

Understanding Your 2008  
Form 5498-SA for Your  
Health Savings Account

Fidelity Investments

# Your Fidelity 2008 Form 5498-SA and Summary Statement

Fidelity is committed to providing concise, detailed information so that you can complete your income tax returns and manage your accounts.

Your 5498-SA Health Savings Account (HSA) statement has three parts. First is the tax Form 5498-SA, which summarizes contributions to and the fair market value of your Fidelity HSA®. This is the information Fidelity is required to report to the IRS. Second is the HSA Portfolio section, which lists holdings and the fair market value. Third is the HSA Beneficiary Summary Statement, which provides a list of the beneficiaries we have on file for your Fidelity HSA.

We suggest that you consult your tax advisor about the use of this information in preparing your 2008 income tax returns.

**2008 Form 5498-SA Health Savings Account**

Account No.	Participant ID	Page
123-456789	222-33-4455	1 of 1

Health Savings Accounts: 800-544-3716  
Visit Us Online: Fidelity.com

**Form 5498-SA**      **2008 HSA Information**      **OMB NO. 1545-1518**  
The information in lines 2 through 6 is being furnished to the Internal Revenue Service.      **Copy B for Participant**

2	Total Contributions made in 2008	100.00
3	Total HSA Contributions made in 2009 for 2008	0.00
4	Rollover Contributions	1,423.00
5	Fair Market Value of HSA	22,823.61
6	Account Type	HSA

**Supplemental Account Information**  
This information is not reported to the Internal Revenue Service.

**HSA Portfolio as of December 31, 2008**

Security	CUSIP	Quantity	Price	Market Value
FIDELITY CASH RESERVES	316067107	9,700.000	1.00	9,700.00
FIDELITY PURITAN FUND	316345107	6,309.943	20.80	13,123.61
Fair Market Value of Your HSA Portfolio as of 12/31/08				22,823.61
Fair Market Value of Your HSA Portfolio as of 12/31/07				0.00

**HSA Beneficiary Summary Statement as of December 31, 2008**

Account	Primary or Contingent	Name	Share Percent	Date of Birth/Trust	Relationship	Legal Heir Option
123-456789	Primary	JANE MARIE SAMPLE	100.00	11/20/1959	Spouse	
	Contingent	MARK A. SAMPLE	50.00	11/20/1978	Non-Spouse	
	Contingent	MATTHEW JOHN SAMPLE	50.00	11/20/1982	Non-Spouse	

This form is for illustrative purposes only. Certain information on the form may not pertain to your account(s).

## A FORM 5498-SA REPORTABLE INFORMATION

**Line 2:** Reports the total employer and employee/self-employed contributions made in 2008 to your Fidelity HSA.

**Line 3:** Reports the total HSA contributions made in 2009 for 2008.

**Line 4:** Reports any rollover to your Fidelity HSA from another HSA or Archer MSA. See IRS Form 8853 or IRS Form 8889 and their instructions for information about how to report distributions and rollovers. This amount is not included in line 2 or 3.

**Line 5:** Shows the fair market value of your Fidelity HSA at the end of 2008.

**Line 6:** Shows the type of account that is reported on Form 5498-SA.

**Other information:** The trustee of your Fidelity HSA may provide other information about your account on this form.

*Note: Do not attach Form 5498-SA to your income tax return. Instead, keep it for your records.*

Generally, contributions you make to your Fidelity HSA are made on a pre-tax basis via payroll deduction and are not deductible. Any contributions you make on a post-tax basis—via check, for example—are tax deductible. In addition, you can not deduct employer contributions to your Fidelity HSA.

See IRS Form 8889, "Health Savings Accounts (HSAs)" and its instructions. Any employer contributions made to HSAs are shown on your Form W-2 in Box 12 (code W). For more information, see IRS Publication 969, "Health Savings Accounts and Other Tax-Favored Health Plans."

## B HSA PORTFOLIO

*This information is not reported to the IRS.*

The HSA Portfolio section lists the holdings in your Fidelity HSA reported as of December 31, 2008. The section also includes the 2008 and 2007 fair market values of your portfolio as of December 31.

## C HSA BENEFICIARY SUMMARY

*This information is not reported to the IRS.*

The HSA Beneficiary Summary section of your Form 5498-SA provides a detailed list of the beneficiaries on file for your Fidelity HSA as of December 31, 2008. It is important to periodically check your beneficiary information and make necessary updates. To update your beneficiary information online, log on to **Fidelity.com**, click on the **Your Profile** tab, and then click on **Beneficiaries**.

HSA assets generally pass to beneficiaries outside the instructions of a will. Your designated beneficiaries will receive your Fidelity HSA assets after your death according to the Fidelity HSA Custodial Agreement.

- ▶ **Spousal Beneficiary:** If you inherited an HSA because of the death of your spouse, it will be treated as your HSA. See the Instructions for IRS Form 8889.
- ▶ **Non-spousal Beneficiary (other than estate):** If you inherited the Fidelity HSA from someone who was not your spouse, the HSA

ceases to be an HSA and is generally taxable to you. See the Instructions for IRS Form 8889.

### SAVE FOR FUTURE QUALIFIED MEDICAL EXPENSES

Unused funds in your HSA can accumulate to pay for future qualified medical expenses. You can also choose from a wide selection of securities in which to invest your Fidelity HSA funds.

#### An HSA can be a great way to save for medical expenses in retirement<sup>1</sup>

Hypothetical	Contributions	Earnings	Ending Value
Year 1	\$3,000.00	\$105.00	\$3,105.00
Year 2	\$6,000.00	\$427.35	\$6,427.35
Year 5	\$15,000.00	\$2,856.04	\$17,856.04
Year 10	\$30,000.00	\$12,900.07	\$42,900.07
Year 20	\$60,000.00	\$67,291.00	\$127,291.00

### Maximizing Your HSA Contributions for 2008

The maximum annual amount that can be contributed to an HSA from all sources (employee, employer, and other third-party contributions) is:

- ▶ The maximum annual contribution amount specified by law, which is indexed annually.

Generally, your annual contribution depends on the number of months of High Deductible Health Plan (HDHP) coverage you have during the year. For 2008 and beyond, you can contribute the maximum amount for the year as long as you have coverage for December.<sup>3</sup>

In addition, if you are at least 55 years old, are not enrolled in Medicare, and otherwise are an eligible individual, you may elect to make additional catch-up contributions to your HSA. The maximum catch-up contribution amount is \$900 for 2008 and \$1,000 for 2009.

For 2008, contributions may be made until April 15th, 2009.

For additional information, please refer to the U.S. Treasury Web site at <http://www.ustreas.gov/offices/public-affairs/hsa/>.

#### The following table illustrates how an annual contribution limit may be determined for 2008 contributions based on different HDHP coverage examples.

Example	Age on 12/31/08	Months Enrolled in HDHP and HSA Eligible	Maximum Annual Contribution Amount	Sample Employer Contribution	Maximum Employee Contribution
Example 1: Full year eligibility HDHP coverage: Jan 1 – Dec 31 Coverage tier: Family Catch-up contributions: Not eligible	35	12	\$5,800	\$1,000	\$4,800
Example 2: Full year eligibility with catch-up HDHP coverage: Jan 1 – Dec 31 Coverage tier: Family Catch-up contributions: Eligible	56	12	\$6,700 <sup>2</sup> (\$5,800 + \$900)	\$1,000	\$5,700
Example 3: Partial year eligibility HDHP coverage: Apr 1 – Dec 31 Coverage tier: Individual Catch-up contributions: Not eligible	35	9	\$2,900 <sup>3</sup>	\$500	\$2,400 <sup>3</sup>

<sup>1</sup>This hypothetical example is for illustrative purposes only and does not represent the performance of any security. Please remember that investing involves risk, including the risk of loss. The example assumes an annual contribution, contributed monthly, of \$3,000 to an HSA account with an assumed hypothetical 7% annual return after 1, 2, 5, 10, and 20 years. An account may earn more or less. The example also assumes no distributions are taken from the HSA prior to year 20. The ending values do not reflect taxes, fees, or inflation. If they did, amounts would be lower. Taxes may be due upon distribution from your HSA. You may be subject to a 10% penalty if your distribution is not for qualified medical expenses. Investing in this manner does not ensure a profit and does not protect against loss in a declining market.

<sup>2</sup>Participant is age 55 or older and is eligible to make a catch-up contribution of \$900 in 2008.

<sup>3</sup>Under the Tax Relief and Health Care Act of 2006, you may contribute the maximum amount for the year as long as you have coverage in December. However, if you fail to remain covered under the HDHP and to be an otherwise eligible individual for the 12 months following the last month of the taxable year, the extra contribution above the prorated amount is included in income and subject to an additional 10% tax.

## FREQUENTLY ASKED QUESTIONS

**Why am I receiving a Form 5498-SA?**

The IRS requires Fidelity to issue a Form 5498-SA if you had any contribution activity in your Health Savings Account.

**Am I required to report information contained on Form 5498-SA on my federal tax return?**

Yes. Report all contributions (employee, employer, and third-party) to your Fidelity HSA on IRS Form 8889 (Health Savings Accounts) and file it with your IRS Form 1040. You should include all contributions made for 2008, including those made by the tax filing deadline.

*Please refer to the official IRS instructions for Form 1040 and Form 8889, or consult your tax advisor for more information.*

**How do I know what the maximum annual contribution limit is for my Fidelity HSA?**

Provided that you are an eligible individual for the entire year, the maximum annual amount that can be contributed to an HSA from all sources (employee, employer, and other third-party contributions) is \$2,900 for an individual and \$5,800 for family HDHP coverage. In addition, if you are at least 55 years old, are not enrolled in Medicare, and otherwise are an eligible individual, you may elect to make additional "catch-up" contributions to your HSA. The maximum catch-up contribution amount is \$900 for 2008 and \$1,000 for 2009 and beyond.

*Please refer to the U.S. Treasury Web site, at [ustreas.gov/offices/public-affairs/hsa/](http://ustreas.gov/offices/public-affairs/hsa/), for the federal HSA maximums for a given year.*

**How do I handle excess contributions to my HSA?**

If the total contributions to your HSA exceeds your maximum annual contribution amount, the amount is considered excess contributions and is not deductible. Excess contributions made by your employer will be included in your gross income. Generally, you must pay a 6% excise tax on excess contributions. See IRS Form 5329, "Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts," to figure the excise tax.

To avoid the 6% excise tax, you must withdraw the excess contribution, and any applicable earnings, by the due date, including extensions, of your tax return for the year the contributions were made.

**How is a rollover to my HSA reported?**

An HSA rollover is reported in Box 4 on Form 5498-SA. Rollover amounts are not counted towards the maximum annual contribution limit.

**I transferred my HSA to Fidelity during 2008. Who will send me my tax forms?**

If you transferred your HSA to a Fidelity HSA in 2008, your enclosed Form 5498-SA only includes contribution and rollover activity from the time you began conducting business in this account with Fidelity. Your former HSA record keeper should provide a Form 5498-SA for any contribution/rollover activity that occurred before your account was transferred.

**Where can I get additional information regarding HSA tax forms and filing information?**

- Consult your tax advisor for more information regarding tax filing requirements for your HSA.
- IRS Forms & Publications (<http://www.irs.gov/formspubs/index.html>) – Instructions for Form 8889, 1099-SA, 5498-SA, IRS Publication 969 – "Health Savings Accounts and Other Tax-Favored Accounts," and IRS Publication 502, "Medical and Dental Expenses."

### ADDITIONAL INFORMATION

- For advice about your individual tax situation or to get help preparing your tax return, consult your investment or tax advisor.
- Visit the IRS at [irs.gov](http://irs.gov) or call 1-800-829-1040.

Information provided is general and educational in nature and is based on federal tax laws, regulations, and interpretive guidance as in effect on September 30, 2007. It is not intended to be, and should not be construed as, legal or tax advice. Fidelity does not provide legal or tax advice. Laws of a specific state or laws relevant to a particular situation may affect the applicability, accuracy, or completeness of this information. Consult an attorney or tax advisor regarding your specific legal or tax situation.