

News Release



U.S. Department of Labor
Office of Public Affairs
Washington, D.C.
Release Number 04-626-NAT

For Immediate Release
Date: April 7, 2004
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Employee Benefits Security Administration Issues Field Assistance Bulletin on Health Savings Accounts

WASHINGTON - The U.S. Department of Labor's Employee Benefits Security Administration (EBSA) today released a Field Assistance Bulletin (FAB) providing enforcement guidance to field investigators on Health Savings Accounts (HSAs).

"Today's guidance will facilitate the adoption of health savings accounts by employers. HSAs will lead to more choices and lower health care costs for American workers and their families, which is a priority for this Administration," said U.S. Labor Secretary Elaine L. Chao.

HSAs, created by the Medicare Modernization Act signed by President Bush on Dec. 8, 2003, are designed to help individuals pay for current health expenses and save for future qualified health expenses on a tax-free basis. To be eligible for an HSA, an individual must be covered by a High Deductible Health Plan (HDHP). Since enactment, a number of questions have been raised concerning whether HSAs constitute employee welfare benefit plans governed by Title I of the Employee Retirement Income Security Act (ERISA).

The guidance makes clear that while private-sector employer-sponsored HDHPs are group health plans subject to ERISA's reporting, disclosure, fiduciary responsibility and other requirements, HSAs generally will not constitute ERISA-covered employee benefit plans. The guidance also clarifies that an employer can make contributions to the HSA of an eligible individual without being considered to have established or maintained the HSA as an ERISA-covered plan, provided that the employer's involvement with the HSA is limited.

The FAB is part of the department's ongoing compliance assistance program to help employers, plan officials and service providers and other comply with ERISA. Field Assistance Bulletins are available on the Internet at www.dol.gov/ebsa.

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