



Screening Sheet for Health Savings Accounts (HSA)

Instructions: This Screening Sheet will help you identify HSA issues that are within the scope of the VITA/TCE program. Use the Determine HSA Eligibility section to determine if taxpayer is eligible for an HSA; use Part I for contributions/ deduction; use Part II for distributions. **References:** Publication 969, Form 8889 and Instructions

Determine HSA Eligibility (To set up an HSA or make contributions to an HSA)

To qualify: An individual must meet **all** the following requirements:

- Be covered under a high deductible health plan (HDHP) on the first day of any month of the year.
- Have no other health coverage except for allowable “other health coverage.” (Publication 969, “Other health coverage”)
- Not be claimed as a dependent on someone else’s tax return. (Publication 969, “Qualifying for an HSA”)
- Not be covered by Medicare (but the individual can be HSA eligible for the months before being covered by Medicare)

Note: If the taxpayer doesn’t qualify, but contributions have been made to an HSA, the taxpayer should be referred to a professional tax preparer.

PART I – HSA Contributions and Deduction

STEP 1

If eligible, were contributions made to an HSA? (Does not include employer contributions.)

YES – Complete Form 8889, Part I, lines 1 and 2. Go to Step 2.

NO – Go to Part II, below.

STEP 2

Was the taxpayer enrolled in the same HDHP coverage for the **entire** year?

(Answer Yes, if last-month rule applies, and see Form 8889 Instructions)

Caution: If line 2 is more than line 13, the taxpayer must withdraw the excess contribution to avoid an additional tax. If the excess is not timely withdrawn, refer the taxpayer to a professional tax preparer. (Refer to Form 8889 Instructions, line 13).

For **YES** and **NO**: Complete Form 8889, Part I, lines 3-13. **Lines 4 and 10 are Out of Scope.**

NO – Refer to Form 8889 instructions for additional information on completing line 3.

PART II – HSA Distributions

STEP 1

Did the taxpayer receive distributions from the HSA trustee (whether or not Form 1099-SA received)?

YES – Complete Form 8889 Part II, Line 14a, 14b, if applicable, and 14c. Go to Step 2.

NO – STOP, do not complete Part II.

STEP 2

Did the taxpayer use all or part of the distribution to pay or get reimbursed for qualified medical expenses during the year that were incurred after the HSA was established and were for qualified persons?

YES – Enter the amount on line 15 and complete line 16. Go to Step 3.

NO – Enter zero on line 15 and complete line 16. Go to Step 3.

STEP 3

If any part of the distribution is taxable, was the distribution made after the taxpayer died, became disabled or turned 65?

YES – Check box on line 17a and complete 17b.

NO – Taxpayer will be subject to an additional 20% tax.