

2006 Extenders Act - Health Savings Accounts

The *Tax Relief and Health Care Act of 2006* makes permanent several enhancements to health savings accounts (HSAs). HSAs allow taxpayers with high-deductible health insurance to make contributions on a pre-tax basis to cover health care costs.

Among other significant modifications, this legislation now allows you to make a one-time transfer from a health flexible spending account, health reimbursement arrangement, and IRA into a health savings account.

As an individual who is eligible to participate in a health saving account or has previously reported a deduction for a HSA, you may wish to consider utilizing this tax-efficient plan for medical expenses.

Please contact us at your earliest opportunity if you would like more information about how this development affects you, or if you would like more information on health savings accounts as well as determining your eligibility.