

## **Attention:**

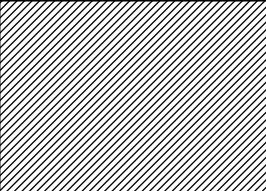
This form is provided for informational purposes and should not be reproduced on personal computer printers by individual taxpayers for filing. The printed version of this form is designed as a "machine readable" form. As such, it must be printed using special paper, special inks, and within precise specifications.

Additional information about the printing of these specialized tax forms can be found in IRS Publications 1141, 1167, 1179, and other IRS resources.

The printed version of the form may be obtained by calling 1-800-TAX-FORM (1-800-829-3676). Be sure to order using the IRS form or publication number.

9494

☐ VOID☐ CORRECTED

PAYER'S name, street address, city, state, and ZIP code				OMB No. 1545-1517
				<b>2003</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 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>2003 General</b> <b>Instructions for</b> <b>Forms 1099, 1098,</b> <b>5498, and W-2G.</b>
RECIPIENT'S name		3 Distribution code	4 FMV on date of death \$	
Street address (including apt. no.)		5 Medicare+Choice MSA . . . . <input type="checkbox"/>		
City, state, and ZIP code				
Account number (optional)				

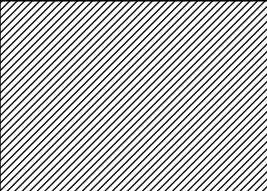
Form **1099-MSA**

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>2003</b> Form <b>1099-MSA</b>	<b>Distributions From an Archer MSA or Medicare+Choice MSA</b>  <b>Copy B For Recipient</b>  This information is being furnished to the Internal Revenue Service.
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  Account number (optional)		3 Distribution code	4 FMV on date of death \$		
		5 Medicare+Choice MSA . . . . <input type="checkbox"/>			

Form **1099-MSA**

(keep for your records)

Department of the Treasury - Internal Revenue Service

## Instructions for Recipient

Distributions from an Archer MSA or Medicare+Choice MSA (M+C MSA) are reported to recipients on Form 1099-MSA. You must file **Form 8853**, Archer MSAs and Long-Term Care Insurance Contracts, with your Form 1040 to report a distribution from an Archer 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 Archer 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 Archer MSA. However, see **Box 2** below. If you did not use the Archer 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 Archer 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 Archer 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 Archer MSA or M+C MSA from someone who was not your spouse, you must report as income on your tax return 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. See Form 8853 and its instructions. Any earnings on the account after the date of death (box 1 minus box 4 of Form 1099-MSA) are taxable.

**Box 1.** Shows the amount 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 Archer 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

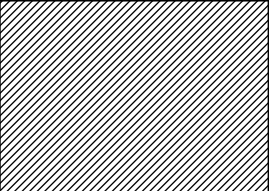
5—Prohibited transaction

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.

☐ VOID ☐ CORRECTED

PAYER'S name, street address, city, state, and ZIP code				OMB No. 1545-1517	
				<b>2003</b> Form <b>1099-MSA</b>	
PAYER'S Federal identification number		RECIPIENT'S identification number		1 Gross distribution	
				\$	
RECIPIENT'S name  Street address (including apt. no.)  City, state, and ZIP code		3 Distribution code		2 Earnings on excess contributions	
				\$	
		5 Medicare+Choice MSA . . . . <input type="checkbox"/>		4 FMV on date of death	
Account number (optional)				\$	

**Copy C**  
**For Payer**

For Privacy Act and Paperwork Reduction Act Notice, see the **2003 General Instructions for Forms 1099, 1098, 5498, and W-2G.**

Form **1099-MSA**

Department of the Treasury - Internal Revenue Service

## Instructions for Payers

General and specific form instructions are provided as separate products. The products you should use for 2003 are the **General Instructions for Forms 1099, 1098, 5498, and W-2G** and the separate specific instructions for each information return you file. Specific information needed to complete this form is given in the **2003 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. To order these instructions and additional forms, call 1-800-TAX-FORM (1-800-829-3676).

**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 Web Site.*

**Due dates.** Furnish Copy B of this form to the recipient by February 2, 2004.

File Copy A of this form with the IRS by March 1, 2004. If you file electronically, the due date is March 31, 2004.

