



HAS, PTC, etc.

Today's Topics

- HSA (Health Savings Account)
 - HSA Deduction
 - 5498-SA
 - HSA Distributions
 - 1099-SA
- PTC (Premium Tax Credit)
 - Premium Tax Credit
 - Premium Tax Credit payback
 - 1095-A

HSA Deduction

- Can deduct the amount contributed to the HSA during the year (this can be anyone other than the employer)
 - Family \$7,300
 - Individual \$3,650
 - Additional \$1,000 for over 55
- Cannot deduct employer contribution (this will be shown on the W-2 in box 12 code W)

HSA Deduction-5498-SA

2727 VOID CORRECTED

| | | | | |
|--|-------------------|--|---|--|
| TRUSTEE'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number | | 1 Employee or self-employed person's Archer MSA contributions made in 2022 and 2023 for 2022 \$ | OMB No. 1545-1518 2022 Form 5498-SA | HSA, Archer MSA, or Medicare Advantage MSA Information |
| | | 2 Total contributions made in 2022 \$ | | |
| TRUSTEE'S TIN | PARTICIPANT'S TIN | 3 Total HSA or Archer MSA contributions made in 2023 for 2022 \$ | | Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2022 General Instructions for Certain Information Returns. |
| PARTICIPANT'S name | | 4 Rollover contributions \$ | 5 Fair market value of HSA, Archer MSA, or MA MSA \$ | |
| Street address (including apt. no.) | | 6 HSA <input type="checkbox"/> | | |
| City or town, state or province, country, and ZIP or foreign postal code | | Archer MSA <input type="checkbox"/> | | |
| Account number (see instructions) | | MA MSA <input type="checkbox"/> | | |

Form 5498-SA Cat. No. 38467V www.irs.gov/Form5498SA Department of the Treasury - Internal Revenue Service
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HSA Distribution

- This is money that is taken out of the HSA
- If it is used for qualified medical expenses it is not taxable
- If is it used for non qualified medical the portion not used for medical is taxable

Qualified Medical expenses

- The same expense allowed for Schedule A (Itemized Deduction expenses) (See Pub 4012 pg F-6) except for:
 - Health Insurance premiums are not qualified unless it is for Long-term care, a COBRA plan, Health coverage while not employed, and Medicare for over 65)
 - Can deduct the following that are not allowed on Schedule A
 - Menstrual products
 - Over-the Counter medications
 - Person Protective equipment
 - Home Covid tests

HSA Distribution-1099-SA

9494 VOID CORRECTED

| | | | |
|--|-----------------|--|----------------------------------|
| TRUSTEE'S/PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number | | OMB No. 1545-1517 Form 1099-SA (Rev. November 2019) For calendar year 20 | |
| PAYER'S TIN | RECIPIENT'S TIN | 1 Gross distribution \$ | 2 Earnings on excess cont. \$ |
| RECIPIENT'S name | | 3 Distribution code | 4 FMV on date of death \$ |
| Street address (including apt. no.) | | 5 HSA <input type="checkbox"/> Archer MSA <input type="checkbox"/> MA MSA <input type="checkbox"/> | |
| City or town, state or province, country, and ZIP or foreign postal code | | | |
| Account number (see instructions) | | | |

Copy A
For Internal Revenue Service Center File with Form 1096.
For Privacy Act and Paperwork Reduction Act Notice, see the current General Instructions for Certain Information Returns.

Form **1099-SA** (Rev. 11-2019) Cat. No. 38471D www.irs.gov/Form1099SA Department of the Treasury - Internal Revenue Service

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Form 8889 - Health Savings Account

CANCEL

CONTINUE

Form belongs to:

- Taxpayer **1**
- Spouse

Coverage under high deductible health plan. If you are no longer covered under a plan, please select your previous type of coverage *

- Please Select - **2**

HSA Contributions

HSA Contributions you made for 2020

* INCLUDE contributions made from Jan 1 to Apr 15 of this year that were for 2020.
* DO NOT INCLUDE employer contributions, contributions through a cafeteria plan, or amounts that were rolled over into your HSA(s).

\$ **3**

Number of months during this tax year that you were an eligible individual

- Please Select - **4**

Amount you and your employer contributed to your **Ancher MSAs** for 2020 from **Form 8853**, lines 3 and 4. If you and your spouse had family coverage under an HDHP at any time during the tax year, also include any amount contributed to your spouse's **Ancher MSA**.

\$ Out of scope

Amount to Adjust Employer Contributions made to your HSA(s) for 2020

We will automatically pull your employer contributions from your W-2. DO NOT enter amounts from your W-2.


\$

Qualified HSA Funding Distributions from IRA or ROTH IRA

\$ Out of scope

1 Add a second Form 8889 if taxpayer and spouse have separate HSAs.

2 Select the appropriate HDHP coverage for the taxpayer: Self-only or family. This determines the maximum HSA contribution limits.

 *Use family coverage amount if taxpayer or spouse had an HDHP with family coverage.*

The Check here if you and your spouse have separate HSAs box will appear when family coverage is selected. Check the box if BOTH spouses have a separate HSA.

3 Employee contributions are entered here. Contributions by relatives and friends are considered to be made by taxpayer. Don't include employer contributions on this line. The account holder needs to tell you how much was put in the HSA, because the Form 5498-SA may not have been received prior to preparing the return.

4 Enter number of months you had a Health Savings Account, a high deductible policy and no other major medical policy (including Medicare) and could not be claimed as dependent. Enter "12" if "12 month rule" applies (you were eligible on December 1st).

HSA Distributions

Total distributions received during 2020 from all HSAs.
(Usually shown in Box 1 of Form(s) 1099-SA)

\$ 1

Distributions used for qualified medical expenses

* If you do not enter an amount here your entire distribution will be considered taxable.

\$ 2

Distributions you received in 2020 that you rolled over into another HSA. Also include any excess contributions (and the earnings on those excess contributions) included above that were withdrawn by the due date of your return.

\$ 3

Exceptions - The additional 20% tax does not apply to distributions made after the account beneficiary dies, becomes disabled, or turns age 65.

Check here if you meet any of the exceptions to the 20% tax. 4

HSA Adjustments 5

Limitation - Adjust amount of limitation from worksheet (entries here carry to Line 3 of 8889)

Note: This amount will adjust a calculated amount.

\$ 6

Adjust your share of high-deductible health plan. If you and your spouse had separate HSAs AND had family coverage under an HDHP see Page 4 of the Instructions for the amount to enter.

Note: This amount will adjust a calculated amount.

\$ 7

If you were age 55 or older at the end of the tax year, married, AND you or your spouse had family coverage under an HDHP at any time during the year, enter your Additional Contribution Amount. (entries here carry to Line 7 of 8889)

Note: This amount will adjust a calculated amount.

\$ 8


7 If both taxpayer and spouse had an HSA and taxpayers wish to split the limitation amount, enter the limitation amount for this account.

8 An entry is not needed in the age 55 or older box. This is a calculated amount.

1 Enter HSA distributions here. Ask the taxpayer for Form 1099-SA, with the HSA box checked. If not an HSA distribution, refer the taxpayer to a professional tax preparer.

2 Enter amount spent on qualifying expenses not reimbursed by insurance. See list below.

3 Form 8889 will calculate the amount of excess contributions, if any.

 If the excess contributions and earnings are not withdrawn by the due date of the return, including extensions, then the return is out of scope.

4 If the taxpayer meets one of exceptions to the 20% additional tax, check this box. The exceptions are that the account beneficiary dies, becomes disabled, or turns age 65.

5 If no adjustments to calculated amounts are needed, stop here.

6 If both taxpayer and spouse had an HSA for the whole year, enter \$7,300 in 1st adjustment box. If account owner had changes in coverage or eligibility during the year, use the worksheet in the Instructions for Form 8889 to calculate the adjustment.

Premium Tax Credit

- A credit to assist individuals in paying the premiums for their health insurance they purchased through the Marketplace
- When individuals apply for Marketplace insurance they have to enter information regarding their income and how many people they want coverage and if they have an affordable option from their employer
- They will get the premium tax credit if their income is under a certain limit and that they do not have another affordable option
- When they apply for their Marketplace insurance an estimated Premium Tax Credit will be generated to deduct from the original premiums based on the information they put in
- They will receive a 1095-A
- We will have to a Premium Tax Credit Reconciliation on Form 8962 to determine if they received the correct amount of the premium tax credit

1095-A

Form **1095-A** Health Insurance Marketplace Statement VOID CORRECTED OMB No. 1545-0047
Department of the Treasury Internal Revenue Service **2022**
Do not attach to your tax return. Keep for your records. Go to www.irs.gov/Forms/1095-A for instructions and the latest information.

Part I Recipient Information

| | | | |
|-----------------------------|--------------------------------------|---|--|
| 1 Marketplace identifier | 2 Marketplace-assigned policy number | 3 Policy issuer's name | |
| 4 Recipient's name | 5 Recipient's SSN | 6 Recipient's date of birth | |
| 7 Recipient's spouse's name | 8 Recipient's spouse's SSN | 9 Recipient's spouse's date of birth | |
| 10 Policy start date | 11 Policy termination date | 12 Street address (including apartment no.) | |
| 13 City or town | 14 State or province | 15 Country and ZIP or foreign postal code | |

Part II Covered Individuals

| A. Covered individual name | B. Covered individual SSN | C. Covered individual date of birth | D. Coverage start date | E. Coverage termination date |
|----------------------------|---------------------------|-------------------------------------|------------------------|------------------------------|
| 16 | | | | |
| 17 | | | | |
| 18 | | | | |
| 19 | | | | |
| 20 | | | | |

Part III Coverage Information

| Month | A. Monthly enrollment premiums | B. Monthly second lowest cost silver plan (SLCSP) premium | C. Monthly advance payment of premium tax credit |
|------------------|--------------------------------|---|--|
| 21 January | | | |
| 22 February | | | |
| 23 March | | | |
| 24 April | | | |
| 25 May | | | |
| 26 June | | | |
| 27 July | | | |
| 28 August | | | |
| 29 September | | | |
| 30 October | | | |
| 31 November | | | |
| 32 December | | | |
| 33 Annual Totals | | | |

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 607092 Form 1095-A (2022)

Form **8962**

Premium Tax Credit (PTC)

OMB No. 1545-0046

Department of the Treasury
Internal Revenue Service

Attach to Form 1040, 1040-SR, or 1040-NR.
Go to www.irs.gov/form8962 for instructions and the latest information.

22
OMB Rev. 03-18-10
Signature required on Form 73

Enter your tax return year. If you file a return for a year that is not a tax year, enter the year for which you are claiming the credit. See instructions. If you qualify, check the box.

Part I Annual and Monthly Contribution Amount

| | | | |
|----|---|----|---|
| 1 | Tax family size. Enter your tax family size. See instructions. | | 1 |
| 2a | Modified AGI. Enter your modified AGI. See instructions. | 2a | |
| 2b | Enter the total of your dependents' modified AGI. See instructions. | 2b | |
| 3 | Household income. Add the amounts on lines 2a and 2b. See instructions. | 3 | |
| 4 | Federal poverty line. Enter the federal poverty line amount from Table 1-1, 1-2, or 1-3. See instructions. Check the appropriate box for the federal poverty table used: a. <input type="checkbox"/> Alaska b. <input type="checkbox"/> Hawaii c. <input type="checkbox"/> Other 48 states and DC | 4 | |
| 5 | Household income as a percentage of federal poverty line (see instructions) | 5 | % |
| 6 | Reserved for future use | | |
| 7 | Applicable figure. Using your line 5 percentage, locate your "applicable figure" on the table in the instructions. | 7 | |
| 8a | Annual contribution amount. Multiply line 7 by line 1. Round to nearest whole dollar amount. | 8a | |
| 8b | Monthly contribution amount. Divide line 8a by 12. Round to nearest whole dollar amount. | 8b | |

Part II Premium Tax Credit Claim and Reconciliation of Advance Payment of Premium Tax Credit

9 Are you allocating policy amounts with another taxpayer or do you want to use the alternative calculation for year of marriage? See instructions.
 Yes. Skip to Part IV, Allocation of Policy Amounts, or Part V, Alternative Calculation for Year of Marriage. No. Continue to line 10.
10 See the instructions to determine if you can use line 11 or must complete line 12 through 23.
 Yes. Continue to line 11. Compute your annual PTC. Then skip lines 12-23.
 No. Continue to lines 12-23. Compute your monthly PTC and continue to line 24.

| 11 Annual Calculation | (a) Annual maximum premium (Form 1095-A, line 20A) | (b) Annual applicable (RDP) premium (Form 1095-A, line 20B) | (c) Annual contribution amount (line 8a) | (d) Annual maximum premium available (add line 8b to zero or less, enter -0) | (e) Annual premium tax credit allowed (smallest of (a) or (b), (c) or (d), or (e)) | (f) Annual advance payment of PTC (Form 1095-A, line 20C) |
|-----------------------|--|---|--|--|--|---|
| 12 JANUARY | | | | | | |
| 13 FEBRUARY | | | | | | |
| 14 MARCH | | | | | | |
| 15 APRIL | | | | | | |
| 16 MAY | | | | | | |
| 17 JUNE | | | | | | |
| 18 JULY | | | | | | |
| 19 AUGUST | | | | | | |
| 20 SEPTEMBER | | | | | | |
| 21 OCTOBER | | | | | | |
| 22 NOVEMBER | | | | | | |
| 23 DECEMBER | | | | | | |

24 Total premium tax credit. Enter the amount from line 11 (a) or add lines 12(a) through 23(a) and enter the total here. 24
25 Advance payment of PTC. Enter the amount from line 11 (f) or add lines 12(f) through 23(f) and enter the total here. 25
26 Net premium tax credit. If the 24 is greater than the 25, subtract line 25 from line 24. Enter the difference here and on Schedule 2 (Form 1040), line 9. If line 24 equals line 25, enter -0. Stop here. If line 25 is greater than line 24, enter the tax credit you can claim on line 27.

Part III Repayment of Excess Advance Payment of the Premium Tax Credit

27 Excess advance payment of PTC. If the 25 is greater than line 24, subtract line 24 from line 25. Enter the difference here. 27
28 Repayment limitation (see instructions). 28
29 Excess advance premium tax credit repayment. Enter the smaller of line 27 or line 28 here and on Schedule 2 (Form 1040), line 2. 29

For Paperwork Reduction Act Notice, see your tax return instructions. Cat. No. 57705Z Form **8962** (2012)

Entering the 1095-A

- If the premiums are the same the whole year you can enter the totals
- If there is a change enter each month in separately
 - If more than one 1095-A add the two together
 - If some of the months don't have amounts enter 0
- If the taxpayer over estimated their income when applying for health insurance they will receive more Premium Tax Credit
- If they taxpayer under estimated their income when applying for health insurance they will have to pay some of the Premium Tax Credit back

Resources

- 1095-A Instruction
 - <https://www.irs.gov/pub/irs-pdf/i1095a.pdf>
- Form 8962
 - <https://www.irs.gov/pub/irs-pdf/i8962.pdf>
- Link and Learn
 - https://apps.irs.gov/app/vita/content/02s/02_01_005.jsp?!level=advanced
- Pub 4491
 - <https://www.irs.gov/pub/irs-pdf/p4491.pdf>
- 1040 Tax Guide
 - <https://www.irs.gov/pub/irs-pdf/p17.pdf>

