



## **Health Savings Account Tax Time Reminder**

Tax time is officially here. With approximately two weeks left before the first filing deadline of April 15th, we would like to address the timely topic of Health Savings Account (HSA) contributions. It is important to revisit the contribution limits since you have until April 15th, 2011 (or the day you file your taxes to contribute to your HSA for the previous year) to contribute to your HSA for the 2010 tax year. For 2010, there is a maximum contribution of \$3,050 for an individual insurance plan and \$6,150 for a family plan. These same contribution limits apply to contributions related to the 2011 tax year. Also, for taxpayers over 55 years of age, they may contribute an additional \$1,000 catch-up contribution in both 2010 and 2011. As for tax-related paperwork that you can expect, you should have already received a Form 1099-SA for any withdrawals from your HSA that occurred during the 2010 tax year. You should also expect to receive a Form 5498-SA by approximately May 31, 2011, detailing your contributions during the 2010 tax year.

Another important issue to consider is whether your HSA is affected by the recent health care reform. Overall, there are not many changes, but they are worth noting. The tax penalties for non-qualified medical expense withdrawals before age 65 have increased from 10% to 20% effective January 1, 2011. Also, starting in 2011, over-the-counter medicines are no longer a HSA eligible expense unless you have a prescription for them.

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