

Summary of Archer MSAs

Department of the Treasury
Internal Revenue Service

▶ For Paperwork Reduction Act Notice, see back of form.

2002

| | |
|-------------------------------|--------------------------------|
| Trustee's or custodian's name | Employer identification number |
|-------------------------------|--------------------------------|

Number, street, and room or suite no.

| | |
|---------------------------|-----------------------------|
| City, state, and ZIP code | Telephone number () |
|---------------------------|-----------------------------|

a This report is for the period **January 1, 2002, through June 30, 2002.**

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|--|--|--|
| b Total number of Archer MSAs (see instructions). ▶ | c Total number of previously uninsured account holders (see instructions) . . ▶ | d Total number of excludable account holders (see instructions) . . . ▶ |
|--|--|--|

| | Name of Account Holder (Last name, first name, and middle initial) | Social Security Number | Check if Previously Uninsured | Check if Excludable |
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General Instructions

Section references are to the Internal Revenue Code.

A Change to Note

The Job Creation and Worker Assistance Act of 2002 (Public Law 107-147) requires the filing of Form 8851 by trustees for 2002. See **When To File** below.

Purpose of Form

Use this form to report the total number of Archer MSAs you established, the total number of previously uninsured account holders, the total number of excludable account holders, and the names and social security numbers (SSNs) of account holders. The report will be used to furnish information about Archer MSAs to Congress and to determine when the maximum number of Archer MSAs allowed by law (750,000, excluding previously uninsured account holders) is reached.

Who Must File

File Form 8851 if you are the trustee or custodian of an Archer MSA. A trustee or custodian may be a bank or similar financial institution, an insurance company, or any other person approved by the IRS as a trustee or custodian of an individual retirement arrangement (IRA).

When To File

File Form 8851 by August 1, 2002, to report Archer MSAs established for 2002 from January 1, 2002, through June 30, 2002.

How To File

If you are required to report 250 or more Archer MSAs, you must file on magnetic media or electronically. If you are required to report fewer than 250 Archer MSAs, you may file on paper, but you are strongly encouraged to file on magnetic media or electronically. See Rev. Proc. 2001-31, 2001-20 I.R.B. 1170; and Announcement 2002-52, 2002-19 I.R.B. 919. For information on filing magnetically/electronically, call toll free 1-866-455-7438. If you file magnetically or electronically, you must complete Form 8851 above line **a** (trustee's or custodian's information) and send or transmit it to the IRS. See Part A, Section 4, of Rev. Proc. 2001-31.

Where To File

Send Form 8851 to:

IRS—Martinsburg Computing Center
Information Reporting Program
Attn: 8851 Coordinator
240 Murall Drive
Kearneysville, WV 25430

Definitions

Archer MSA. An Archer MSA is a trust created or organized in the United States as a medical savings account exclusively for the purpose of paying the qualified medical expenses of the account holder or the account holder's spouse or dependent, in conjunction with a high deductible health plan.

High deductible health plan. A high deductible health plan for 2002 is a health plan—

1. For self-only coverage, that has an annual deductible between \$1,650 and \$2,500 or, for family coverage, between \$3,300 and \$4,950, and
2. The annual out-of-pocket expenses required to be paid under the plan (other than for premiums) for covered benefits does not exceed—
 - \$3,300 for self-only coverage and
 - \$6,050 for family coverage.

Previously uninsured account holder. An account holder is considered to be previously uninsured if the account holder's coverage under a high deductible health plan did not begin before July 1, 1996, and

- For self-only coverage, the account holder had no health plan coverage at any time during the 6-month period before coverage under the high deductible health plan began or
- For family coverage, both the account holder and the account holder's spouse had no health plan coverage at any time during the 6-month period before coverage under the high deductible health plan began.

If an account holder has family coverage and either the account holder or the account holder's spouse was insured at any time during the 6-month period before coverage under the high deductible health plan began or the coverage began before July 1, 1996, the account holder is **not** considered **previously uninsured**.

An account holder is considered previously uninsured even if the account holder had any health plan coverage listed below.

1. Insurance, if substantially all the coverage provided under such insurance relates to:
 - Liabilities incurred under workers' compensation laws,
 - Tort liabilities, or
 - Liabilities relating to ownership or use of property.
2. Insurance for a specified disease or illness.
3. Insurance paying a fixed amount per day (or other period) of hospitalization.
4. Coverage (whether through insurance or otherwise) for accidents, disability, dental care, vision care, or long-term care.

Excludable account holder. A married account holder is considered an excludable account holder if **all three** of the following apply.

1. The account holder is **not** considered previously uninsured.
2. The account holder opens an Archer MSA.
3. The account holder's spouse has or had an Archer MSA and was **not** considered previously uninsured.

If you simultaneously open an Archer MSA for a husband and an Archer MSA for his wife and neither is considered previously uninsured, treat either the husband or the wife, but not both, as an excludable account holder.

Specific Instructions

Line b. Enter the total number of Archer MSAs you established during the period covered by this Form 8851. This includes all Archer MSAs opened, even those for previously uninsured or excludable account holders.

- Do not include Medicare+Choice MSAs.
- Do not count in box **b** or report on Form 8851 any Archer MSA established by a rollover from another Archer MSA.
- Do not count in box **b** any Archer MSA established in 2002 for 2001. For example, do not count an Archer MSA opened on January 23, 2002, for 2001.

Line c. Enter the total number of previously uninsured Archer MSA holders. See **Previously uninsured account holder** above.

Line d. Enter the total number of excludable Archer MSA holders. See **Excludable account holder** above. An Archer MSA holder cannot be both previously uninsured and excludable. If you counted an Archer MSA holder on line **c**, do not count that holder on line **d**.

Lines 1–20. Enter each Archer MSA holder's name and SSN. If the account holder is either previously uninsured or excludable, check the appropriate box. **Do not** check both boxes for one account holder. Attach additional sheets if necessary.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. Section 220(j) requires Archer MSA trustees or custodians to report certain information.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

- Recordkeeping** 3 hr., 35 min.
- Learning about the law or the form** 6 min.
- Preparing, copying, assembling, and sending the form to the IRS** 9 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Tax Forms Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001. **Do not** send the form to this address. Instead, see **Where To File** above.

