

Revision of Form 8851, Summary of Archer MSAs

Announcement 2001-21

Purpose

This announcement advises trustees and custodians of medical savings accounts of the requirement to file Form 8851, Summary of Archer MSAs, and changes for magnetic and electronic filing.

Background

Sections 201 and 202 of Public Law 106-554, enacted December 21, 2000, change the name of medical savings accounts to Archer MSAs, extend the Archer MSA program through 2002, and reinstate the reporting requirement for trustees and custodians of Archer MSAs.

Reporting Requirements

Filers are required to report on Form 8851 by August 1, 2001, the total number of Archer MSAs they established from January 1, 2001, through June 30, 2001, the total number of previously uninsured account holders, the total number of excludable account holders, and the names and social security numbers of account holders. We expect to make the revised Form 8851 available by May 2001. There are no major changes to the November 1997 version of Form 8851.

Filing Requirements

The minimum reporting requirement to file magnetically or electronically remains at 250 Archer MSAs. However, filers reporting fewer than 250 Archer MSAs are also encouraged to file magnetically or electronically. We will issue a revenue procedure with the magnetic media and electronic filing requirements for Form 8851 no later than May 2001 to update Rev. Proc. 97-25, which will include the following changes.

- The mailing address for the Martinsburg Computing Center has changed. All correspondence and media relating to Forms 8851 should be sent to: IRS-Martinsburg Computing Center, Information Reporting Program, 240 Murall Drive, Kearneysville, WV 25430

- The only acceptable media and method of filing Forms 8851 are as follows:
 - Magnetic Tape
 - Tape Cartridge
 - 8mm, 4mm, and Quarter Inch Cartridges (QIC)
 - 3.5-Inch Diskette*
 - Electronic Filing – FIRE System**

- *The IRS no longer has the capability to process non-MS-DOS compatible diskettes. The 3.5-inch diskettes created on a System 36 or AS400 are **not** acceptable.

- **The telephone number for the FIRE System is 304-262-2400. If filers have any questions about the FIRE System, they should call the technical staff at 304-263-8700. Filers should use Publication 3609 for electronic filing information until the revised revenue procedure is published.

- The only format change is in the Trustee “A” Record. In the Trustee “A” Record, Field Position 136, Report Period, enter the last digit of the year for which the Form 8851 is being filed (i.e., enter a “1” for tax year 2001).