise includible in gross income.

17 “(B) QUALIFIED HSA TRANSFER.—For
18 purposes of this paragraph, the term ‘qualified
19 HSA transfer’ means any distribution from an
20 individual retirement plan—

21 “(i) to a health savings account of the
22 individual in a direct trustee-to-trustee
23 transfer,

24 “(ii) to the extent such distribution
25 does not exceed the required minimum dis-
26 tribution determined under section

1 401(a)(9) for the distribution calendar
2 year ending during the taxable year.

3 “(C) APPLICATION OF SECTION 72.—Not-
4 withstanding section 72, in determining the ex-
5 tent to which an amount is treated as a dis-
6 tribution for purposes of paragraph (1), the en-
7 tire amount of the distribution shall be treated
8 as includible in gross income without regard to
9 paragraph (1) to the extent that such amount
10 does not exceed the aggregate amount which
11 would have been so includible if all amounts in
12 all individual retirement plans of the individual
13 were distributed during such taxable year and
14 all such plans were treated as 1 contract for
15 purposes of determining under section 72 the
16 aggregate amount which would have been so in-
17 cludible. Proper adjustments shall be made in
18 applying section 72 to other distributions in
19 such taxable year and subsequent taxable years.

20 “(D) COORDINATION.—An election may
21 not be made under subparagraph (A) for a tax-
22 able year for which an election is in effect
23 under paragraph (9).”.

1 (2) OTHER RETIREMENT PLANS.—Section 402
2 of the Internal Revenue Code of 1986 is amended by
3 adding at the end the following new subsection:

4 “(m) REQUIRED MINIMUM DISTRIBUTION TRANS-
5 FERRED TO HEALTH SAVINGS ACCOUNT.—

6 “(1) IN GENERAL.—In the case of an individual
7 who has attained the age of 70½ and who elects the
8 application of this subsection for a taxable year,
9 gross income of the individual for the taxable year
10 does not include a qualified HSA transfer to the ex-
11 tent such transfer is otherwise includible in gross in-
12 come.

13 “(2) QUALIFIED HSA TRANSFER.—For pur-
14 poses of this subsection, the term ‘qualified HSA
15 transfer’ means any distribution from an retirement
16 plan—

17 “(A) to a health savings account of the in-
18 dividual in a direct trustee-to-trustee transfer,

19 “(B) to the extent such distribution does
20 not exceed the required minimum distribution
21 determined under section 401(a)(9) for the dis-
22 tribution calendar year ending during the tax-
23 able year.

24 “(3) APPLICATION OF SECTION 72.—Notwith-
25 standing section 72, in determining the extent to

1 which an amount is treated as a distribution for
2 purposes of paragraph (1), the entire amount of the
3 distribution shall be treated as includible in gross in-
4 come without regard to paragraph (1) to the extent
5 that such amount does not exceed the aggregate
6 amount which would have been so includible if all
7 amounts in all eligible retirement plans of the indi-
8 vidual were distributed during such taxable year and
9 all such plans were treated as 1 contract for pur-
10 poses of determining under section 72 the aggregate
11 amount which would have been so includible. Proper
12 adjustments shall be made in applying section 72 to
13 other distributions in such taxable year and subse-
14 quent taxable years.

15 “(4) ELIGIBLE RETIREMENT PLAN.—For pur-
16 poses of this subsection, the term ‘eligible retirement
17 plan’ has the meaning given such term by subsection
18 (c)(8)(B) (determined without regard to clauses (i)
19 and (ii) thereof).”.

20 (b) TRANSFER TO HEALTH SAVINGS ACCOUNT.—

21 (1) IN GENERAL.—Subparagraph (A) of section
22 223(d)(1) of such Code is amended by striking “or”
23 at the end of clause (i), by striking the period at the
24 end of clause (ii)(II) and inserting “, or”, and by
25 adding at the end the following new clause:

1 “(iii) unless it is in a qualified IISA
2 transfer described in section 408(d)(10) or
3 402(m).”.

4 (2) **EXCISE TAX INAPPLICABLE TO QUALIFIED**
5 **HSA TRANSFER.**—Paragraph (1) of section 4973(g)
6 of such Code is amended by inserting “or in a quali-
7 fied IISA transfer described in section 408(d)(10) or
8 402(m)” after “or 223(f)(5)”.

9 (c) **EFFECTIVE DATE.**—The amendments made by
10 this section shall apply to distributions made after the
11 date of the enactment of this Act, in taxable years ending
12 after such date.