

Information Required for HSA Tax Purposes

This document is provided to assist you with collection of materials necessary for completion of tax filings each year as they relate to your HSA. We recommend that you print this form and attach it to the front of a folder/file.

Each of the following documents will be needed to complete IRS Form 8889.

- W-2** (If an employer contributed to your HSA or you contributed through a cafeteria plan to your HSA, these will appear in Box 12 with a “W”)
- Calendar Year Account Statements and Year End Account Summary** (if available)
A Year-End Account Summary usually indicates items such as: beginning and ending balance; fees, earnings, contributions, and distributions for the year. If you contributed directly to the HSA or others did for you, you can verify the amount by adding all of the contributions and deducting the amount of employer contributions listed on the W-2. Direct contributions can be deducted on the IRS Form 1040. Your contributions made through a cafeteria plan show up on the W-2 as employer contributions and cannot be deducted by you on the IRS Form 1040.
- 1099-SA** (Usually provided by the financial institution by January 31st) The 1099-SA provides the amount of distribution from the HSA plus any excess contributions and related earnings from the prior and/or current tax years that were distributed in the current tax year. If you transferred or rolled over HSA funds from one financial institution to another in this tax year, you will have multiple 1099s. The information will need to be added together for filing purposes.
- IRS Form 8889** (Download <http://www.irs.gov/pub/irs-pdf/f8889.pdf> and instructions <http://www.irs.gov/pub/irs-pdf/i8889.pdf>)
- IRS Form 5498-SA** (Usually provided by the financial institution in late May of the following year.) This form will include contributions made during the tax year and those made for the tax year prior to that year’s tax filing deadline date.

Materials Required for Distributions:

If you have distributions from your HSA, you will need itemized bills and receipts totaling the amount shown. If you do not have sufficient receipts for qualified expenses, you will be taxed on the amount and subject to the 10% penalty (unless you are age 65 or over).

Organizational Tip:

To assist you with organization of the necessary materials for this section and a potential audit, consider placing copies of all account statements for the calendar year; all health insurance carrier Explanation of Benefits forms indicating the amount the plan paid and the patient responsibility; itemized bills from doctors and hospitals; and itemized receipts from other qualified distributions in this folder. If you are audited you will need a copy of the bill showing the services (not a balance due bill) as well as whatever materials indicate the portion of the amount that is your responsibility.

Once you take a distribution from your account, attach the corresponding bills, explanation of benefits forms, and receipts to the account statement showing the distribution. If you decide not to take a distribution for the qualified expense in the year the service was received or the product was purchased, simply move the related materials to the next year’s folder. Receipts can be moved forward from year to year until you decide to take the distribution. These materials are not sent to the IRS with your return; however, they should be maintained with your copy of the filed tax documents in case of an audit.