



## Health Savings Accounts – Test Questions

### Directions

The first four scenarios do not require you to prepare a tax return. Read the interview notes for each scenario and use your training and resource materials to answer the questions.

### HSA Scenario 1: Leo Williams

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#### Interview Notes

- Leo Williams is single and 45 years old.
- Leo works as an IT manager and his Form W-2 shows wages of \$47,250.
- Leo participated in his employer's self-only coverage High Deductible Health Plan (HDHP) all year.
- Leo does not have any other health coverage.
- Leo has had an HSA for two years.
- Leo's employer contributed \$1,500 in 2019 to Leo's HSA.
- In 2019, Leo's aunt contributed \$1,900 to Leo's HSA.
- Leo is a U.S. citizen and has a valid Social Security number.

### HSA Scenario 1: Test Questions

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1. Is Leo an eligible individual for HSA purposes even though he did not make his own contributions?
  - a. Yes
  - b. No
2. What amount will Leo use to determine his HSA deduction?
  - a. \$0
  - b. \$1,500
  - c. \$1,900
  - d. \$3,400
3. Employer contributions to Leo's HSA are reported on his Form W-2, box 12, code W.
  - a. True
  - b. False

## HSA Scenario 2: Ed and Christine Martinez

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### Interview Notes

- Ed and Christine are married and will file a joint return.
- Ed is 47 years old, and Christine is 56 years old.
- Both were enrolled in self-only coverage High Deductible Health Plans (HDHPs) through their employers for the entire year of 2019.
- Ed and Christine each have an HSA.
- Both have contributed the maximum amounts to their HSAs in 2019.
- Ed and Christine are both U.S. citizens and have valid Social Security numbers.

### HSA Scenario 2: Test Questions

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4. The amount that can be contributed to an HSA depends on the following:
  - a. Taxpayer's age and type of HDHP coverage
  - b. Date the taxpayer became eligible
  - c. Date taxpayer ceases to be eligible
  - d. All of the above
5. Ed and Christine are both eligible to make catch-up contributions to their individual HSAs.
  - a. True
  - b. False

## HSA Scenario 3: Judy Young

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### Interview Notes

- Judy Young is 58 years old.
- Judy is single, is not disabled, and has no dependents.
- In 2019, she had earnings from her job of \$24,300.
- Judy has participated in her employer's self-only HDHP coverage since June 1, when she started a new job.
- Judy was an eligible individual all year.
- Judy asked the HSA trustee from her previous job to rollover the balance of \$2,000 into the HSA at her new job.
- In 2019, Judy contributed \$975 to her HSA.
- In 2019, Judy took distributions from her HSA to pay the following expenses:
  - Insulin: \$275
  - Doctor visit: \$185
  - Yoga classes: \$480
  - Prescription medicine: \$225
  - Premiums for COBRA coverage: \$1,425
- Judy is a U.S. citizen and has a valid Social Security number.

### HSA Scenario 3: Test Questions

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6. The amount of Judy's HSA contribution made in 2019 and reported on Form 8889, line 2 is \$975.
  - a. True
  - b. False
7. The amount of **total** distributions reported on Form 8889, line 14a is:
  - a. \$685
  - b. \$1,165
  - c. \$2,110
  - d. \$2,590
8. What is the amount reported on Form 8889, line 15?
  - a. \$460
  - b. \$685
  - c. \$2,110
  - d. \$2,590

## HSA Scenario 4: Carl and Monica Smith

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### Interview Notes

- Carl, age 46, and Monica, age 42, are married and will file a joint return.
- They have two children, Adriane and Robert, whom they will claim as dependents on their joint return.
- Monica's cousin, Michael (age 29), came to live with them in July 2019. Michael pays more than half of his support and does not qualify as their dependent, but they paid \$500 of Michael's medical bills in November 2019.
- Carl was enrolled all year in an HDHP with family coverage.
- Carl has had an HSA for four years. He has no other health insurance.
- In 2019, Carl made regular contributions to his HSA totaling \$4,000.
- In 2019, Carl took \$1,800 from his HSA to pay the following expenses:
  - \$300 to purchase Monica's eyeglasses (needed for medical reasons).
  - \$725 health club membership for Carl.
  - \$250 for over-the-counter eye medicine for their son, Robert (no prescription from doctor).
  - \$525 for Adriane's physical therapy sessions.
- Carl, Monica, Adriane, Robert, and cousin Michael are all U.S. citizens and have valid Social Security numbers.

### HSA Scenario 4: Test Questions

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9. The adjustment to income on Form 1040 for Carl's HSA deduction is:
  - a. \$1,800
  - b. \$3,400
  - c. \$4,000
  - d. \$6,750
10. Whose qualified medical expenses can Carl include for HSA purposes?
  - a. Carl
  - b. Adriane and Robert
  - c. Carl, Monica, Adriane, and Robert
  - d. Carl, Monica, Adriane, Robert, and Michael
11. On his Form 8889, Carl can include the \$300 to purchase Monica's eyeglasses as a qualifying medical expense for HSA purposes.
  - a. True
  - b. False

## HSA Scenario 5: Peggy Walker

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### Directions

Use the interview notes, taxpayer documents, and reference materials needed for this scenario. **Please complete Form 1040 through line 16**, and the appropriate forms (including Form 8889), schedules, or worksheets. Answer the questions following the scenario.

*Note: When entering Social Security numbers (SSNs) or Employer Identification Numbers (EINs), replace the Xs as directed, or with any four digits of your choice.*

### Interview Notes

- Peggy Walker, age 48, is a single parent raising her son, Marcus.
- Marcus is a full-time student and had no income.
- Peggy qualifies to file as Head of Household.
- Peggy does not have enough deductions to itemize.
- For the last five years, Peggy has had family health coverage through a High Deductible Health Plan (HDHP) from her employer.
- Peggy has had an HSA for several years.
- In 2019, she contributed \$1,500 to her HSA.
- Peggy's grandmother helped her out and contributed \$1,000 to her HSA in 2019.
- Peggy's employer also contributed \$600 to her HSA in 2019.
- Peggy paid the following expenses in 2019 using money from her HSA:
  - Urgent care bill for Peggy - \$615
  - Prescription medicine for Peggy - \$125
  - Insulin for Marcus - \$140
  - Dancing lessons for Peggy - \$200
  - Doctor visits for Marcus - \$400
- Peggy and Marcus are U.S. citizens and have valid Social Security numbers.



<b>Form 13614-C</b> (October 2019)	Department of the Treasury - Internal Revenue Service <b>Intake/Interview &amp; Quality Review Sheet</b>	OMB Number 1545-1964
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**You will need:**

- Tax Information such as Forms W-2, 1099, 1098, 1095.
- Social security cards or ITIN letters for all persons on your tax return.
- Picture ID (such as valid driver's license) for you and your spouse.

• Please complete pages 1-4 of this form.  
 • You are responsible for the information on your return. Please provide complete and accurate information.  
 • If you have questions, please ask the IRS-certified volunteer preparer.

Volunteers are trained to provide high quality service and uphold the highest ethical standards.  
 To report unethical behavior to the IRS, email us at [wi.voltax@irs.gov](mailto:wi.voltax@irs.gov)

**Part I – Your Personal Information** (If you are filing a joint return, enter your names in the same order as last year's return)

1. Your first name <b>PEGGY</b>	M.I.	Last name <b>WALKER</b>	Daytime telephone number <b>YOUR PHONE #</b>	Are you a U.S. citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2. Your spouse's first name	M.I.	Last name	Daytime telephone number	Is your spouse a U.S. citizen? <input type="checkbox"/> Yes <input type="checkbox"/> No
3. Mailing address <b>65421 SW 17TH ST</b>		Apt #	City <b>YOUR CITY</b>	State <b>YS</b>
4. Your Date of Birth <b>05/20/1969</b>	5. Your job title <b>MANAGER</b>		6. Last year, were you:	
			a. Full-time student <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No b. Totally and permanently disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No c. Legally blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
7. Your spouse's Date of Birth	8. Your spouse's job title		9. Last year, was your spouse:	
			a. Full-time student <input type="checkbox"/> Yes <input type="checkbox"/> No b. Totally and permanently disabled <input type="checkbox"/> Yes <input type="checkbox"/> No c. Legally blind <input type="checkbox"/> Yes <input type="checkbox"/> No	
10. Can anyone claim you or your spouse as a dependent? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unsure				
11. Have you, your spouse, or dependents been a victim of tax related identity theft or been issued an Identity Protection PIN? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				

**Part II – Marital Status and Household Information**

1. As of December 31, 2019, what was your marital status? ☒ Never Married (This includes registered domestic partnerships, civil unions, or other formal relationships under state law)

☐ Married a. If Yes, Did you get married in 2019? ☐ Yes ☐ No  
☐ Divorced Date of final decree \_\_\_\_\_  
☐ Legally Separated Date of separate maintenance decree \_\_\_\_\_  
☐ Widowed Year of spouse's death \_\_\_\_\_

2. List the names below of:

- everyone who lived with you last year (other than your spouse)
- anyone you supported but did not live with you last year

If additional space is needed check here ☐ and list on page 3

									To be completed by a Certified Volunteer Preparer				
Name (first, last) Do not enter your name or spouse's name below	Date of Birth (mm/dd/yy)	Relationship to you (for example: son, daughter, parent, none, etc)	Number of months lived in your home last year	US Citizen (yes/no)	Resident of US, Canada, or Mexico last year (yes/no)	Single or Married as of 12/31/19 (S/M)	Full-time Student last year (yes/no)	Totally and Permanently Disabled (yes/no)	Is this person a qualifying child/relative of any other person? (yes/no)	Did this person provide more than 50% of his/her own support? (yes/no)	Did this person have less than \$4,200 of income? (yes/no)	Did the taxpayer(s) provide more than 50% of support for this person? (yes/no/N/A)	Did the taxpayer(s) pay more than half the cost of maintaining a home for this person? (yes/no)
(a) <b>MARCUS WALKER</b>	(b) <b>01/18/2007</b>	(c) <b>SON</b>	(d) <b>12</b>	(e) <b>YES</b>	(f) <b>YES</b>	(g) <b>S</b>	(h) <b>YES</b>	(i) <b>NO</b>					

Catalog Number 52121E www.irs.gov Form **13614-C** (Rev. 10-2019)

Check appropriate box for each question in each section

Yes	No	Unsure	Part III – Income – Last Year, Did You (or Your Spouse) Receive
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1. (B) Wages or Salary? (Form W-2) If yes, how many jobs did you have last year? <u>1</u>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2. (A) Tip Income?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. (B) Scholarships? (Forms W-2, 1098-T)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. (B) Interest/Dividends from: checking/savings accounts, bonds, CDs, brokerage? (Forms 1099-INT, 1099-DIV)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	5. (B) Refund of state/local income taxes? (Form 1099-G)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	6. (B) Alimony income or separate maintenance payments?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	7. (A) Self-Employment income? (Form 1099-MISC, cash)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	8. (A) Cash/check payments for any work performed not reported on Forms W-2 or 1099?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	9. (A) Income (or loss) from the sale of Stocks, Bonds or Real Estate? (including your home) (Forms 1099-S, 1099-B)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	10. (B) Disability income? (such as payments from insurance, or workers compensation) (Forms 1099-R, W-2)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	11. (A) Retirement income or payments from Pensions, Annuities, and or IRA? (Form 1099-R)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	12. (B) Unemployment Compensation? (Form 1099G)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	13. (B) Social Security or Railroad Retirement Benefits? (Forms SSA-1099, RRB-1099)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	14. (M) Income (or loss) from Rental Property?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15. (B) Other income? (gambling, lottery, prizes, awards, jury duty, Sch K-1, royalties, foreign income, etc.) Specify <u>HSA</u>
Yes	No	Unsure	Part IV – Expenses – Last Year, Did You (or Your Spouse) Pay
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1. (B) Alimony or separate maintenance payments? If yes, do you have the recipient's SSN? <input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2. Contributions to a retirement account? <input type="checkbox"/> IRA (A) <input type="checkbox"/> 401K (B) <input type="checkbox"/> Roth IRA (B) <input type="checkbox"/> Other
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. (B) College or post secondary educational expenses for yourself, spouse or dependents? (Form 1098-T)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. (A) Any of the following? <input type="checkbox"/> Medical & Dental (including insurance premiums) <input type="checkbox"/> Mortgage Interest (Form 1098) <input type="checkbox"/> Taxes (State, Real Estate, Personal Property, Sales) <input type="checkbox"/> Charitable Contributions
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	5. (B) Child or dependent care expenses such as daycare?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	6. (B) For supplies used as an eligible educator such as a teacher, teacher's aide, counselor, etc.?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	7. (A) Expenses related to self-employment income or any other income you received?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	8. (B) Student loan interest? (Form 1098-E)
Yes	No	Unsure	Part V – Life Events – Last Year, Did You (or Your Spouse)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1. (HSA) Have a Health Savings Account? (Forms 5498-SA, 1099-SA, W-2 with code W in box 12)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2. (A) Have credit card or mortgage debt cancelled/forgiven by a lender or have a home foreclosure? (Forms 1099-C, 1099-A)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. (A) Adopt a child?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. (B) Have Earned Income Credit, Child Tax Credit or American Opportunity Credit disallowed in a prior year? If yes, for which tax year? _____
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	5. (A) Purchase and install energy-efficient home items? (such as windows, furnace, insulation, etc.)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	6. (A) Receive the First Time Homebuyers Credit in 2008?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	7. (B) Make estimated tax payments or apply last year's refund to this year's tax? If so how much? _____
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	8. (A) File a federal return last year containing a "capital loss carryover" on Form 1040 Schedule D?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	9. (A) Have health coverage through the Marketplace (Exchange)? [Provide Form 1095-A]



**Additional Information and Questions Related to the Preparation of Your Return**

1. Provide an email address (optional) (this email address will not be used for contacts from the Internal Revenue Service) \_\_\_\_\_
2. Presidential Election Campaign Fund (If you check a box, your tax or refund will not change)  
 Check here if you, or your spouse if filing jointly, want \$3 to go to this fund ☒ You ☐ Spouse
3. If you are due a refund, would you like: a. Direct deposit ☐ Yes ☒ No b. To purchase U.S. Savings Bonds ☐ Yes ☒ No c. To split your refund between different accounts ☐ Yes ☒ No
4. If you have a balance due, would you like to make a payment directly from your bank account? ☐ Yes ☒ No
5. Live in an area that was declared a Federal disaster area? ☐ Yes ☒ No If yes, where? \_\_\_\_\_
6. Did you, or your spouse if filing jointly, receive a letter from the IRS? ☐ Yes ☒ No

**Many free tax preparation sites operate by receiving grant money or other federal financial assistance. The data from the following questions may be used by this site to apply for these grants or to support continued receipt of financial funding. Your answer will be used only for statistical purposes. These questions are optional.**

7. Would you say you can carry on a conversation in English, both understanding & speaking? ☒ Very well ☐ Well ☐ Not well ☐ Not at all ☐ Prefer not to answer
8. Would you say you can read a newspaper or book in English? ☒ Very well ☐ Well ☐ Not well ☐ Not at all ☐ Prefer not to answer
9. Do you or any member of your household have a disability? ☐ Yes ☒ No ☐ Prefer not to answer
10. Are you or your spouse a Veteran from the U.S. Armed Forces? ☐ Yes ☒ No ☐ Prefer not to answer
11. Your race?  
☐ American Indian or Alaska Native ☐ Asian ☐ Black or African American ☐ Native Hawaiian or other Pacific Islander ☐ White ☒ Prefer not to answer
12. Your spouse's race?  
☐ American Indian or Alaska Native ☐ Asian ☐ Black or African American ☐ Native Hawaiian or other Pacific Islander ☐ White ☐ Prefer not to answer
13. Your ethnicity? ☐ Hispanic or Latino ☐ Not Hispanic or Latino ☒ Prefer not to answer
14. Your spouse's ethnicity? ☐ Hispanic or Latino ☐ Not Hispanic or Latino ☐ Prefer not to answer

Additional comments

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**Privacy Act and Paperwork Reduction Act Notice**

The Privacy Act of 1974 requires that when we ask for information we tell you our legal right to ask for the information, why we are asking for it, and how it will be used. We must also tell you what could happen if we do not receive it, and whether your response is voluntary, required to obtain a benefit, or mandatory. Our legal right to ask for information is 5 U.S.C. 301. We are asking for this information to assist us in contacting you relative to your interest and/or participation in the IRS volunteer income tax preparation and outreach programs. The information you provide may be furnished to others who coordinate activities and staffing at volunteer return preparation sites or outreach activities. The information may also be used to establish effective controls, send correspondence and recognize volunteers. Your response is voluntary. However, if you do not provide the requested information, the IRS may not be able to use your assistance in these programs. The Paperwork Reduction Act requires that the IRS display an OMB control number on all public information requests. The OMB Control Number for this study is 1545-1964. Also, if you have any comments regarding the time estimates associated with this study or suggestion on making this process simpler, please write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, Washington, DC 20224



a Employee's social security number <b>441-00-XXXX</b>		Safe, accurate, FAST! Use		Visit the IRS website at www.irs.gov/efile	
b Employer identification number (EIN) <b>44-100XXXX</b>		1 Wages, tips, other compensation <b>34,620.00</b>	2 Federal income tax withheld <b>2,369.00</b>		
c Employer's name, address, and ZIP code <b>WILLIAMS MANUFACTURING 2520 AUSTIN BLVD YOUR CITY, STATE ZIP</b>		3 Social security wages <b>34,620.00</b>	4 Social security tax withheld <b>2,146.44</b>		
		5 Medicare wages and tips <b>34,620.00</b>	6 Medicare tax withheld <b>501.99</b>		
		7 Social security tips	8 Allocated tips		
d Control number		9	10 Dependent care benefits		
e Employee's first name and initial Last name Suff. <b>PEGGY WALKER 65421 SW 17TH ST YOUR CITY, STATE ZIP</b>		11 Nonqualified plans		12a See instructions for box 12 <b>W 600.00</b>	
		13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	12b		
		14 Other		12c	
				12d	
f Employee's address and ZIP code					
15 State Employer's state ID number <b>YS 44-100XXXX</b>	16 State wages, tips, etc. <b>34,620.00</b>	17 State income tax <b>456.00</b>	18 Local wages, tips, etc.	19 Local income tax	20 Locality name

Form **W-2** Wage and Tax  
Statement

**2019**

Department of the Treasury—Internal Revenue Service

Copy B—To Be Filed With Employee's FEDERAL Tax Return.  
This information is being furnished to the Internal Revenue Service.

<input type="checkbox"/> CORRECTED (if checked)		OMB No. 1545-1517		<b>Distributions From an HSA, Archer MSA, or Medicare Advantage MSA</b>
TRUSTEE'S/PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number  <b>HEALTHCARE TRUSTEE OF AMERICA 123 MAIN STREET YOUR CITY, STATE ZIP</b>		<b>2019</b> Form <b>1099-SA</b>		
PAYER'S TIN <b>44-400XXXX</b>	RECIPIENT'S TIN <b>441-00-XXXX</b>	1 Gross distribution <b>\$ 1,480.00</b>	2 Earnings on excess cont. <b>\$</b>	<b>Copy B For Recipient</b>  This information is being furnished to the IRS.
RECIPIENT'S name <b>PEGGY WALKER</b>		3 Distribution code <b>1</b>	4 FMV on date of death <b>\$</b>	
Street address (including apt. no.) <b>65421 SW 17TH STREET</b>		5 HSA <input checked="" type="checkbox"/> Archer MSA <input type="checkbox"/> MA MSA <input type="checkbox"/>		
City or town, state or province, country, and ZIP or foreign postal code <b>YOUR CITY, STATE ZIP</b>				
Account number (see instructions)				

Form **1099-SA**

(keep for your records)

www.irs.gov/Form1099SA

Department of the Treasury - Internal Revenue Service

## HSA Scenario 5: Test Questions

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12. The amount of Peggy Walker's HSA deduction on Form 8889, line 13 is \$2,500.
- a. True
  - b. False
13. How much of Peggy's HSA distribution is taxable?
- a. \$0
  - b. \$125
  - c. \$140
  - d. \$200
14. The amount of qualified medical expenses reported on Form 8889, line 15 is \$\_\_\_\_\_.
15. What is the amount of the additional 20% tax reported on Form 8889, line 17b?
- a. \$0
  - b. \$40
  - c. \$108
  - d. \$188