

**EXPLANATION OF HOW TO  
COMPLETE PART I OF FORM 8889 FOR 2013**

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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 provided by the Internal Revenue Service for completing Form 8889 are very complex and unclear. To assist, the following explanation shows how to complete Form 8889 in 25 different situations for 2013.

This explanation 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.

Note: As a clarification due to the recent Supreme Court decision concerning the Defense of Marriage Act, where the term spouse is used, it refers to any legally recognized spouse.

## Situations

### **I. Individual under age 55 with self-only High Deductible Health Plan (“HDHP”) coverage makes a contribution of \$3,250 during 2013 and/or 2014:**

1. Check box on line 1 indicating self-only coverage during 2013.
2. Enter \$3,250 on line 2 as the contribution made for 2013.
3. Enter \$3,250 on line 3 as the contribution limitation amount for 2013.
4. Enter \$3,250 on line 5.
5. Enter \$3,250 on line 6.
6. Enter \$3,250 on line 8.
7. Enter \$3,250 on line 12.
8. Enter \$3,250 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 transfers \$3,250 from his or her Individual Retirement Account (“IRA”) to his or her HSA during 2013 and/or 2014:**

1. Check box on line 1 indicating self-only coverage during 2013.
2. Enter \$3,250 on line 3 as the contribution limitation amount for 2013.
3. Enter \$3,250 on line 10.
4. Enter \$3,250 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.

**III. 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 \$3,250 to a HSA during 2013 and/or 2014:**

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, \$6,500 (\$3,250 for each spouse) on line 13 and on Form 1040, line 25, or line 1040 NR, line 25).

Note: The couple cannot claim a deduction of \$6,500 (\$3,250 x 2). They are limited to a deduction of \$6,450 under the special rule for married individuals and the \$50 difference would be considered an excess contribution.

**IV. Individual age 56 with self-only HDHP coverage makes a contribution of \$3,250 and makes a catch-up contribution of \$1,000 during 2013 and/or 2014:**

1. Check box on line 1 indicating self-only coverage during 2013.
2. Enter \$4,250 on line 2 as the contribution (\$3,250 and \$1,000) made for 2013.
3. Enter \$4,250 on line 3 as the contribution limitation amount for 2013.
4. Enter \$4,250 on line 5.
5. Enter \$4,250 on line 6.
6. Enter \$4,250 on line 8.
7. Enter \$4,250 on line 12.
8. Enter \$4,250 on lines 13 and on Form 1040, line 25, or on Form 1040 NR, line 25.

**V. Individual under age 55 with self-only HDHP coverage makes a contribution of \$2,250 during 2013 and/or 2014 and employer made a contribution of \$1,000 during 2013 or 2014:**

1. Check box on line 1 indicating self-only coverage during 2013.
2. Enter \$2,250 on line 2 as the contribution made for 2013.
3. Enter \$3,250 on line 3 for the contribution limitation amount for 2013.
4. Enter \$3,250 on line 5.
5. Enter \$3,250 on line 6.
6. Enter \$3,250 on line 8.
7. Enter \$1,000 on line 9.
8. Enter \$1,000 on line 11.
9. Enter \$2,250 on line 12.
10. Enter \$2,250 on line 13 and on Form 1040, line 25, or on Form 1040 NR, line 25.

**VI. Individual under age 55 with self-only HDHP coverage who is a more than 2% shareholder in a S corporation makes a contribution of \$2,250 during 2013 and/or 2014 and the employer makes a contribution of \$1,000 during 2013 or 2014:**

Complete Form 8889 as indicated above on Situation V above, except that the taxable employer contribution should be reported in line 2 and not on lines 9 or 11. The individual should enter \$3,250 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.

**VII. Individual under age 55 with self-only HDHP coverage makes a pretax contribution of \$3,250 through cafeteria plan during 2013:**

1. Check box on line 1 indicating self-only coverage during 2013.
2. Enter \$3,250 on line 3 as the contribution limitation amount for 2013.
3. Enter \$3,250 on line 5.
4. Enter \$3,250 on line 6.
5. Enter \$3,250 on line 8.
6. Enter \$3,250 on line 9.
7. Enter \$3,250 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.

**VIII. Individual under age 55 with self-only HDHP coverage during the first six months of 2010 and contributes \$1,625 to a HSA during 2013 and/or 2014:**

1. Check box on line 1 indicating self-only coverage during 2013.
2. Enter \$1,625 on line 2 as the contribution made for 2013.
3. Enter \$1,625 on line 3 as a contribution limitation for 2013 (amount determined by using the Line 3 Limitation Chart and Worksheet on page 3 of the Instructions).
4. Enter \$1,625 on line 5.
5. Enter \$1,625 on line 6.
6. Enter \$1,625 on line 8.
7. Enter \$1,625 on line 12.
8. Enter \$1,625 on line 13 and on Form 1040, line 25, or on Form 1040 NR, line 25.

**IX. Individual under age 55 with self-only HDHP coverage during the last six months of 2013 and contributes \$3,250 to a HSA during 2013 and/or 2014:**

1. Check box on line 1 indicating self-only coverage during 2013.
2. Enter \$3,250 on line 2 as the contribution made for 2013.
3. Enter \$3,250 on line 3 as the contribution limitation for 2013 (last month rule, see on page 1 of the Instructions).
4. Enter \$3,250 on line 5.
5. Enter \$3,250 on line 6.
6. Enter \$3,250 on line 8.
7. Enter \$3,250 on line 12.
8. Enter \$3,250 on line 13 and on Form 1040, line 25, or on Form 1040 NR, line 25.

**X. Individual under age 55 with family HDHP coverage during the first six months of 2013 and self-only coverage for the remaining 6 months of 2013 and contributes \$4,850 for 2013:**

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 2013 or indicate family coverage if an individual had such coverage on December 1.
2. Enter \$4,850 on line 2 as the contribution made for 2013.
3. Enter \$4,850 on line 3 as the contribution limitation amount of 2013 (amount determined by using the Line 3 Limitation Chart and Worksheet on page 3 of the Instructions).
4. Enter \$4,850 on line 5.
5. Enter \$4,850 on line 6.
6. Enter \$4,850 on line 8.
7. Enter \$4,850 on line 12.
8. Enter \$4,850 on line 13 and on Form 1040, line 25, or on Form 1040 NR, line 25.

**XI. Individual under age 55 with self-only HDHP coverage during the first six months of 2013 and family coverage for the remaining 6 months of 2013 and contributes \$6,450 for 2013:**

1. Check box on line 1 indicating family coverage during 2013.
2. Enter \$6,450 on line 2 as the contribution made for 2013.
3. Enter \$6,450 on line 3 as the contribution limitation amount of 2013 (last month rule, see on page 1 of the Instructions).
4. Enter \$6,450 on line 5.
5. Enter \$6,450 on line 6.
6. Enter \$6,450 on line 8.
7. Enter \$6,450 on line 12.
8. Enter \$6,450 on line 13 and on Form 1040, line 25, or on Form 1040 NR, line 25.



**XII. Individual under age 55 with family HDHP coverage makes a contribution of \$6,450 during 2013 and/or 2014:**

1. Check box on line 1 indicating family coverage during 2013.
2. Enter \$6,450 on line 2 as the contribution made for 2013.
3. Enter \$6,450 on line 3 as the contribution limitation amount for 2013.
4. Enter \$6,450 on line 5.
5. Enter \$6,450 on line 6.
6. Enter \$6,450 on line 8.
7. Enter \$6,450 on line 12.
8. Enter \$6,450 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 transfers \$6,450 from his or her IRA to his or her HSA during 2013 and/or 2014:**

1. Check box on line 1 indicating family coverage during 2013.
2. Enter \$6,450 on line 2 as the contribution made for 2013.
3. Enter \$6,450 on line 3 as the contribution limitation amount for 2013.
4. Enter \$6,450 on line 5.
5. Enter \$6,450 on line 6.
6. Enter \$6,450 on line 8.
7. Enter \$6,450 on line 10.
8. Enter \$6,450 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.

**XIV. Individual under age 55 has family HDHP coverage during 2013. He or she is married filing jointly with spouse with self-only HDHP coverage. The individual makes a contribution of \$6,450 and his or her spouse makes a contribution of \$3,250 to his or her HSA during 2013 and/or 2014:**

Each spouse has to complete separate Form 8889.

1. For the spouse that contributed \$6,450, complete Form 8889 as indicated above on Situation XII for steps 1 through 8 and, enter the combined amounts \$6,450 on Line 13 and on Form 1040, on Line 25 on Form 1040 NR.
2. For the spouse that had \$3,250 contributed to his or her HSA for 2013, please complete as follows:
  - a. Check box on line 1 indicating family coverage during 2013.
  - b. Enter \$3,250 on line 2 as the contribution made for 2013.
  - c. Enter \$0 on line 3 as the contribution limitation amount for 2013.
  - d. Enter \$0 on line 8.
  - e. Enter \$0 on line 12.
  - f. Enter the combined amounts \$6,450 on Line 13 and on Form 1040, line 25 or Form 1040 NR, line 25. The couple will have an excess contribution of \$3,250.

**XV. Individual age 56 with family HDHP coverage makes a contribution of \$6,450 and makes a catch-up contribution of \$1,000 during 2013 and/or 2014:**

1. Check box on line 1 indicating family coverage during 2013.
2. Enter \$7,450 on line 2 as the contribution (\$6,450 and \$1,000) made for 2013.
3. Enter \$6,450 on line 3 as the contribution limitation amount for 2013.
4. Enter \$6,450 on line 5.
5. Enter \$6,450 on line 6.
6. Enter \$1,000 on Line 7.
7. Enter \$7,450 on line 8.
8. Enter \$7,450 on line 12.

9. Enter \$7,450 on line 13 and on Form 1040, line 25, or on Form 1040 NR, line 25.

**XVI. Individual age 56 with family HDHP coverage with a covered spouse age 56 makes a contribution of \$6,450 and a catch-up contribution of \$2,000, during 2013 and/or 2014 (\$7,450 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 \$7,450, complete Form 8889 as indicated above on Situation XV for steps 1 through 8 and, enter the combined amounts \$8,450, (\$7,450 + \$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 2013, please complete as follows:
  - a. Check box on line 1 indicating family coverage during 2013.
  - b. Enter \$1,000 on line 2 as the contribution made for 2013.
  - 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 \$8,450 (\$7,450 + \$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.
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**XVII. Individual under age 55 with family HDHP coverage makes a contribution of \$4,450 during 2013 and/or 2014 and employer made a contribution of \$2,000 during 2013 or 2014:**

1. Check box on line 1 indicating family coverage during 2013.
2. Enter \$4,450 on line 2 as the contribution made for 2013.
3. Enter \$4,450 on line 3 as the contribution limitation amount for 2013.
4. Enter \$4,450 on line 6.
5. Enter \$4,450 on line 8.
6. Enter \$2,000 on line 9.

7. Enter \$2,000 on line 11.
8. Enter \$4,450 on line 12.
9. Enter \$4,450 on line 13 and on Form 1040, line 25, or on Form 1040 NR, line 25.

**XVIII. Individual under age 55 with family HDHP coverage who is a more than 2% shareholder in a S corporation makes a contribution of \$4,450 during 2013 and/or 2014 and the employer makes a contribution of \$2,000 during 2013 or 2014:**

Complete Form 8889 as indicated above on Situation XVII above, except that the taxable employer contribution should be reported in line 2 and not on lines 9 or 11. The individual should enter \$6,450 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.

**XIX. Individual under age 55 with family HDHP coverage made a pretax contribution of \$6,450 through a cafeteria plan during 2013:**

1. Check box on line 1 indicating family coverage during 2013.
2. Enter \$6,450 on line 3 as the contribution limitation amount for 2013.
3. Enter \$6,450 on line 6.
4. Enter \$6,450 on line 8.
5. Enter \$6,450 on line 9.
6. Enter \$6,450 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.

**XX. Individual under age 55 with family HDHP coverage during the first six months of 2013 and contributes \$3,225 to a HSA during 2013 and/or 2014:**

1. Check box on line 1 indicating family coverage during 2013.
2. Enter \$3,225 on line 2 as the contribution made for 2013.
3. Enter \$3,225 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 \$3,225 on line 5.
5. Enter \$3,225 on line 6.
6. Enter \$3,225 on line 8.
7. Enter \$3,225 on line 12.
8. Enter \$3,225 on line 13 and on Form 1040, line 25, or on Form 1040 NR, line 25.

**XXI. Individual under age 55 with family HDHP coverage during the last six months of 2013 and contributes \$6,450 to a HSA during 2013 and/or 2014:**

1. Check box on line 1 indicating family coverage during 2013.
2. Enter \$6,450 on line 2 as the contribution made for 2013.
3. Enter \$6,450 on line 3 as the contribution limitation amount for 2013 (last month rule, see on page 1 of the Instructions).
4. Enter \$6,450 on line 5.
5. Enter \$6,450 on line 6.
6. Enter \$6,450 on line 8.
7. Enter \$6,450 on line 12.
8. Enter \$6,450 on line 13 and on Form 1040, line 25, or on Form 1040 NR, line 25.

**XXII. Individual under age 55 with family HDHP coverage covers his or her domestic partner. The domestic partner does not qualify as his or her tax dependent. The individual contributes \$6,450 for him or herself and \$6,450 for his or her domestic partner.**

Each individual would have to establish his or her own HSA. The individual could not deduct the amount contributed to his or her domestic partner. The individual's domestic partner could claim his or her deduction for the HSA contribution on his or her own Form 1040 and attach a Form 8889.

**XXIII. Individual under age 55 with family HDHP coverage covers his or her domestic partner. The domestic partner does qualify as his or her tax dependent. The individual contributes \$6,450 for him or herself and \$6,450 for his or her domestic partner.**

Under this situation, the domestic partner is not eligible to establish his or her own HSA. Any amounts contributed on his or her behalf would be considered an

excess contribution and would have to be removed from the HSA by April 15, 2014 or would face penalties.

**XXIV. Individual under age 55 with family HDHP coverage covers his or her son who is under age 26. The son does not qualify as his or her tax dependent. The individual contributes \$6,450 for him or herself and \$6,450 for his or her son.**

Each individual would have to establish his or her own HSA. The individual could not deduct the amount contributed to his or her son. The individual's son could claim his deduction for the HSA contribution on his own Form 1040 and attach a Form 8889.

**XXV. Individual under age 55 with family HDHP coverage covers his or her son who is under age 26. The son does qualify as his or her tax dependent. The individual contributes \$6,450 for him or herself and \$6,450 for his or her son.**

Under this situation, the son is not eligible to establish his own HSA. Any amounts contributed on his behalf would be considered an excess contribution and would have to be removed from the HSA by April 15, 2014 or he would face penalties.