

Publications

IRS Final Comparability Regulations for Employer Contributions to HSAs

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SERVICES

The IRS recently issued final comparability regulations (final regulations) governing employer contributions to health savings accounts (HSAs). Treas. Reg. 54.4980G-1 through 5; 71 Fed. Reg. 43056 (July 31, 2006). The final regulations contain helpful clarification concerning the steps employers need to take in order to fall within the cafeteria plan exception, allowing the employer's HSA contributions to be subject to the cafeteria plan nondiscrimination rules under Code section 125 rather than these comparability rules.

In addition, the final regulations add some important flexibility, such as providing that collectively bargained employees are not subject to the rules, and expanding the categories of high deductible health plan (HDHP) coverage for which employers may vary HSA contributions. Please see the attached memo for more information.

[Comparable Contributions Final RegulationsDownload](#)