

Archer Medical Savings Accounts – Trustees' Reports on the Number of Archer MSAs Established between January 1, 2004 and June 30, 2004

Announcement 2004-82

Purpose

The purpose of this announcement is to notify trustees and custodians that they must report to the Internal Revenue Service (IRS) the number of Archer MSAs established between January 1, 2004 and June 30, 2004. Trustees must report this information to IRS on Form 8851, no later than January 3, 2005. Form 8851 will soon be available at www.irs.gov.

Archer Medical Savings Accounts (Archer MSAs)

Archer MSAs are a pilot project authorized by section 220 of the Internal Revenue Code. The Working Families Tax Relief Act of 2004 § 322, amends sections 220(j)(4), (5) of the Code to require that trustees of Archer MSAs report the number of Archer MSAs established between January 1, 2004 and June 30, 2004. Trustees must report this information to IRS by January 3, 2005. Trustees do not report Archer MSAs established in 2003. Archer MSAs will terminate if the number of individuals establishing Archer MSAs exceeds certain numerical limits. If these limitations are exceeded in 2004, 2004 will be a "cut-off year" after which, in general, no new Archer MSAs can be established. IRS will publish no later than February 1, 2005, the number of Archer MSAs established and whether 2004 is a cut-off year.