

EMPLOYER NEWS!

April 2014

IRS Form 5498-SA: Coming Soon to Your Employees

If your employees made contributions to their Health Savings Accounts (HSAs) in 2013, The Bancorp will soon be sending them IRS Form 5498-SA. The form shows the total amount of contributions credited to an HSA for 2013, as well as rollover amounts and year-end fair market values. The forms will be mailed by May 31, 2014 and copies will be sent to the IRS.

Please note that this form is NOT needed for tax filing. It is provided to your employees for record-keeping purposes only. Since HSA account holders were able to make 2013 HSA contributions until April 15, 2014, IRS Form 5498-SA is always sent after the tax-filing deadline to include all deposits. Advise your employees to review the document and keep it with their 2013 income tax files.

Remember: Account holders always have the option to go online and view current and prior-year contribution and distribution totals for their HSA.

How Medicare Coverage Affects HSA Owners

The IRS has specific rules that affect HSA account holders when they elect to receive Medicare Part A coverage. Here's some important information for your employees who own an HSA and may be considering Medicare enrollment:

- If an HSA owner elects to receive Medicare Part A at age 65, s/he must stop contributing to the HSA one month before turning 65. HSA contributions cannot be made once Medicare coverage begins.
 - For example: Elizabeth's individual high deductible health plan coverage begins January 1. She turns 65 in August and will start Medicare A coverage. She can contribute funds to her HSA for seven months.
 - To determine her maximum contribution for the year, Elizabeth would pro-rate the annual maximum for her coverage level plus the \$1,000 catch-up contribution since she is over age 55: $\$3,300 + \$1,000 \div 12 \text{ months} = \358 . She could contribute $\$358 \times 7 \text{ months}$ or a total of \$2,506 for the year.

- Once Medicare coverage takes effect, an HSA owner can still use any funds accumulated in the account for HSA-qualified expenses, including Medicare premiums.

HSA contributions cannot be made even if the account holder is not actively using his/her Medicare benefits. Individuals who are unsure of their Medicare coverage should check with the Medicare office to determine their status.

Know the Facts about Skin Cancer

May is Melanoma/Skin Cancer Detection and Prevention Month. It's estimated that one in five Americans will develop skin cancer. Help your employees learn the facts about skin cancer prevention, detection and sun safety.

The American Academy of Dermatology (AAD) encourages everyone to practice sun safety and protect their skin year round by taking these actions:

- Prevent - Seek shade, cover up and wear sunscreen.
- Detect - Look for new or changing spots on your skin.
- Live - See a dermatologist if you notice anything changing, itching or bleeding.

Additional resources:

AAD SPOT Skin Cancer (<http://www.aad.org/spot-skin-cancer/understanding-skin-cancer>)

CancerConnect.com (<http://news.cancerconnect.com/types-of-cancer/skin-cancer>)

American Cancer Society (<http://www.cancer.org/cancer/skincancer-melanoma/index>)