STERLING HSA®

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Sterling Guide to Tax Related HSA Questions

Sterling HSA provides the following information to help guide you in preparation of your tax return as it pertains to your HSA account with us. It is important to remember, however, that Sterling does not give tax advice, so please consider these as informed guidelines. Specific tax questions should be referred to your CPA or tax preparer.

The following outlines various tax documents that you may receive and the purpose of each, especially regarding information on your HSA:

Form W-2 is a form that employers file with the IRS to report on wages and benefits given to employees. All employer contributions to an employee's HSA account are recorded on form W-2 in Box 12, code W. Please note that an employee's contributions through a POP or cafeteria plan are also reported by the employer on form W-2 in Box 12, code W.

For employees residing in California, New Jersey, Wisconsin and Alabama, note that Form W-2 should also reflect HSA contributions in the box designating wages for state income purposes. These states do not recognize HSA accounts as tax-advantaged accounts.

Form 5498-SA is a form that Sterling generates and mails to our accountholders in early May of every year. We send an electronic version of this report to the IRS by May 31. We report the contributions made to the HSA account, regardless of who made the contribution.

Form 1099-SA is a form that Sterling generates and mails to our accountholders in January of every year. We also send an electronic version of this report to the IRS. We report distributions made from the HSA account as requested by the accountholder.

Form 8889 is a form that the taxpayer must complete and send to the IRS along with their 1040 tax return. The form should reflect contributions (deposits) and distributions (payments) to/from the HSA account. Our accountholders can use their year-end statement from Sterling HSA to complete this form, unless they plan to make additional contributions before April 15, 2009. If additional contributions are made, the accountholder will need to include that information as well.

In addition to the information included in the documents detailed above, Sterling accountholders may also be able to deduct the fees paid to Sterling from their tax return. This depends upon the taxpayer's financial situation and your tax preparer should be consulted.

If you have questions about the tax information you receive from Sterling, please contact Customer Service at customer.service@sterlinghsa.com or by calling 800-617-4729 Monday – Friday from 8 am to 6 pm Pacific time. Refer questions about your specific tax status and tax return preparation to your tax advisor. We cannot assist with this information.