



Announcement 97-10

The Health Insurance Portability and Accountability Act of 1996 added section 220 to the Internal Revenue Code to permit eligible individuals to establish medical savings accounts (MSAs). The Act also added Code section 6050Q, which requires any person paying long-term care or accelerated death benefits to report the aggregate benefits paid and certain other information. In addition, the Small Business Job Protection Act of 1996 added section 408(p), which allows individuals to establish Savings Incentive Match Plans for Employees of Small Employers (SIMPLE) retirement accounts.

To carry out the MSA provisions, the IRS developed three new forms: **Form 1099-MSA**, Distributions From Medical Savings Accounts, for trustees to report distributions from an MSA; Form 5498-MSA, Medical Savings Account Information, for trustees to report contributions to an MSA; and **Form 8851**, Summary of Medical Savings Accounts, for trustees to report the number of MSAs established.

For insurance companies and other payers to report the aggregate benefits paid and other information required under section 6050Q, the IRS developed **Form 1099-LTC**, Long-Term Care and Accelerated Death Benefits.

New Reporting for Medical Savings Accounts, Long-Term Care Accounts, and SIMPLE Retirement Accounts

The filing requirements for trustees and other payers are as follows:

If the Form Is	Then File With or Furnish to	By This Date
1099-MSA (Copy A)	IRS	March 2, 1998
1099-MSA (Copy B)	Recipient	February 2, 1998
Form 5498-MSA (Copy A)	IRS	June 1, 1998
Form 5498-MSA (Copy B)	Participant	June 1, 1998
Form 8851	IRS	June 2, 1997 (For MSAs established from Jan. 1—Apr. 30, 1997)
Form 8851	IRS	August 1, 1997 (For MSAs established from May 1—June 30, 1997)
Form 1099-LTC (Copy A)	IRS	March 2, 1998
Form 1099-LTC (Copy B)	Policyholder	February 2, 1998
Form 1099-LTC (Copy C)	Insured	February 2, 1998

Copy A of Forms 1099-MSA, 5498-MSA, and 1099-LTC are provided for your information. Form 8851 is also included. Printed forms are expected to be available in late February.

No new forms are required for trustees to report distributions from and

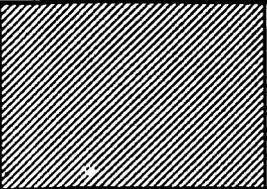
contributions to a SIMPLE. Trustees must report distributions from a SIMPLE on Form 1099-R and report contributions to a SIMPLE on Form 5498. The filing dates for Form 1099-R and Form 5498 will remain the same as in prior years. The 1997 versions of

these forms have been revised for reporting SIMPLEs. Printed copies of Forms 1099-R and 5498 can be obtained by calling 1-800-829-3676.

All the forms discussed above can be downloaded from the IRS's Internet Web Site at <http://www.irs.ustreas.gov>.

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PAYER'S name, street address, city, state, and ZIP code				OMB No. 1545-1517	1997 Form 1099-MSA	Distributions From Medical Savings Accounts Copy A For Internal Revenue Service Center File with Form 1096. For Paperwork Reduction Act Notice and instructions for completing this form, see the 1997 Instructions for Forms 1099, 1098, 5498, and W-2G.
PAYER'S Federal identification number	RECIPIENT'S identification number			1 Gross distribution		
RECIPIENT'S name		3 Distribution code				
Street address (including apt. no.)						
City, state, and ZIP code						
Account number (optional)						

Form 1099-MSA

Cat. No. 23114L

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TRUSTEE'S name, street address, city, state, and ZIP code		1 Employee MSA contributions made in 1997 and 1998 for 1997 \$		OMB No. 1545-1518 1997 Form 5498-MSA	Medical Savings Account Information Copy A For Internal Revenue Service Center File with Form 1096. For Paperwork Reduction Act Notice and instructions for completing this form, see the 1997 Instructions for Forms 1099, 1098, 5498, and W-2G.
		2 Total MSA contributions made in 1997 \$			
TRUSTEE'S Federal identification number	PARTICIPANT'S social security number	3 Total MSA contributions made in 1998 for 1997			
PARTICIPANT'S name		4 MSA rollover contributions (not included in boxes 1, 2, or 3)	5 Fair market value of account		
Street address (including apt. no.)					
City, state, and ZIP code					
Account number (optional)					

Form 5498-MSA

Cat. No. 23097L

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Summary of Medical Savings Accounts

1997

Department of the Treasury
Internal Revenue Service

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

Trustee's name	Employer identification no.
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Number, street, and room/suite no.

City, state, and ZIP code	Telephone number ()
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a This report is for the period: January 1 through April 30, 1997 May 1 through June 30, 1997

b Total number of medical savings accounts (see instructions) . . . ▶	c Total number of previously uninsured account holders (see instructions). . . ▶	d Total number of excludable account holders (see instructions) . . . ▶
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	Name of Account Holder (Last name, first name, and middle initial)	Social Security Number	Check if Previously Uninsured	Check if Excludable
1				
2				
3				
4				
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