

Table of Contents

Health Savings Accounts	1
Eligible Individuals.....	2
High Deductible Health Plan.....	3
Other Permitted Health Coverage	6
Health FSAs and HRAs	6
Contributions	7
Contribution Limit.....	8
Catch-up Contribution.....	13
Rollovers.....	14
Employer Contributions	15
Reporting Requirements.....	18
Excess Contributions.....	20
Distributions.....	22
Reporting Requirements.....	24
Taxable HSA Distributions.....	25
Comprehensive Example	27
HSA Review Questions	31
HSA Review Answers	33
Health Flexible Spending Arrangement (FSA).....	35
Contributions	35
Distributions.....	36
Qualified Medical Expenses	37
Year-end Balance.....	38
HSA Contributions.....	39
ACA.....	39
Health FSA Review Questions	41
Health FSA Review Answers	43
Health Insurance Premium Reimbursement.....	45
ACA.....	45
Penalty Relief	46
Penalty Avoidance.....	48
Health Insurance Premium Reimbursement Review Questions	49
Health Insurance Premium Reimbursement Review Answers	51
Health Reimbursement Arrangements.....	53
Allowable HRAs.....	53
Integrated with Group Health Plan	55
Nonintegrated HRAs.....	58
Benefits	59
Distributions.....	60
Self-employed Individuals.....	62
Administration.....	63

Nondiscrimination	63
COBRA Continuation Coverage	63
HSA Contributions	64
Limited-purpose HRA	65
Post-deductible HRAs	65
Patient-centered Outcomes Research Fee	67
Reporting Requirements	69
HRA Summary	70
HRA Review Questions	71
HRA Review Answers	73
Premium Tax Credit	75
Eligibility	76
Household Income	78
Filing Status	80
Health Insurance	81
Advance Payments	84
Reporting Life Changes	85
Penalty Relief	86
Calculation	88
SLCSP Premiums	90
Expected Contribution	90
Shared Policy Allocation	94
Self-employed Health Insurance Deduction	101
Premium Tax Credit Review Questions	115
Premium Tax Credit Review Answers	117
Nondiscrimination Rules	119
Self-insured Plans	119
Eligibility to Participate Test	120
Benefits Provided Test	122
Excess Reimbursement	123
Insured Plans	125
Nondiscrimination Rules Review Questions	127
Nondiscrimination Rules Review Answers	129
Deductions and Credits	131
Standard Deduction	131
Medical Expenses	132
Nursing Home or Assisted Living Facility	132
In-home Health Care	135
Insurance Premiums	136
Lifetime Care — Advance Payments	139
Meals, Lodging and Transportation	140
Home Improvements	141
Deductible Amount	142
Investment Expenses	143

Deductible Expenses.....	143
Nondeductible Expenses.....	144
Credit for the Elderly and Disabled.....	144
Qualified Individual	144
Disability Income	145
Figuring the Credit.....	145
Saver's Credit.....	146
Earned Income Tax Credit	148
Deductions and Credits Review Questions	149
Deduction and Credits Review Answers	151
Taxable and Nontaxable Income.....	153
Retirement Income	153
Individual Retirement Account.....	153
Roth IRAs	171
Retirement Plans, Pensions, and Annuities	173
Long-term Care Benefits	182
Per Diem Limit.....	183
Social Security Benefits.....	184
Taxable Amount	186
Lump Sum Election	194
Repayment	198
Earnings Test	202
Medicaid Waiver Payments.....	208
Taxable and Nontaxable Income Review Questions.....	215
Taxable and Nontaxable Income Review Answers	219
Planning Considerations	223
Qualified Charitable Deduction.....	223
Dependency Exemption	224
Qualifying Relative.....	224
Head of Household.....	227
Medical Dependent.....	227
Child and Dependent Care Credit	228
Qualifying Individual	228
Eligible Expenses	228
Computing the Credit.....	229
Retirement Account Considerations.....	231
Death Before RBD.....	231
RMD for the Year of Death	233
Death After RBD.....	233
Multiple Beneficiaries.....	235
Taxation of Distributions from Roth IRAs	235
Life Estate	236
Overview.....	236
Benefits.....	237

Pitfalls	238
Sale of Life Estate and Remainder	240
Planning Considerations Review Questions	249
Planning Considerations Review Answers	251
Appendix	253
Index	267