



# AMERICAN BENEFITS COUNCIL

May 30, 2012

The Honorable David Camp  
Chairman  
Committee on Ways and Means  
United States House of Representatives  
Washington, DC 20515

Dear Mr. Chairman,

I am writing to express the support of the American Benefits Council (“Council”) for H.R. 5858, a bill to make several important improvements for health savings accounts (HSAs). The Council is an association representing principally Fortune 500 companies and other organizations that assist employers of all sizes in providing benefits to employees. Collectively, the Council’s members either sponsor directly or provide services to health and retirement plans that cover more than 100 million Americans.

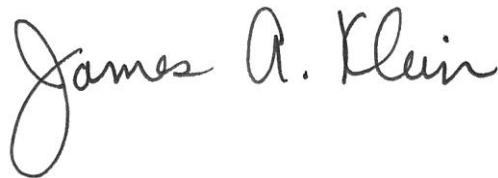
We believe that H.R. 5858 makes common-sense, needed improvements to HSAs, such as permitting veterans who receive medical benefits for a service-connected disability under a program of the Department of Veterans Affairs to be eligible to contribute to an HSA, allowing distributions from HSAs to be used by retirees between the ages of 55 and 65 to pay for retiree health insurance under an employer-sponsored health plan, allowing spouses who are at least 55 years old to contribute their combined “catch-up” contribution to one HSA, and providing a 60-day window after an individual’s high deductible health plan coverage begins for an HSA to be established and used to pay for qualified medical expenses within that 60-day period.

Each of these changes will help the growing number of participants in HSAs to meet their current and future health care needs. We particularly support the provision in H.R. 5858 to allow pre-65 retirees to use funds from their HSAs to pay for employer-sponsored health coverage. Funds from HSAs may already be used for health insurance expenses for those who are age 65 or older (other than coverage under a Medicare supplemental “Medigap” policy). We believe that the provision in H.R. 5858

that permits these funds to be used by those who retire before age 65 who have the opportunity to continue health coverage under an employer-sponsored plan will help to encourage individuals and employers to make contributions to these accounts while they are active employees. This improvement will also strengthen the incentives for those age 55 or older to use HSAs to save for retiree health care needs.

We recommend that the Committee approve H.R. 5858 during your mark-up session this week and we look forward to continuing to work with you and your colleagues on improvements for participants in consumer-directed health plans.

Sincerely,

A handwritten signature in black ink that reads "James A. Klein". The signature is written in a cursive style with a large, looping initial "J".

James A. Klein  
President