

119TH CONGRESS
1ST SESSION

H. R. 74

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.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 3, 2025

Mr. BIGGS of Arizona (for himself and Mr. BURLISON) 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 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**
3 **CAREGIVING.**

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 fol-
2 lowing new paragraph:

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” after “paying the qualified medical expenses
14 of the account beneficiary”.

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

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

1 **SEC. 3. NO HIGH DEDUCTIBLE HEALTH PLAN REQUIRED**
2 **FOR HEALTH SAVINGS ACCOUNTS.**

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

6 (b) CONFORMING AMENDMENTS.—

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

9 (2) Section 223 of such Code is amended by
10 striking subsection (c).

11 (c) INCREASE IN CONTRIBUTION LIMIT FOR HEALTH
12 SAVINGS ACCOUNTS.—

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

18 (2) CONFORMING AMENDMENTS.—

19 (A) Section 223(b) of such Code is amend-
20 ed by striking paragraphs (2), (3), and (5) and
21 by redesignating paragraphs (4) and (6) as
22 paragraphs (2) and (3), respectively.

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

1 (C) Section 223(d)(1)(A)(ii) is amended by
2 striking “the sum of” and all that follows
3 through the period at the end and inserting
4 “the dollar amount in effect under subsection
5 (b)(1).”.

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

8 (i) by striking “Each dollar amount in
9 subsections (b)(2) and (c)(2)(A)” and in-
10 sserting “The dollar amount in subsection
11 (b)(1)”;

12 (ii) by striking “thereof” and all that
13 follows through “‘calendar year 2003’.”
14 and inserting “‘calendar year 1997’.”; and

15 (iii) by striking “under subsections
16 (b)(2) and (c)(2)(A)” and inserting “under
17 subsection (b)(1)”.

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

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