

## Tax-Free Distributions for Public Safety Officer Insurance Premiums

### Frequently Asked Questions (FAQs) for Eligible Retired Public Safety Officers

- 1. What does the HELPS Retirees benefit provide?**
  - a. The HELPS Retirees provision of the Pension Protection Act of 2006 allows eligible retired public safety officers to use up to \$3,000 per year from their qualified government retirement plan, on a pre-tax basis, to pay for health insurance or long-term care insurance premiums. For you to get the pretax benefit, the money must be paid directly from your Empower account to a health insurance company.
- 2. Which retirees are eligible to take advantage of this benefit?**
  - a. Those public safety officers who have separated from service as a public safety officer and have attained normal retirement age or who are separated due to a disability are eligible for the benefit.
- 3. What happens if both my spouse and I are eligible retired public safety officers?**
  - a. Both you and your spouse would be eligible to use up to \$3,000 each on a pre-tax basis to purchase health insurance for a total family limit of \$6,000. The premiums, however, would have to be directly deducted from both you and your spouse's 457 deferred compensation account.
- 4. How do I arrange for direct payment of the monthly premiums on my health insurance?**
  - a. All eligible public safety officers who elect this benefit will need to complete the "Eligible Retired Public Safety Officers Special Election Form & Distribution Request," provided by HR.
- 5. When will Empower send my first payment to my health insurance carrier?**
  - a. Per policy, retirees have a 30-day waiting period from their retirement date before a distribution can be processed. The start date of periodic payments will be the first of the month following your retirement date.
    - i. For example, if your retirement is effective January 1<sup>st</sup>, the distribution to your health carrier will not be effective until February 1<sup>st</sup>.
- 6. I am enrolled in retiree health care through Henrico County, where should payments be sent?**
  - a. If you are enrolled in the County-sponsored healthcare plan through Anthem HealthKeepers, the "Insurance Carrier Information" is as follows:
    - i. Insurance Type: Medical
    - ii. Company Name: Anthem HealthKeepers
    - iii. Phone Number: 800-451-1527
    - iv. Mailing Address: P.O. Box 645438
    - v. City/State/Zip Code: Cincinnati, OH 45264-5438
    - vi. Group Number: Varies, retirees can reach out to HR for their group number.
- 7. I do not wish for my full premium amount to be sent to my health carrier. Can I set-up partial payments?**
  - a. Per IRS guidelines, the distribution amount cannot exceed \$3,000 on an annual basis. You have the option to elect periodic monthly payments and can choose the amount that is withdrawn from your Empower account.
- 8. If I opt-in to make partial payments, how do I pay the remaining balance?**
  - a. Eligible retirees have two options to pay the remaining balance of their premium. Retirees can set up automatic bank draft authorization to draft the remaining balance. If

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retirees choose not to set up an automatic draft, they will be billed monthly for the remaining balance.

- i. **Note:** The automatic withdrawal will debit the member's bank account for the balance due on the 5th. If the Empower payment has not been received and posted to the account by the 2nd, it will deduct the whole premium on the 5th. If the payment is received after the 5th, it will be applied to the next month's premium and only the balance due will be deducted. Anthem HealthKeepers does not adjust the automatic withdrawal.

**9. I am eligible for a retiree health care supplement. Will this be automatically reduced from my premium amount?**

- a. Yes. Retirees who are eligible for a health care supplement are assigned group numbers based on their supplement amount. The HR Representative you meet with to process your retirement will be able to provide your monthly premium amount, to include your supplement amount. If you have questions regarding your supplement amount, please refer to the "Retiree Health Care Supplement" handout.

- i. **Note: This supplement will be paid only to eligible retirees who remain in the Henrico County group plan. Retirees may NOT receive both the VRS health care credit and the Henrico County supplement.**

**10. I have completed the form. What is next?**

- a. Eligible retirees must either have the form notarized or obtain the Plan Administrator signature. Our Plan Administrator is Terri Melton, Benefits Manager. Please reach out to our office directly if you are unable to get your form notarized. The signed form will need to be faxed to Empower at 1-866-745-5766.

**11. Will I be required to renew this IRS tax benefit each year?**

- a. No. Opting for this IRS tax benefit is an "evergreen election." This means once you complete the Election Form, your election of this benefit remains in effect unless and until you cancel it in writing. You do not have to renew it each year. If you cancel your qualified plan(s), you also lose the benefit.

### Contact Information

**Empower Retirement: 800-701-8225**

[www.empowermyretirement.com](http://www.empowermyretirement.com)

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