Form **8853**

Department of the Treasury
Internal Revenue Service

Medical Savings Accounts
and Long-Term Care Insurance Contracts

▶ **Attach to Form 1040.**   ▶ **See separate instructions.**

OMB No. 1545-1561

1998

Attachment
Sequence No. **39**

Name(s) shown on return	Social security number of MSA account holder. If both spouses have MSAs, see instructions ▶

Section A. Medical Savings Accounts (MSAs)

Part I	**General Information**—*You MUST complete this part if you (or your spouse, if married filing jointly) established a new MSA for 1998 (even if the contributions to the MSA were made by an employer).*		

			Yes	No
1a	Did you establish a new MSA for 1998?	**1a**		
b	If "Yes," were you a previously uninsured account holder (see instructions for definition)?	**1b**		
c	If line 1a is "Yes," indicate coverage under high deductible health plan: ☐ Self-Only OR ☐ Family			
2a	If you were married, did your spouse establish a new MSA for 1998?	**2a**		
b	If "Yes," was your spouse a previously uninsured account holder (see instructions for definition)?	**2b**		
c	If line 2a is "Yes," indicate coverage under high deductible health plan: ☐ Self-Only OR ☐ Family			

Part II	**MSA Contributions and Deductions**—*See instructions before completing this part.*

If you and your spouse each have high deductible health plans with self-only coverage, check here ▶ ☐
If you check this box, attach a separate Part II for each spouse (see instructions).

3a	Were any employer contributions made to your MSA(s)? ☐ **Yes** ☐ **No**		
b	Enter all employer contributions to your MSA(s) for 1998 ▶		
4	Enter MSA contributions that you made for 1998, including those made from 1/1/99 through 4/15/99 that were for 1998. Do not include amounts rolled over from another MSA (see instructions) . . .	**4**	
5	Enter your limitation from the worksheet on page 3 of the instructions	**5**	
6	Enter your compensation (see instructions) from the employer maintaining the high deductible health plan. If you (and your spouse, if married filing jointly) have more than one plan, see **How To Complete Part II** on page 2 of the instructions. (If self-employed, enter your earned income from the trade or business for which the high deductible health plan was established.) . . .	**6**	
7	**MSA deduction.** Enter the **smallest** of lines 4, 5, and 6 here and on Form 1040, line 25 . .	**7**	
	Note: *If line 4 is more than line 7, you may have to pay an additional tax. See instructions for details.*		

Part III   MSA Distributions

8a	Enter the total MSA distributions you and your spouse received from all MSAs during 1998 (see instructions)	**8a**	
b	Enter any distributions included on line 8a that you rolled over to another MSA (see instructions). Also enter any excess contributions (and the earnings on those excess contributions) included on line 8a that were withdrawn by the due date of your return	**8b**	
c	Subtract line 8b from line 8a	**8c**	
9	Enter your total unreimbursed qualified medical expenses (see instructions)	**9**	
10	**Taxable MSA distributions.** Subtract line 9 from line 8c. If zero or less, enter -0-. Enter the result here. If line 10 is more than zero, also include it in the total on Form 1040, line 21. On the dotted line next to line 21, enter "MSA" and show the amount	**10**	
11a	If you meet any of the **Exceptions to 15% Tax** (see instructions), check here . . . . ▶ ☐		
b	Otherwise, multiply line 10 by 15% (.15). Enter the result here and include it in the total on Form 1040, line 56. On the dotted line next to line 56, enter "MSA" and the amount	**11b**	

For Paperwork Reduction Act Notice, see page 8 of the instructions.   Cat. No. 24091H   Form **8853** (1998)

Name of policyholder (as shown on Form 1040)	Social security number of policyholder ▶

Section B. Long-Term Care (LTC) Insurance Contracts—*See the instructions, including **Filing Requirements for Section B** on page 6, before completing this section.*

If more than one Section B is attached, check here . . . . ▶ ☐

12a Name of insured ▶ _____ **b** Social security number of insured ▶ _____

13 Are there individuals other than you who received payments on a per diem or other periodic basis in 1998 under a qualified LTC insurance contract, or received accelerated death benefits in 1998 under a life insurance policy, covering the insured listed on line 12a above? . . . . ☐ **Yes** ☐ **No**

14 Was the insured a terminally ill individual? . . . . ☐ **Yes** ☐ **No**
Note: *If "Yes," and if the **only** payments you received during the year were accelerated death benefits received because the insured was terminally ill, skip lines 15 through 23 and enter -0- on line 24.*

15 Gross LTC payments received on a per diem or other periodic basis. Enter the total amounts from box 1 of all Forms 1099-LTC that you received with respect to the insured listed on line 12a above if the "Per diem" box is checked in box 3 of Form 1099-LTC **15**

Caution: *Do **not** use lines 16 through 24 below to figure the taxable amount of benefits paid under any LTC insurance contract other than a **qualified** LTC insurance contract. Instead, to the extent these amounts are not excludable from your income under the applicable provisions of the Internal Revenue Code (for example, if the benefits are not paid for personal injuries or sickness through accident or health insurance), report these amounts directly on Form 1040, line 21.*

16 Enter the portion of the amount you entered on line 15 that is from **qualified** LTC insurance contracts **16**

17 Accelerated death benefits received on a per diem or other periodic basis.
Note: *If you checked the "Yes" box in question 14 above, do not include on line 17 amounts received because the insured was terminally ill. See instructions* **17**

18 Add lines 16 and 17 . . . . **18**

If you checked "Yes" to the question on line 13 above, see the instructions for line 13 before completing lines 19 through 23.

19 Multiply $180 by the number of days of the LTC period **19**

20 Enter the costs incurred for qualified LTC services provided for the insured during the LTC period (see instructions) **20**

21 Enter the larger of line 19 or line 20 . . . . **21**

22 Enter total reimbursements received for qualified LTC services provided for the insured during the LTC period **22**

Caution: *If you received any reimbursements from LTC contracts issued before August 1, 1996, see instructions.*

23 Per diem limitation. Subtract line 22 from line 21 . . . . **23**

24 **Taxable payments.** Subtract line 23 from line 18. Enter the result but do not enter less than zero. If the result is more than zero, also include it in the total on Form 1040, line 21. On the dotted line next to line 21, enter "LTC" and the amount **24**

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