



Commonly Asked Questions about the Form 1099-SA

Enclosed is your Form 1099-SA from JPMorgan Chase Bank, N.A. ("Chase"). Chase is the custodian or sub-custodian of your HSA. This form reports distributions from your HSA. If you have any additional questions about your HSA distributions, contact HSA Customer Service at 866-524-2483. This tax statement is also available online through the secure HSA website.

Q. Why did I receive Form 1099-SA?

A. The IRS requires Chase to issue Form 1099-SA if you made a distribution from your HSA during 2011. We will also send this information to the IRS. You can find your tax statements on-line. Log into your HSA and select the Statements tab.

Q. Do I have to report information on Form 1099-SA on my federal income tax return?

A. Yes. You must report distributions from your HSA on IRS Form 8889. You must file this form with your annual income tax return. Please speak with your tax advisor if you need help with this form. Links to forms and other external websites that support the tax filing process are available in the Tools and Resources section of the HSA site.

Q. Are HSA distributions taxable?*

A. Distributions made for *qualified medical expenses* are not taxable. Examples of qualified medical expenses include doctors' fees, prescription medicines and hospital services not paid for by insurance. These can be for you, your spouse and your tax dependents.

Distributions made for *non-qualified medical expenses* are generally taxable. They may also be subject to an additional tax of 20%. If you were disabled or age 65 or older at the time of the distribution, then you would not have to pay the tax penalty. You would still have to pay income taxes.

Note: You can find additional information about qualified medical expenses in IRS Publication 969, which is available by logging into your HSA account and navigating to the Tools and Resources page, or at www.irs.gov.

Q. What medical receipts and records should I keep?

A. You should keep all receipts and records for qualified medical expenses paid with your HSA funds. Keep these for your own records. You do not need to send them to Chase.

Q. Why do I need to keep receipts and records?

A. You should keep receipts and records in case the IRS asks for them. The IRS may ask you for proof that you used your HSA funds to pay for qualified medical expenses.

Q. What is included in Box 1?

A. Box 1 of the 1099-SA reports the total distributions made from your HSA in 2011. Distributions include any purchase or withdrawal using HSA funds. It also includes cash withdrawals at ATMs. If any excess contributions and associated earnings were distributed, they are also included.

Q. What is the distribution code?

A. The distribution code represents the particular type of distribution made from the HSA. The most common distribution code is "1". This is a normal distribution. A normal distribution means that the funds were withdrawn with the debit card, checks or on-line bill payment. Other codes are for specific types of distributions. These would include a distribution for an excess contribution or a distribution to a beneficiary in the event of a death or disability. A complete list is in the bottom half of your Form 1099-SA.

Q. What is included in Box 2?

A. Box 2 of Form 1099-SA reports any earnings on excess contributions. This box includes any excess contributions you withdrew from your account. Also included are interest or investment earnings that are attributable to the funds that were withdrawn.

Q. Where can I get more tax information about my HSA?

A. You may log in to your HSA and view your tax statements by navigating to the Statements tab and selecting Tax Statements. In addition, links to forms and other external websites are available in the Tools and Resources section of the site.

Additional Information

For more information on qualified medical expenses, you can refer to IRS Publication 502 "Medical and Dental Expenses" or IRS Publication 969 "Health Savings Accounts and Other Tax-Favored Health Plans." You may be required to complete IRS Form 8889, which is also available online by logging into to your HSA account and selecting the Tools and Resources page, or on the IRS website, www.irs.gov. Please consult your tax advisor, or call the IRS help line at 1-800-Tax-1040 (1-800-829-1040) for assistance.

*State rules vary and you should check the tax return instructions provided by your state to determine the appropriate state and local tax treatment of HSA distributions.

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