

## **2009 TAX SEASON Q&A For Members**

- **What's New – Changes from Last Year's Tax Season**
  - TurboTax is now available “behind the PIN” in VyStar’s Internet Banking (see “My TurboTax”). One of the features, if selected, will pre-fill the member’s VyStar account information for their IRS refunds, which will help to ensure the member’s refund is credited to the correct account.
  - Last year, IRA members age 70.5 and above were not required to take a Required Minimum Distribution (RMD) from their Traditional IRA. As of today, the IRS has **NOT** issued the final notice on whether IRA members will be required to take a RMD in 2010. Therefore, at this time, a RMD is required for 2010. We will communicate to all IRA 70.5 members if this requirement changes.
  
- **Reminders**
  - Tax Forms are available via Internet Banking to eStatement Members only.
    - Members who are enrolled in eStatements will also have access to view/print their tax forms. The tax forms will appear in the list with the member’s monthly statement files.
    - These forms will be available via Internet Banking as soon as the paper tax forms are mailed in January 2010.
  
- **Top Questions from Members:**
  1. **Will I receive Form 1099-INT?** Any member who received \$10 or more in dividends on **each individual deposit** account (including Bond Records and excluding IRA/HSA accounts), this amount and account number will be included on the 1099-INT form. If an account did not earn \$10 or more in dividends, that account will not be reported to the IRS and the member will not receive a Form 1099-INT for that account.
  2. **Will I member receive Form 1098?** All members with mortgage loans will receive Form 1098, which is a report of their total mortgage interest paid. The 1098 mortgage interest form will also include the amount of real estate property taxes, private mortgage insurance premiums paid on loans that were originated after 1/1/2007, and mortgage points paid by the borrower, if applicable.

▪ **Upcoming Changes for 2010**

- Contribution limits for Traditional and Roth IRAs – no change for 2010

	<b>2009</b> <b>Members have until April 15, 2010 to make their 2009 IRA Contribution.</b>	<b>2010</b> <b>Members can start their 2010 contributions starting January 1, 2010</b>
<b>Traditional IRA</b>	\$5,000 For members 50+ - \$6,000	\$5,000 For members 50+ - \$6,000
<b>Roth IRA</b>	\$5,000 For members 50+ - \$6,000	\$5,000 For members 50+ - \$6,000
<b>Coverdell Education Savings</b>	\$2,000	\$2,000

- Contribution limits for Health Savings Accounts – see changes for 2010

	<b><u>2009</u></b> <b><u>Members have until April 15, 2010 to make their 2009 HSA Contribution.</u></b>		<b><u>2010</u></b> <b><u>Members can start their 2010 HSA contributions starting January 1, 2010.</u></b>	
	<b><u>Individual</u></b>	<b><u>Family</u></b>	<b><u>Individual</u></b>	<b><u>Family</u></b>
<b>Contribution Limit</b>	\$3,000 For members 55+ \$4,000	\$5,950 For members 55+ \$6,950	\$3,050 For members 55+ <u>\$4,050</u>	\$6,150 For members 55+ \$7,150
<b>Deductible Limits</b>	\$1,150	\$2,300	\$1,200	\$2,400
<b>Out of Pocket Expenses</b>	\$5,800	\$11,600	\$5,950	\$11,900

## **2009 IRS TAX FORMS**

### **Form Number** **Form Title**

- 1099-INT** Interest Income (Used for Deposit Accounts, Bonds Records and Escrow Accounts) – Mailed to Member by January 31.
- 1099-Q** Payments From Qualified Education Program – Under Section 529 and 530 (Used for Educational IRA Distributions) – Mailed to Member by January 31.
- 1099-R** Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc. (Used for IRA Accounts) – Mailed to Member by January 31.
- 1099-SA** Distributions From an HSA, Archer MSA, or Medical Advantage MSA (Used for HSA Accounts) – Mailed to Member by January 31.
- 5498** IRA Contribution Information (Used for IRA Accounts) – Mail to Member by January 31 (If a member makes a prior year IRA contribution between January and April 15th, another 5498 Form will be sent in April 2010.)
- 5498-ESA** Coverdell ESA Contribution Information (Used for IRA Accounts) – Mailed to Member by January 31 (If a member makes a prior year Coverdell ESA IRA contribution between January and April 15th, another 5498-ESA Form will be sent in April 2010.)
- 5498-SA** HSA, Archer MSA, or Medicare Advantage MSA Information (Used for HSA Accounts) – Mailed to Member by January 31. (If member makes a prior year Health Savings Account contribution between January and April 15<sup>th</sup>, another 5498-SA Form will be sent in April 2010.)
- 1098** Mortgage Interest Statement (Used for Mortgage Loan Interest) – Mailed to Member by January 31. The 1098 mortgage interest form will also include the amount of real estate property taxes, private mortgage insurance premiums paid on loans that were originated after 1/1/2007, and mortgage points paid by the borrower, if applicable.
- RMD Notice** Mail Notice to IRA Members (age 70 ½ and older) by January 31 (see What’s New Section above).
- 1042-S** Foreign Person’s U.S. Source Income Subject to Withholding (Used for Non-Resident Alien Accounts) – Mail to Member by March 15.
- 1099-A** Acquisition or Abandonment of Secured Property (Used for Mortgage Accounts) – Mail to member by January 31.
- 1099-C** Cancellation of Debt (Used for all Loan Accounts)  
Mail to member by January 31

## **2009 TAX SEASON Q&A**

### **1. Will I receive a 1099-INT Form?**

- Any member or business who received \$10 or more in dividends on any deposit account (excluding IRA accounts), escrow account, or savings bonds, the amount and account number will be included on the 1099-INT tax form.
- Example: If an account earned \$8 dividend in savings and \$9 dividends in checking, the member will not receive a 1099-INT.
- If the member has a Primary Savings and Checking Account, and only the Checking Account received \$10 or more in dividends paid during 2008, then only the Checking Account number and amount of dividend paid will appear on the 1099-INT tax form.

### **2. Will I receive a 1099-R Form?**

- If any amount was distributed (withdrawn, not transferred to another institution) from their Retirement Plan, this amount will appear on the 1099-R form, and will indicate what the taxable amount is and how much federal tax was withheld, if any.
- If a member has a Roth and Traditional Account and any amount was distributed (withdrawn, not transferred to another institution) from these accounts, they will receive one 1099-R for the Roth account, and another 1099-R for the Traditional account.

### **3. Will I receive a 1099-Q Form?**

- If any amount was distributed (withdrawn not transferred to another institution) from their Education IRA (Coverdell Education Savings), this amount will appear on the 1099-Q form, and will indicate what the taxable amount is.

### **4. Will I receive a 1099-SA Form?**

- If any amount was distributed (withdrawn not transferred to another institution) from their HSA Account, this amount will appear on the 1099-SA form, and will indicate what the taxable amount is.

### **5. Will I receive a 1098 Form?**

- If a member has a Mortgage Loan, ALL mortgage loan interest paid will be reported and provided to them on a 1098 Form.
- The 1098 form will report real estate property taxes paid, private mortgage insurance premiums paid on mortgage loans that were originated after 1/1/2007, and mortgage points paid by the borrower, as these items may be tax deductible. Members should consult a tax advisor regarding tax deductibility of the information contained on the 1098 form.
- We are only required to send a 1098 if the interest totals \$600 or more. However, due to the number of requests for this form, a 1098 will be generated on all mortgage loan accounts regardless of the amount of mortgage interest paid.

**6. Will I receive a 5498 Form?**

- If a member made an IRA contribution in 2009, they will receive a 5498 Form by January 31, as required by the IRS.
- The 5498 Form reports IRA contributions, rollovers and the Fair Market Value (IRA balance as of December 31).
- Members have until April 15<sup>th</sup> to make prior year (2009) IRA contributions.
- Contributions for 2010 start on January 1, 2010.
- The “2009 tax year” ends April 15<sup>th</sup>.
- Members will receive another 5498 Form in May 2010 only if they have contributed to their IRA for tax year 2009 during the period of January 1 through April 15, 2010.

**7. Will I receive a 5498-ESA?**

- If a member made a Coverdell Education Savings IRA contribution in 2009, they will receive a 5498-ESA Form by January 31, as required by the IRS.
- The 5498-ESA Form reports Coverdell Education Savings IRA contributions, rollovers and the Fair Market Value (IRA balance as of December 31).
- Members have until April 15<sup>th</sup> to make prior year (2009) Education IRA (Coverdell Education Savings) contributions.
- Contributions for 2010 start on January 1, 2010.
- The “2009 tax year” ends April 15<sup>th</sup>.
- Members will receive another 5498-ESA Form in May 2010 only if they have made a contribution to their Coverdell Education Savings IRA for tax year 2009 during the period of January 1 through April 15, 2010.

**8. Will I receive a 5498-SA?**

- If a member made a Health Savings Account contribution in 2009, they will receive a 5498-SA Form by January 31, as required by the IRS.
- The 5498-SA Form reports Health Savings Account IRA contributions, rollovers and the Fair Market Value (IRA balance as of December 31).
- Members have until April 15<sup>th</sup> to make prior year (2009) Health Savings Account Contributions.
- Contributions for 2010 start on January 1, 2010.
- The “2009 tax year” ends April 15<sup>th</sup>.
- Members will receive another 5498-SA Form in May 2010 only if they have made a contribution to their Health Savings Account IRA for tax year 2009 during the period of January 1 through April 15, 2010.

**9. Will I receive a RMD (Required Minimum Distribution) Letter?**

- Yes, if the member has a Traditional IRA is age 70.5 and older in 2010.
- Last year, IRA members age 70.5 and above were not required to take a Required Minimum Distribution (RMD) from their Traditional IRA. As of today, the IRS has NOT issued the final notice on whether IRA members will be required to take a RMD in 2010. Therefore, at this time, a RMD is required for 2010. We will communicate to employees if this requirement changes.

**10. Will I receive a 1042-S Form?**

- If a member is a non-resident alien or Canadian, we will mail a 1042-S Form to them by March 15, 2010.

**11. Will I receive a 1099-A?**

- If the member has a residential mortgage loan with VyStar in which the property was abandoned or foreclosed during the 2009 tax year; the borrower will receive a 1099-A.

**12. Will I receive a 1099-C?**

- If the member has a debt with VyStar in which a settlement has been accepted as payment in full on the outstanding debt, the borrower will receive a 1099-C for the amount of the debt that has been forgiven.

**13. Why is my Savings Account (or any other deposit account) NOT included on the 1099-INT form?**

- Only those deposit accounts (non-IRA) that have received \$10 or more in dividends are included on a member's 1099-INT form.
- If a member has a Primary Savings and Checking Account, and only the Checking Account received \$10 or more in dividends paid during 2009, then only the Checking Account number with amount of dividend paid will appear on the 1099-INT tax form.

**14. Where are my Year-to-Date (YTD) Grand Totals on my Statement?**

- Our Member Statements do not provide a "GRAND TOTAL" – however, year-to-date totals are provided for each open account.
- For IRAs, the 5498 tax form will report the member's year-end balance (Fair Market Value).

**15. Can I get a new 1099-INT Form with all of my accounts listed, regardless of the amount of dividends earned?**

- No. Only those accounts (non-IRA) that have received \$10 or more in dividends will generate a form and will be reported to the IRS.
- Members may refer to their December Member Statement for the YTD Interest (Dividends) paid amount for open accounts. For closed accounts, the member will need to refer to the Member Statement for the month the account was closed. (For example, if the CD was closed in March, refer to the March statement. The April-December statement will not show this account.)

**16. Why did I receive a tax form for my business/organization?**

- VyStar is required to report to the IRS, the deposit accounts that received \$10 or more in dividends paid. This includes personal and business accounts.

**17. Why was my business and personal tax information combined?**

- Refer to #1. This should only apply to sole proprietorships. All accounts that have received \$10 or more in dividends are included on the member's 1099-INT form.
- Member accounts were combined only if the member's or business's SSN/TIN/EIN AND the first line of addresses (first 10 characters) matches.
- If the SSN/TIN/EIN and address criteria did not match, then separate 1099-INT forms were generated.
- Only deposit accounts (not the CIF) that received \$10 or more in dividends will be listed on the 1099-INT.
- The 1099R and the 1098 forms were not combined in this manner.

**18. Should my Money Market account appear differently on my tax form?**

- No. VyStar's Money Market accounts are "savings accounts" and should not be misunderstood as a money market investment account.

**19. Do I have to report this interest (dividends) on my tax return?**

- Members must consult with their tax advisor to determine what must and/or must not be reported on your tax return.
- VyStar cannot give tax advice – however, we can provide the information as it relates to your accounts.

**20. I have not received, or I have misplaced or lost my tax form. How do I get a new or replacement form?**

- We can order a copy of the form for you that you should receive within 7 business days.
- Please contact VyStar’s Call Center at (904) 777-6000 or 800-445-6289 or stop by any branch.

**21. My tax information is incorrect. What do I do?**

- Please contact VyStar’s Call Center at (904) 777-6000 or 800-445-6289 or stop by any branch. Once an error is researched and confirmed, a corrected form will be mailed to you. The process takes approximately 30 days.
- Please have the following information ready when you contact us:
  - Account number(s) in question
  - Phone number - a daytime phone number to contact you
  - Brief explanation of the problem, concerns and questions

**22. I have a certificate penalty amount on my 1099-INT form. This was supposed to be corrected. How do I get my tax form corrected?**

- Please contact VyStar’s Call Center at (904) 777-6000 or 800-445-6289 or stop by any branch. Once an error is researched and confirmed, a corrected form will be mailed to you. The process takes approximately 30 days.
- Please have the following information ready when you contact us:
  - Account number(s) in question
  - Phone number - a daytime phone number to contact you

**23. My Social Security Number (or TIN – Tax Identification Number) is incorrect on my tax form? How do I get this corrected and receive a corrected tax form?**

- The member must complete and sign a W-9 form before we can change their social security number on their accounts.
- Please contact VyStar’s Call Center at (904) 777-6000 or 800-445-6289 or stop by a VyStar Branch for a W-9 form.
- Going online – if you use Internet Banking login, click “VyChat” and a VyStar Representative will be glad to assist you with providing the information needed to update your Social Security Number. VyChat is available during Call Center hours which is 8:30 a.m. – 7 p.m. Monday – Friday and 9 a.m. – 3 p.m. Saturday.

Note: The W-9 Form is also available online at [www.irs.gov](http://www.irs.gov).

**24. The bond interest reported on my 1099-INT form is incorrect? How do I get this corrected?**

- Please contact VyStar’s Call Center at (904) 777-6000 or 800-445-6289 or stop by any branch. Going online – if you use Internet Banking login, click “VyChat” and a VyStar Representative will be glad to assist you with providing the information needed to update your Social Security Number. VyChat is available during Call Center hours which is 8:30 a.m. – 7 p.m. Monday – Friday and 9 a.m. – 3 p.m. Saturday.
- Once an error is researched and confirmed, a corrected form will be mailed to you. This process takes approximately 30 days.

- Please have the following information ready when you contact us:
  - Account number(s) in question
  - Phone number - a daytime phone number to contact you