

vides for inflation adjustments of gross income limitations on certain retirement savings incentives [section 833]; revises the notice requirements for plan distributions [section 1102; *see also* Notice 2007-7, *supra*, Q & A 31 through 33]; requires defined contribution plans that hold publicly traded employer securities (other than certain ESOPs) to allow participants to diversify their accounts [section 901; *see also* Notice 2006-107, 2006-51 I.R.B. 1114]; requires regulations on QDROs [section 1001]; requires an additional survivor annuity option [section 1004]; provides that there will be no reduction in unemployment compensation as a result of pension rollovers [section 1105]; allows distributions on account of the hardship of a beneficiary [section 826; *see also* Notice 2007-7, *supra*, Q & A 5]; allows an income tax exclusion for certain distributions used to pay health insurance premiums for eligible retired public safety officers [section 845; *see also* Notice 2007-7, Q & A 20 through 27]; provides new

tax benefits for long term care insurance [section 844]; and includes new restrictions on corporate-owned life insurance [section 863].

Plan Amendments: In general, section 1107 of the PPA requires plans to be amended by the last day of the first plan year beginning on or after January 1, 2009, to effectuate the changes made by the Act. Governmental plans have until 2011 to make these amendments.

TAX RELIEF AND HEALTH CARE ACT OF 2006

On December 20, 2006, President Bush signed the Tax Relief and Health Care Act of 2006. Title III of Division A of the Act, sections 301 through 307, contains provisions relating to Health Savings Accounts (HSAs). These provisions are summarized below.

Rollovers: Rollovers may be made into HSAs from flexible spending accounts (FSAs) and health reim-

bursement arrangements (HRAs). This opportunity is available through 2011.

Contribution Limits: The maximum annual HSA contribution for 2007 is \$2,850 for an individual with self-only coverage and \$5,650 for an individual with family coverage, even if this exceeds the applicable deductible. For a newly eligible individual, the annual maximum need no longer be prorated for the number of months of participation in the initial year. The dollar amounts will be indexed for inflation.

Other Changes: Certain FSA coverage is disregarded in determining the allowable HSA contribution; the Act allows a one-time trustee-to-trustee transfer from an IRA to an HSA; and the Act modifies the comparability rules to allow greater employer contributions for non-highly compensated employees. ■

2006 LAW STUDENT TAX CHALLENGE WINNERS

The Tax Section congratulates the Young Lawyers Forum and the participants in the 2006 Law Student Tax Challenge competition. The top six J.D. teams and the top four LL.M. teams traveled to Florida to compete in the oral rounds at the Section's Midyear Meeting, and the following winners and their coaches were honored at a reception during the meeting.

J.D. DIVISION:

- **1st Place:** Jason Maus and Julie Ann Camden, Michigan State University Law School; Michelle LaForest Halloran, coach.

- **2nd Place:** Sarah Pendergraft and Jason McIntosh, University of Virginia School of Law; Michael Doran, coach.
- **3rd Place:** Jody Beilke and Martha Krohe, Northern Illinois University College of Law; Dan Schneider, coach.
- **Best Written Submission:** Joseph Myszka and Bonnie Wright, Santa Clara University School of Law; Jack Bogdanski, coach.

LL.M. DIVISION:

- **1st Place:** Matt McNeill and Stacey Olson, Loyola Law School; Jennifer Kowal, coach.

- **2nd Place:** Megan Stombeck and James Saling, Georgetown University Law Center.
- **Best Written Submission:** Matt McNeill and Stacey Olson, Loyola Law School; Jennifer Kowal, coach.

The Law Student Tax Challenge (LSTC) is a national tax planning competition sponsored by the Section's Young Lawyers Forum and is designed to reflect everyday tax practice more accurately than traditional moot court competitions. In the competition's six year history, the LSTC has become one of the largest tax competitions for law students in the United States. For more information about this program, go to: www.abanet.org/tax/lstc.