



OFFICE OF THE CHIEF COUNSEL

DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, DC 20224

November 14, 2024

Number: **2024-0020**

Release Date: 12/27/2024

CONEX-118949-24

UIL: 213.05-10

The Honorable Elizabeth Warren  
United States Senator  
2400 JFK Federal Building  
15 New Sudbury Street  
Boston, MA 02203

Attention:

Dear Senator Warren:

I am writing in response to your October 1, 2024, inquiry on behalf of your constituent, . contacted your office on September 27, 2024, with a question about IRS Publication 502.

wrote in her letter that her mother died with funds in her Health Reimbursement Arrangement (HRA) account. She said that her mother met the qualifications of IRS Publication 502 for long-term care as a valid medical expense. In addition, she said that the HRA administrator had told her that the long-term care expenses are valid tax deductions, but only the "nursing services" part of her mother's medical expenses are valid for HRA reimbursement. Also, she noted that the HRA administrator denied the claim for the full monthly cost of her mother's long-term care. Although we cannot comment specifically on situation, we can provide you with general information on how HRA reimbursements work under the Internal Revenue Code (Code).

An employer may set up and fund an HRA for the benefit of its employees. An HRA may provide for reimbursement of expenses for "medical care," as defined under section 213(d)(1) of the Code.

Section 213(a) provides that a deduction is allowed for medical care expenses, not compensated for by insurance or otherwise, that are for medical care of the taxpayer, his or her spouse, or a dependent if they exceed 7.5 percent of adjusted gross income.

CONEX-118949-24

Section 213(d)(1), in relevant part, defines medical care to include amounts paid for qualified long-term care services.

Section 7702B(c)(1) defines “qualified long-term care services” as necessary diagnostic, preventative, therapeutic, curing, treating, mitigating, and rehabilitative services, and maintenance or personal care, which are required by a chronically ill individual, and are provided under a plan of care prescribed by a licensed health care practitioner.

Section 7702B(c)(2) provides that an individual is chronically ill, if within the previous 12 months, a licensed health care practitioner has certified that the individual meets either of the following descriptions.

1. The individual is unable to perform at least two activities of daily living without substantial assistance from another individual for at least 90 days, due to a loss of functional capacity. Activities of daily living are eating, toileting, transferring, bathing, dressing, and continence.
2. The individual requires substantial supervision to be protected from threats to health and safety due to severe cognitive impairment.

Section 7702B(c)(3) provides that “maintenance or personal care services” is care that primarily provides a chronically ill individual with the help they need with their disabilities (including protection from threats to health and safety due to severe cognitive impairment).

The terms of an HRA plan may limit which medical care expenses may be reimbursed from the plan.

I hope this information is helpful. Please contact me at \_\_\_\_\_ or \_\_\_\_\_, General Attorney (Tax), Identification Number \_\_\_\_\_, at \_\_\_\_\_, if you have questions or would like to discuss further.

Sincerely,

SCOTT W. VANCE  
Associate Chief Counsel  
(Income Tax & Accounting)  
Office of Chief Counsel  
Internal Revenue Service