

**INSTRUCTIONS HOW TO  
COMPLETE PART I OF FORM 8889 FOR 2009**

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**By**

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## Introduction

Every year, I receive a number of questions regarding how to complete Part I of Form 8889. The reason for this is that the instructions to Form 8889 are very complex and unclear. To assist, the following shows how to complete Form 8889 in 23 different situations for 2009.

The discussion below is for example purposes only. Individuals should be advised to seek professional tax assistance in the completion of Form 8889 or any other tax return.

## Situations

### **I. Individual under age 55 with self-only High Deductible Health Plan (“HDHP”) coverage makes a contribution of \$3,000 during 2009 and/or 2010:**

1. Check box on line 1 indicating self-only coverage during 2009.
2. Enter \$3,000 on line 2 as the contribution made for 2009.
3. Enter \$3,000 on line 3 as the contribution limitation amount for 2009.
4. Enter \$3,000 on line 5.
5. Enter \$3,000 on line 6.
6. Enter \$3,000 on line 8.
7. Enter \$3,000 on line 12.
8. Enter \$3,000 on line 13 and on Form 1040, line 25, or on Form 1040 NR, line 25.

### **II. Individual under age 55 with self-only HDHP coverage makes a contribution of \$3,000 during 2009 and/or 2010 and has \$1,000 transferred from his or her employer’s Health Flexible Spending Account (“Health FSA”) or Health Reimbursement Arrangement (“HRA”) to his or her Health Savings Account (“HSA”):**

Complete Form 8889 as indicated above in Situation I above. Such transfers are not reported on an individual’s Form 8889.

### **III. Individual under age 55 with self-only HDHP coverage transfers \$3,000 from his or her Individual Retirement Account (“IRA”) to his or her HSA during 2009 and/or 2010:**

1. Check box on line 1 indicating self-only coverage during 2009.
2. Enter \$3,000 on line 3 as the contribution limitation amount for 2009.
3. Enter \$3,000 on line 10.
4. Enter \$3,000 on line 11.

5. Enter \$0 on line 12.
6. Enter \$0 on line 13 and on Form 1040, line 25, or on Form 1040 NR, line 25.

Note: The Individual must also enter the amount of the IRA distribution on line 15a of his or her Form 1040 or line 16a of his or her Form 1040NR. If the entire amount of the distribution is transferred to his or her HSA, then he or she must enter \$0 on line 15b of his or her Form 1040 or line 16b of his or her Form 1040NR.

**IV. Individual under age 55 with self-only HDHP coverage. He or she is married filing jointly with his or her spouse with self-only HDHP coverage. Each spouse makes a contribution of \$3,000 to a HSA during 2009 and/or 2010:**

Each spouse has to complete separate Form 8889.

1. Complete Form 8889 for each spouse as indicated above on Situation I for steps 1 through 7.
2. Enter the combined contribution amounts made by each spouse, \$6,000 (\$3,000 for each spouse) on line 13 and on Form 1040, line 25, or line 1040 NR, line 25).

Note: If the couple claimed a deduction of \$6,000 (\$3,000 x 2), there would be an excess contribution of \$50.

**V. Individual age 56 with self-only HDHP coverage makes a contribution of \$3,000 and makes a catch-up contribution of \$1,000 during 2009 and/or 2010:**

1. Check box on line 1 indicating self-only coverage during 2009.
2. Enter \$4,000 on line 2 as the contribution (\$3,000 and \$900) made for 2009.
3. Enter \$4,000 on line 3 as the contribution limitation amount for 2009.
4. Enter \$4,000 on line 5.
5. Enter \$4,000 on line 6.
6. Enter \$4,000 on line 8.
7. Enter \$4,000 on line 12.
8. Enter \$4,000 on lines 13 and on Form 1040, line 25, or on Form 1040 NR, line 25.

**VI. Individual under age 55 with self-only HDHP coverage makes a contribution of \$2,000 during 2009 and/or 2010 and employer made a contribution of \$1,000 during 2009 or 2010:**

1. Check box on line 1 indicating self-only coverage during 2009.

2. Enter \$2,000 on line 2 as the contribution made for 2009.
3. Enter \$3,000 on line 3 for the contribution limitation amount for 2009.
4. Enter \$3,000 on line 5.
5. Enter \$3,000 on line 6.
6. Enter \$3,000 on line 8.
7. Enter \$1,000 on line 9.
8. Enter \$1,000 on line 11.
9. Enter \$2,000 on line 12.
10. Enter \$2,000 on line 13 and on Form 1040, line 25, or on Form 1040 NR, line 25.

**VII. Individual under age 55 with self-only HDHP coverage who is a more than 2% shareholder in a S corporation makes a contribution of \$2,000 during 2009 and/or 2010 and the employer makes a contribution of \$1,000 during 2009 or 2010:**

Complete Form 8889 as indicated above on Situation VI above, except that the taxable employer contribution should be reported in line 2 and not on lines 9 or 11. The individual should enter \$3,000 on lines 12 and 13. Despite the fact that this contribution is reported on the individual's Form W-2, it should not be reported as an employer contribution for purposes of Form 8889.

**VIII. Individual under age 55 with self-only HDHP coverage makes a pretax contribution of \$3,000 through cafeteria plan during 2009:**

1. Check box on line 1 indicating self-only coverage during 2009.
2. Enter \$3,000 on line 3 as the contribution limitation amount for 2009.
3. Enter \$3,000 on line 5.
4. Enter \$3,000 on line 6.
5. Enter \$3,000 on line 8.
6. Enter \$3,000 on line 9.
7. Enter \$3,000 on line 11.
8. Enter \$0 on line 12.
9. Enter \$0 on line 13 and nothing on Form 1040, line 25, or on Form 1040 NR, line 25.

**IX. Individual under age 55 with self-only HDHP coverage during the first six months of 2009 and contributes \$1,500 to a HSA during 2009 and/or 2010:**

1. Check box on line 1 indicating self-only coverage during 2009.
2. Enter \$1,500 on line 2 as the contribution made for 2009.
3. Enter \$1,500 on line 3 as a contribution limitation for 2009 (amount determined by using the Line 3 Limitation Chart and Worksheet on page 3 of the Instructions).
4. Enter \$1,500 on line 5.
5. Enter \$1,500 on line 6.
6. Enter \$1,500 on line 8.
7. Enter \$1,500 on line 12.
8. Enter \$1,500 on line 13 and on Form 1040, line 25, or on Form 1040 NR, line 25.

**X. Individual under age 55 with self-only HDHP coverage during the last six months of 2009 and contributes \$3,000 to a HSA during 2009 and/or 2010:**

1. Check box on line 1 indicating self-only coverage during 2009.
2. Enter \$3,000 on line 2 as the contribution made for 2009.
3. Enter \$3,000 on line 3 as the contribution limitation for 2009 (last month rule, see on page 1 of the Instructions).
4. Enter \$3,000 on line 5.
5. Enter \$3,000 on line 6.
6. Enter \$3,000 on line 8.
7. Enter \$3,000 on line 12.
8. Enter \$3,000 on line 13 and on Form 1040, line 25, or on Form 1040 NR, line 25.

**XI. Individual under age 55 with family HDHP coverage during the first six months of 2009 and self-only coverage for the remaining 6 months of 2009 and contributes \$4,350 for 2009:**

1. It is unclear from the instructions which box the individual should complete on this situation because the instructions indicate that the individual should check the box for coverage he or she had for longer period during 2009 or indicate family coverage if an individual had such coverage on December 1.
2. Enter \$4,475 on line 2 as the contribution made for 2009.

3. Enter \$4,475 on line 3 as the contribution limitation amount of 2009 (amount determined by using the Line 3 Limitation Chart and Worksheet on page 3 of the Instructions).
4. Enter \$4,475 on line 5.
5. Enter \$4,475 on line 6.
6. Enter \$4,475 on line 8.
7. Enter \$4,475 on line 12.
8. Enter \$4,475 on line 13 and on Form 1040, line 25, or on Form 1040 NR, line 25.

**XII. Individual under age 55 with self-only HDHP coverage during the first six months of 2009 and family coverage for the remaining 6 months of 2009 and contributes \$5,950 for 2009:**

1. Check box on line 1 indicating family coverage during 2009.
2. Enter \$5,950 on line 2 as the contribution made for 2009.
3. Enter \$5,950 on line 3 as the contribution limitation amount of 2009 (last month rule, see on page 1 of the Instructions).
4. Enter \$5,950 on line 5.
5. Enter \$5,950 on line 6.
6. Enter \$5,950 on line 8.
7. Enter \$5,950 on line 12.
8. Enter \$5,950 on line 13 and on Form 1040, line 25, or on Form 1040 NR, line 25.

**XIII. Individual under age 55 with family HDHP coverage makes a contribution of \$5,950 during 2009 and/or 2010:**

1. Check box on line 1 indicating family coverage during 2009.
2. Enter \$5,950 on line 2 as the contribution made for 2009.
3. Enter \$5,950 on line 3 as the contribution limitation amount for 2009.
4. Enter \$5,950 on line 5.
5. Enter \$5,950 on line 6.
6. Enter \$5,950 on line 8.
7. Enter \$5,950 on line 12.

8. Enter \$5,950 on line 13 and on Form 1040, line 25, or on Form 1040 NR, line 25.

**XIV. Individual under age 55 with family HDHP coverage makes a contribution of \$5,950 during 2009 and/or 2010 and has \$1,000 transferred from his or her employer's Health FSA or HRA:**

Complete Form 8889 as indicated above on Situation XIII above. Such transfers are not reported on an Individual's Form 8889.

**XV. Individual under age 55 with family HDHP coverage transfers \$5,950 from his or her IRA to his or her HSA during 2009 and/or 2010:**

1. Check box on line 1 indicating family coverage during 2009.
2. Enter \$5,950 on line 2 as the contribution made for 2009.
3. Enter \$5,950 on line 3 as the contribution limitation amount for 2009.
4. Enter \$5,950 on line 5.
5. Enter \$5,950 on line 6.
6. Enter \$5,950 on line 8.
7. Enter \$5,950 on line 10.
8. Enter \$5,950 on line 11.
9. Enter \$0 on line 12.
10. Enter \$0 on line 13 and on Form 1040, line 25, or on Form 1040 NR, line 25.

Note: The individual must also enter the amount of the IRA distribution on line 15a of his or her Form 1040 or line 16a of his or her Form 1040NR. If the entire amount of the distribution is transferred to his or her HSA, then he or she must enter \$0 on line 15b of his or her Form 1040 or line 16b of his or her Form 1040NR.

**XVI. Individual under age 55 has family HDHP coverage during 2009. He or she is married filing jointly with spouse with self-only HDHP coverage. The individual makes a contribution of \$5,950 and his or her spouse makes a contribution of \$3,000 to his or her HSA during 2009 and/or 2010:**

Each spouse has to complete separate Form 8889.

1. For the spouse that contributed \$5,950, complete Form 8889 as indicated above on Situation XIII for steps 1 through 8 and, enter the combined amounts \$5,950 on Line 13 and on Form 1040, on Line 25 on Form 1040 NR.
2. For the spouse that had \$3,000 contributed to his or her HSA for 2009, please complete as follows:

- a. Check box on line 1 indicating family coverage during 2009.
- b. Enter \$3,000 on line 2 as the contribution made for 2009.
- c. Enter \$0 on line 3 as the contribution limitation amount for 2009.
- d. Enter \$0 on line 8.
- e. Enter \$0 on line 12.
- f. Enter the combined amounts \$5,950 on Line 13 and on Form 1040, line 25 or Form 1040 NR, line 25. The couple will have an excess contribution of \$3,050

**XVII. Individual age 56 with family HDHP coverage makes a contribution of \$5,950 and makes a catch-up contribution of \$1,000 during 2009 and/or 2010:**

1. Check box on line 1 indicating family coverage during 2009.
2. Enter \$6,950 on line 2 as the contribution (\$5,950 and \$1,000) made for 2009.
3. Enter \$5,950 on line 3 as the contribution limitation amount for 2009.
4. Enter \$5,950 on line 5.
5. Enter \$5,950 on line 6.
6. Enter \$1,000 on Line 7.
7. Enter \$6,950 on line 8.
8. Enter \$6,950 on line 12.
9. Enter \$6,950 on line 13 and on Form 1040, line 25, or on Form 1040 NR, line 25.

**XVIII. Individual age 56 with family HDHP coverage with a covered spouse age 56 makes a contribution of \$5,950 and a catch-up contribution of \$2,000, during 2009 and/or 2010 (\$6,950 is contributed for one spouse and \$1,000 for the other spouse):**

Each spouse has to complete separate Form 8889.

1. For the spouse that contributed \$6,950, complete Form 8889 as indicated above on Situation XVII for steps 1 through 8 and, enter the combined amounts \$7,950, (\$6,950 + \$1,000) on Line 13 and on Form 1040, line 25, or on Form 1040 NR, line 25.
2. For the spouse that had \$1,000 contributed to his or her HSA for 2009, please complete as follows:

- a. Check box on line 1 indicating family coverage during 2009.
- b. Enter \$1,000 on line 2 as the contribution made for 2009.
- c. Enter \$1,000 on Line 7.
- d. Enter \$1,000 on line 8.
- e. Enter \$1,000 on line 12.
- f. Enter the combined amounts \$7,950 (\$6,950 + \$1,000) on Line 13 and on Form 1040, line 25 or Form 1040 NR, line 25.

Note: In order for the spouse to receive a \$1,000 contribution, it must be contributed to a separate HSA in the spouse's name.

**XIX. Individual under age 55 with family HDHP coverage makes a contribution of \$3,950 during 2009 and/or 2010 and employer made a contribution of \$2,000 during 2009 or 2010:**

1. Check box on line 1 indicating family coverage during 2009.
2. Enter \$3,950 on line 2 as the contribution made for 2009.
3. Enter \$3,950 on line 3 as the contribution limitation amount for 2009.
4. Enter \$3,950 on line 6.
5. Enter \$3,950 on line 8.
6. Enter \$2,000 on line 9.
7. Enter \$2,000 on line 11.
8. Enter \$3,950 on line 12.
9. Enter \$3,950 on line 13 and on Form 1040, line 25, or on Form 1040 NR, line 25.

**XX. Individual under age 55 with family HDHP coverage who is a more than 2% shareholder in a S corporation makes a contribution of \$3,950 during 2009 and/or 2010 and the employer makes a contribution of \$2,000 during 2009 or 2010:**

Complete Form 8889 as indicated above on Situation XIX above, except that the taxable employer contribution should be reported in line 2 and not on lines 9 or 11. The individual should enter \$5,950 on lines 12 and 13. Despite the fact that this contribution is reported on the individual's Form W-2, it should not be reported as an employer contribution for purposes of Form 8889.

**XXI. Individual under age 55 with family HDHP coverage made a pretax contribution of \$5,950 through a cafeteria plan during 2009:**

1. Check box on line 1 indicating family coverage during 2009.
2. Enter \$5,950 on line 3 as the contribution limitation amount for 2009.
3. Enter \$5,950 on line 6.
4. Enter \$5,950 on line 8.
5. Enter \$5,950 on line 9.
6. Enter \$5,950 on line 11.
7. Enter \$0 on line 12.
8. Enter \$0 on line 13 and nothing on Form 1040, line 25, or on Form 1040 NR, line 25.

**XXII. Individual under age 55 with family HDHP coverage during the first six months of 2009 and contributes \$2,975 to a HSA during 2009 and/or 2010:**

1. Check box on line 1 indicating family coverage during 2009.
2. Enter \$2,975 on line 2 as the contribution made for 2009.
3. Enter \$2,975 on line 3 as the contribution limitation amount (amount determined by using the Line 3 Limitation Chart and Worksheet on page 3 of the Instructions).
4. Enter \$2,975 on line 5.
5. Enter \$2,975 on line 6.
6. Enter \$2,975 on line 8.
7. Enter \$2,975 on line 12.
8. Enter \$2,975 on line 13 and on Form 1040, line 25, or on Form 1040 NR, line 25.

**XXIII. Individual under age 55 with family HDHP coverage during the last six months of 2009 and contributes \$5,950 to a HSA during 2009 and/or 2010:**

1. Check box on line 1 indicating family coverage during 2009.
2. Enter \$5,950 on line 2 as the contribution made for 2009.
3. Enter \$5,950 on line 3 as the contribution limitation amount for 2009 (last month rule, see on page 1 of the Instructions).
4. Enter \$5,950 on line 5.

5. Enter \$5,950 on line 6.
6. Enter \$5,950 on line 8.
7. Enter \$5,950 on line 12.
8. Enter \$5,950 on line 13 and on Form 1040, line 25, or on Form 1040 NR, line 25.