

9494

VOID

CORRECTED

PAYER'S name, street address, city, state, and ZIP code		<b>2001</b>	OMB No. 1545-1517	
PAYER'S Federal identification number	RECIPIENT'S identification number		1 Gross distribution	2 Earnings on excess contributions
RECIPIENT'S name		\$	\$	<b>Copy A</b> <b>For</b> <b>Internal Revenue</b> <b>Service Center</b> <b>File with Form 1096.</b> For Privacy Act and Paperwork Reduction Act Notice, see the <b>2001 General</b> <b>Instructions for</b> <b>Forms 1099, 1098,</b> <b>5498, and W-2G.</b>
Street address (including apt. no.)		3 Distribution code	4 FMV on date of death	
City, state, and ZIP code		5 Medicare+Choice MSA . . . . <input type="checkbox"/>	\$	
Account number (optional)				

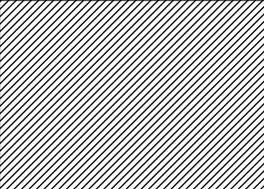
Form **1099-MSA**

Cat. No. 23114L

Department of the Treasury - Internal Revenue Service

**Do Not Cut or Separate Forms on This Page — Do Not Cut or Separate Forms on This Page**

CORRECTED (if checked)

PAYER'S name, street address, city, state, and ZIP code				OMB No. 1545-1517	
				<b>2001</b>	
		Form <b>1099-MSA</b>			
PAYER'S Federal identification number	RECIPIENT'S identification number	1 Gross distribution \$	2 Earnings on excess contributions \$	<b>Copy B For Recipient</b>  This information is being furnished to the Internal Revenue Service.	
RECIPIENT'S name  Street address (including apt. no.)  City, state, and ZIP code		3 Distribution code	4 FMV on date of death \$		
		5 Medicare+Choice MSA . . . . <input type="checkbox"/>			
Account number (optional)					

Form **1099-MSA**

(Keep for your records.)

Department of the Treasury - Internal Revenue Service

## Instructions for Recipient

Distributions from a medical savings account (MSA) or Medicare+Choice MSA (M+C MSA) are reported to recipients on Form 1099-MSA. You must file **Form 8853**, Medical Savings Accounts and Long-Term Care Insurance Contracts, with your Form 1040 to report a distribution from an MSA or M+C MSA even if the distribution is not taxable.

The payer is not required to compute the taxable amount of any distribution. An MSA distribution is not taxable if you used it to pay qualified medical expenses of the account holder and family or you rolled it over to another MSA. However, see **Box 2** below. If you did not use the MSA distribution for qualified medical expenses or you did not roll it over, you must include the distribution in your income on Form 8853, and you may owe a 15% penalty.

An M+C MSA distribution is not taxable if you used it to pay qualified medical expenses of the account holder only. However, if you did not use the M+C MSA distribution for qualified medical expenses, you must include the distribution in your income on Form 8853, and you may owe a 50% penalty if you did not maintain a minimum account balance.

For more information, see **Pub. 969**, Medical Savings Accounts (MSAs).

**Spouse beneficiary.** If you inherited an MSA or M+C MSA because of the death of your spouse, special rules apply. See Form 8853 and its instructions.

**Estate beneficiary.** If the MSA or M+C MSA account holder dies and the estate is the beneficiary, the fair market value (FMV) of the account on the date of death is includible in the account holder's gross income on the account holder's final income tax return.

**Nonspouse beneficiary.** If you inherited the MSA or M+C MSA from someone who was not your spouse, you must report as income on Form 8853 the FMV of the account on the date of death. Report the FMV on your tax return for the year the account owner died even if you received the distribution from the account in a later year. Any earnings on the account after the date of death (box 1 minus box 4) are taxable.

**Box 1.** Shows the amount you received this year. The amount may have been a direct payment to the medical service provider or distributed to you.

**Box 2.** Shows the earnings on any excess contributions you withdrew from an MSA by the due date of your income tax return. If you withdrew the excess, plus any earnings, by the due date of your income tax return, you must include the earnings in your income in the year you received the distribution even if you used it to pay qualified medical expenses. This amount is included in box 1.

**Box 3.** These codes identify the distribution you received:

1—Normal distribution

2—Excess contributions

3—Disability

4—Death distribution other than code 6

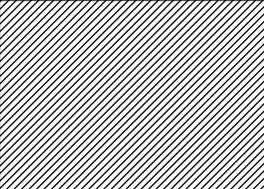
5—Prohibited transaction

6—Death distribution after year of death to a nonspouse beneficiary

**Box 4.** If the account holder died, shows the FMV of the account on the date of death.

**Box 5.** If this box is checked, the distribution was from a Medicare+Choice MSA.

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PAYER'S name, street address, city, state, and ZIP code			OMB No. 1545-1517
			2001
		Form <b>1099-MSA</b>	

**Distributions  
From an MSA or  
Medicare+Choice  
MSA**

PAYER'S Federal identification number	RECIPIENT'S identification number	1 Gross distribution \$	2 Earnings on excess contributions \$
RECIPIENT'S name  Street address (including apt. no.)  City, state, and ZIP code		3 Distribution code	4 FMV on date of death \$
		5 Medicare+Choice MSA . . . . <input type="checkbox"/>	
Account number (optional)			

**Copy C  
For  
Payer**

For Privacy Act and Paperwork Reduction Act Notice, see the **2001 General Instructions for Forms 1099, 1098, 5498, and W-2G.**

## Payers, Please Note—

To help make it easier for you to get only the information you need to complete the Forms 1099, 1098, 5498, and W-2G you file, we provide general and specific form instructions as separate products. The products you should use for 2001 are the **General Instructions for Forms 1099, 1098, 5498, and W-2G**, which contain general information concerning Form 1099-MSA and other forms in the 1099 series, and the separate specific instructions for each information return you file. Specific information needed to complete this form is given in the **2001 Instructions for Forms 1099-MSA and 5498-MSA**. A chart in the general instructions gives a quick guide to which form must be filed to report a particular payment. You can

order these instructions and additional forms by calling 1-800-TAX-FORM (1-800-829-3676). You can also get forms and instructions from the IRS's Internet Web Site at **www.irs.gov**.

**Caution:** *Because the IRS processes paper forms by machine (optical character recognition equipment), you cannot file with the IRS Forms 1096, 1098, 1099, or 5498 that you print from the IRS's Internet Web Site.*

**Due dates.** Furnish Copy B of this form to the recipient by January 31, 2002.

File Copy A of this form with the IRS by February 28, 2002. If you file electronically, the due date is April 1, 2002.

