



# Reporting of Contributions to Medical Savings Accounts

## Informational Bulletin

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Director of Revenue

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or forms...

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Effective immediately, an employer who contributes to an Illinois medical savings account for an employee must report this tax-exempt amount on the employee's W-2 each year.

Who is affected by this change?

Every employer who contributes to a medical savings account must report this information.

How do I report this information to my employees?

You should report this amount in box 14 of the paper W-2 you give to your employee. Please note that box 14 is to be used for the reporting of payments made to an Illinois medical savings plan only. For information on reporting payments made to other medical savings plans, please see Instructions for Forms W-2 and W-3 provided by the Internal Revenue Service.

When must I report this information to my employees?

Beginning with contributions made in 2000, you must report this information to your employees by January 31 each year.

What are the reporting requirements for the state of Illinois?

The Illinois Department of Revenue does not require that W-2s be filed by employers each year. Employers must maintain these records for a period of three years and provide them if requested. If you store your W-2 information on magnetic media in the TIB-4 format, the medical savings account information should be placed in the supplemental records in positions 208-217 of the S record on magnetic tape, positions 77-86 of the 2S record on diskettes, and positions 298-307 of the RS record in the MMREF format as defined by the magnetic media reporting requirements of the Social Security Administration.

