
TABLE OF CONTENTS

Chapter 1: Introduction	1
Reminders	1
Overview	1
Impact of the Affordable Care Act	5
Chapter 1: Test Your Knowledge	9
Chapter 1: Solution and Suggested Responses	11
Chapter 2: Overview of Medical Expenses and Taxes	13
Reminders/Updates	13
Introduction	13
What Are Medical Expenses	13
What Expenses Can a Taxpayer Include This Year	14
How Much of the Expenses Can a Taxpayer Deduct	14
Whose Medical Expenses Can a Taxpayer Include	15
What Expenses Are Includible	19
How Does a Taxpayer Treat Reimbursements	24
Figuring and Reporting the Deduction on a Tax Return	24
Health Insurance Costs for Self-Employed Persons	25
Health Coverage Tax Credit	26
Chapter 2: Test Your Knowledge	29
Chapter 2: Solutions and Suggested Responses	31
Chapter 3: Health Savings Accounts	33
Introduction	33
Qualifying for an HSA	33
Contributions to an HSA	37
Distributions from an HSA	46
Balance in an HSA	49
Death of HSA Holder	49
Filing Form 8889	50
Employer Participation	50
HSAs and Cafeteria Plans	51
Permissible Investments	52
Chapter 3: Test Your Knowledge	55
Chapter 3: Solutions and Suggested Responses	57
Chapter 4: Medical Savings Accounts	59
Introduction	59
Qualifying for an Archer MSA	60
Contributions to an MSA	62
Distributions from an MSA	65
Balance in an Archer MSA	68
Death of an Archer MSA Holder	68

Filing Form 8853	68
Employer Participation	68
Medicare Advantage MSAs	69
Chapter 4: Test Your Knowledge	71
Chapter 4: Solutions and Suggested Responses	73
Chapter 5: Flexible Spending Arrangements	75
Overview	75
Qualifying for an FSA	76
Contributions to an FSA	76
Distributions from an FSA	77
Balance in an FSA	78
Employer Participation	79
Cafeteria Plans	79
Chapter 5: Test Your Knowledge	81
Chapter 5: Solutions and Suggested Responses	83
Chapter 6: Health Reimbursement Arrangements	85
Introduction	85
Qualifying for an HRA	86
Contributions to an HRA	86
Distributions from an HRA	86
Balance in an HRA	88
Employer Participation	88
Treasury Notice	88
Chapter 6: Test Your Knowledge	95
Chapter 6: Solutions and Suggested Responses	97
Appendix A	99
Appendix B	133
Appendix C	143
Appendix D	157
Appendix E	173
Glossary	185
Index	187
Final Exam Copy	189