



# Election For Deductions

## Health or Long Term Care Premiums

### Paid through Employer or Endorsed Plan Administrator

IMRF Form 7.12E (01/09)

#### INSTRUCTIONS

- The Pension Protection Act of 2006 allows retired or permanently disabled public safety employees (see back) to deduct up to \$3,000 from their IMRF benefit payments for health or long-term care insurance premiums paid by IMRF to the insurance company or employer.
- IMRF will adjust your income tax withholding for the health or long-term care insurance premiums and provide you with an annual summary you can use when filing your federal income tax return.
- Please submit this form with IMRF Form 7.10, "Health Insurance Continuation Through Employer—Premium Deduction Authorization" or 7.10E, "Health Care Program Premium Deduction Authorization for IMRF Endorsed Plans."

#### PLEASE PRINT OR TYPE

MEMBER'S FIRST NAME	MIDDLE INITIAL	LAST	JR., SR., II, ETC.	SOCIAL SECURITY NUMBER
HOME STREET (MAILING) ADDRESS				CITY STATE AND ZIP + 4
POSITION TITLE ON LAST DATE OF IMRF PARTICIPATION				HOME TELEPHONE NO. (      )

#### MEMBER CERTIFICATION AND AUTHORIZATION

I certify I was an eligible Public Safety Officer when I terminated from IMRF participation at full retirement age or when I became disabled. I elect to have amounts deducted from my IMRF benefit payments to pay for qualified insurance premiums, as provided under the Pension Protection Act of 2006.

The annual limit for the deduction is currently \$3,000 per year.

I certify the deductions I am requesting are for qualified insurance premiums.

I certify that I qualify for the benefit of a deduction of qualified insurance premiums and agree that IMRF is not responsible for any additional tax liability, interest, or penalties that may arise because I requested this benefit.

**In consideration of participation in this program, which I recognize is a valuable benefit, I waive any claims of any kind against IMRF arising from my participation.**

This authorization is not an assignment of my right to receive payment. This authorization will remain in effect with IMRF until cancelled by written notice from me.

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
DATE

<b>FOR IMRF USE ONLY</b>	DATE ENTERED	DATE EFFECTIVE
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**Illinois Municipal Retirement Fund**  
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 Member Services Representatives 1-800/ASK-IMRF  
[www.imrf.org](http://www.imrf.org)

## **Distributions from Eligible Plans for Public Safety Retiree Health and Long Term Care Insurance Premiums**

Effective January 1, 2007, the Pension Protection Act of 2006 allows retired or disabled public safety employees to take a tax deduction of up to \$3,000 on their federal income tax return for health insurance or long-term care insurance premiums. The health insurance or long-term care insurance coverage can include the member, spouse and dependents.

You must be terminated from your IMRF employer because you were disabled or because you reached full (normal) retirement age (60 for Regular plan members or 55 with 35 years of service, 55 for ECO plan members and 50 for SLEP and SLEP-ECO plan members).

### **Taking the \$3,000 deduction on your federal income tax returns**

IMRF reduces the amount of federal income tax withholding to reflect the lower taxable amount of your pension. However, your 1099-R tax statement will show your full pension payments before the deduction for insurance premiums. You take the deduction by reducing the taxable amount of your pension by the amount you paid for insurance premiums when completing Form 1040 or Form 1040A, "U.S. Individual Income Tax Return."

### **What is the definition of a public safety employee?**

The PPA uses the definition in Section 1204(8)(A) of the *Omnibus Crime Control and Safe Streets Act of 1968* (42 U.S.C. 3796b(9)(A)). That definition includes the following individuals serving a public agency in an official capacity:

- An individual who is an officer of a public agency with the legal authority and responsibility to arrest, apprehend, prosecute, adjudicate, correct or detain, or supervise such persons who are alleged or found to have violated the criminal laws (including juvenile delinquency laws).
- Professional firefighters
- Officially recognized or designated:
  - Public employee members of a rescue squad or ambulance crew
  - Members of a legally organized volunteer fire department
  - Chaplains of volunteer fire departments, fire departments, and police departments

### **The amount deducted will be paid directly to your insurer**

Reimbursements are not covered. For you to take advantage of this tax break, IMRF must pay the **premium** to the insurance provider through:

- Your former employer if you are continuing insurance through your employer
- Doyle Rowe, LTD. if you enrolled in an IMRF-endorsed plan

### **What if your insurance premiums exceed \$3,000 annually?**

IMRF will continue the deductions, but your federal income tax withholding will increase due to the larger amount subject to withholding. For example, if your insurance premiums exceed \$3,000 in October, your November and December federal tax withholding will be calculated on a higher amount since we are no longer reducing your taxable pension amount for qualifying health insurance insurance premiums.

### **Is the deduction available to an IMRF member's spouse?**

No, the deduction is available only on the election of the member. No other individual is eligible to make the election. This deduction is not available to surviving spouses.