

Medical Savings Accounts

Keep Yourself and Your Gross Income Healthy

Westmark's Medical Savings Account (MSA) assists you in sheltering a portion of your gross income from Idaho State Income Taxes. As an account holder, you may deduct up to \$10,000 of your MSA contributions, per year, for paying for future eligible medical expenses. If you are married, your spouse may open an additional MSA, allowing you to claim combined deductions of up to \$20,000 to pay for eligible medical expenses.



All MSAs are individual or joint accounts with a designated beneficiary. Upon death, funds in an individual MSA account may be withdrawn by the beneficiary without penalty but must be included in reportable income. If you are married and file a joint Idaho State Income Tax Return, you may open a joint account.

Any member with taxable income may open a Westmark Medical Savings Account. There are no minimum deposit requirements and best of all, no set-up charges or services fees.

Your account will earn dividends on the daily balance, compounded monthly, based on a tiered rate structure published for Westmark Daily Dividend Savings Accounts. Please contact a Financial Service Representative for current rate information at (208) 523-1071 or 1-800-574-5626.

Direct Transfers

You may make a "direct transfer" from an MSA at another financial institution to your Westmark MSA, without penalty. Ask a Financial Service Representative for assistance.

Reporting Tax Information

Westmark will report the dividends earned on your MSA to the Idaho State Tax Commission. If you have a joint account, this information will be reported under the Primary Member's name and Social Security Number.

As the account holder you are responsible for maintaining records of all deposits and withdrawals from your MSA as well as for declaring penalties for withdrawals that are made for non-medical expenditures, when filing your Idaho State Income Tax Return. You must also report any deposit amount in excess of your tax-deductible contributions each year. However, these deposits may be carried forward as unexpected funds, retaining their tax-exempt status for the following year(s) when they are used for eligible medical expenses.

Medical Expenses

You must retain records of any medical services received, the date of services, and the evidence of your payment. Only eligible medical expenses incurred after your contributions to an MSA are exempt from Idaho State Income Tax. Eligible medical expenses include those paid by you or your dependent children and listed in the Internal Revenue Code.



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