



## Tax Reduction Letter

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### Internal Revenue Code Section 4980G

Failure of employer to make comparable health savings account contributions.

- (a) General rule. In the case of an employer who makes a contribution to the health savings account of any employee during a calendar year, there is hereby imposed a tax on the failure of such employer to meet the requirements of subsection (b) for such calendar year.
- (b) Rules and requirements. Rules and requirements similar to the rules and requirements of section 4980E shall apply for purposes of this section.
- (c) Regulations. The Secretary shall issue regulations to carry out the purposes of this section, including regulations providing special rules for employers who make contributions to Archer MSAs and health savings accounts during the calendar year.
- (d) Exception. For purposes of applying section 4980E to a contribution to a health savings account of an employee who is not a highly compensated employee (as defined in section 414(q)), highly compensated employees shall not be treated as comparable participating employees.