



FOR IMMEDIATE RELEASE  
May 3, 2006

CONTACT: Geol  
(202)

## Cantor Introduces Tax-Free Health Savings Act

*Improves Access to Affordable, Quality Health Care*

**WASHINGTON, DC** - Chief Deputy Majority Whip Eric Cantor (R-VA) introduced the Tax-Free Health Savings Act 5262, to build on the success of Health Savings Accounts (HSAs). HSAs are allowing more Americans to access affordable health care and have more control over their health care costs and decisions.

"For years, people in Washington have been looking for a solution to achieve universal health coverage," Cantor said. "Rather than forcing a one-size-fits-all government program on workers and families, the Tax-Free Health Savings Act empowers individuals with making their own health care decisions."

The Tax Free Health Savings Act will help to make Health Savings Accounts an even more affordable and attractive health coverage option by:

- Increasing HSA contribution limits;
- Making premiums for HSA-compatible insurance tax-deductible;
- Providing a low-income tax credit for the purchase of HSA-compatible insurance;
- Allowing employers to make greater HSA contributions for chronically ill employees;
- Allowing flexibility to coordinate HSAs with existing health coverage options like Flexible Spending Accounts (FSAs) and Health Reimbursement Arrangements (HRAs);
- Allowing early retirees to use HSA savings to pay for insurance coverage premiums;
- Providing an income tax credit equal to amount of payroll taxes paid on HSA-compatible insurance premiums;
- Providing an income tax credit equal to the amount of payroll taxes paid on HSA contributions, and
- Providing pre-tax treatment of health care expenses incurred under HSA-compatible health plans before an individual establishes an HSA.

###