

May 26, 2011

The Honorable Orrin Hatch
104 Hart SOB
United States Senate
Washington, D.C 20510

Dear Senator Hatch:

On behalf of the members of the American Bankers Association (ABA) and the Board of Directors of the ABA's HSA Council, thank you for introducing S. 1098, the Family and Retirement Health Investment Act of 2011. We strongly support this legislation and will work to see it signed into law.

This legislation seeks to correct oversights in the current HSA statute to make HSAs available to more Americans, particularly veterans, individuals eligible for TRICARE coverage, and individuals that utilize Indian Health Services. It will also allow seniors to continue to save for future healthcare expenses by enabling Medicare beneficiaries enrolled only in Part A to continue to contribute to their HSA accounts after turning 65.

The legislation will simplify how individuals are able to save with an HSA by allowing catch-up contributions for spouses to be deposited into one HSA, rather than a separate account. There are also several administrative fixes in the legislation that will help employers and account-holders, including: allowing all qualified medical expenses incurred after HSA-qualified coverage begins, but before the account is opened, to be reimbursed from an HSA account; providing HSAs bankruptcy protection similar to that available for IRAs; and, allowing for limited corrective distributions, without penalty, in the event of contribution errors by employers.

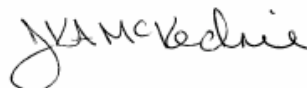
The goal of healthcare reform was to provide better coverage to all Americans at more affordable prices. Expanding the utility of Health Savings Accounts, increasing the number of Americans eligible to enroll in them, and solving the technical issues related to their administration will help accomplish this goal. HSAs remain the only healthcare financing product proven to reduce the cost of health insurance. Making them better will be good for America.

We look forward to working with you on this important legislation.

Sincerely,



Floyd E. Stoner
Executive Vice President
Congressional Relations & Public Policy
American Bankers Association



J. Kevin A. McKechnie
Executive Director
HSA Council