

# HSA EXCESS WORKSHEET

HSA OWNER'S NAME AND ADDRESS			HSA TRUSTEE'S OR CUSTODIAN'S NAME AND ADDRESS	
Social Security Number	Date of Birth	Home Phone	HSA Account Identification	Trustee's or Custodian's Phone Number

SECTION I: TYPE OF EXCESS	
1. Amount of excess _____ 2. Reason for the excess ( <i>Select one.</i> ) <input type="checkbox"/> a. Contributions exceed the maximum amount allowed <input type="checkbox"/> b. Contributions were made by or on behalf of an ineligible individual	3. In what year was the excess contribution made? _____ 4. For what year was the excess contribution made? _____

SECTION II: CORRECTION PROCEDURES	
<b>Assuming the HSA owner timely filed a Federal income tax return, is the excess contribution being corrected after October 15 of the year following the year the excess was created?*</b> Follow the correction procedures corresponding to your response. <i>*NOTE: If the HSA owner DID NOT timely file his or her tax return, replace the October 15 date with the due date (plus extensions) for filing his or her Federal income tax return.</i>	
<input type="checkbox"/> <b>NO</b> Correct as follows.	
<input type="checkbox"/> 1. Remove the excess contribution (See No. 1 in Section I) _____ . <input type="checkbox"/> 2. Remove the earnings attributable to the excess (See formula in Section III) _____ . <input type="checkbox"/> 3. Complete IRS Form 1099-SA as instructed for an excess removal, using Code 2.	
<input type="checkbox"/> <b>YES</b> Correct as follows. (Note: When after the tax filing deadline, including extensions, the contribution may only be removed as an excess if option (a) or (b) was selected in No. 2 in Section I.)	
<input type="checkbox"/> 1. The HSA owner pays a six percent penalty tax on the amount indicated in No. 1 in Section I, for each year the excess remained in the HSA, excluding the year the excess is removed. (HSA owner completes IRS Form 5329 to remit the penalty payment for each year.) <input type="checkbox"/> 2. If the HSA owner is eligible for an HSA contribution in the current year, the HSA owner may redesignate the contribution. The financial organization does not report the redesignation on IRS Form 5498-SA.) <i>(Complete 3, 4 and 5 below only if excess amount is being removed. Do not complete 3, 4 and 5 below if the amount was redesignated.)</i>	
<input type="checkbox"/> 3. Remove the excess amount _____ (No. 1 in Section I). Leave the earnings in the HSA. <input type="checkbox"/> 4. The HSA owner includes the excess contribution in income for the tax year in which it was removed and is subject to an additional 10 percent penalty unless an exception applies. (HSA owner must file IRS Forms 1040 and 5329.) <input type="checkbox"/> 5. Financial organization completes IRS Form 1099-SA as instructed for a normal distribution, using Code 1.	

**SECTION III: DETERMINING EARNINGS ATTRIBUTABLE TO AN EXCESS**

Assuming the HSA owner timely filed his or her Federal income tax return, if the excess is removed on or before October 15 of the year following the year the excess was created (or the due date, plus extensions), the earnings attributable to the excess must also be removed. Use the following formula to calculate the earnings attributable to the excess contribution.

$$\text{Excess Earnings} = \frac{\text{Excess Contribution} \times \text{Total Earnings}}{\text{Adjusted Opening Balance}}$$

**Excess Contribution**

The amount listed in No. 1 in Section I. \_\_\_\_\_

**Total Earnings**

The total earnings on the HSA are determined in the following manner.

	<b>ACCUMULATIVE TOTAL</b>
1. Determine the HSA balance as of the date of withdrawal .....	\$ _____
2. Add the amount of any withdrawals taken between the period beginning immediately before the time the excess was made and ending on the date of withdrawal .....	\$ _____
3. Subtract all contributions made between the period beginning immediately before the time the excess was made and ending on the date of withdrawal .....	\$ _____
4. Subtract the HSA balance as of the period beginning immediately before to the time the excess was made .....	\$ _____
5. Subtract any time deposit (or other investment) penalties that will be applied to the corrective distribution .....	\$ _____
<b>TOTAL EARNINGS:</b>	<b>\$ _____</b>

**Adjusted Opening Balance**

The balance of the HSA immediately before the time the excess was made plus all contributions made up until the date of withdrawal of the excess. \_\_\_\_\_

**Excess Earnings**

<b>Calculate the excess earnings</b>	
Excess Earnings = _____ (Excess Contribution) x _____ (Total Earnings)	_____ (Adjusted Opening Balance)

Withdraw the amount of earnings attributable to the excess contribution. This is the "Excess Earnings" figure determined in the formula above. \_\_\_\_\_  
(Negative earnings attributable may reduce the amount of the excess being removed.) The amount of excess earnings is included in the HSA owner's taxable income for the year in which the contribution was made.