

Louisiana Sheriffs' Pension & Relief Fund

1225 Nicholson Drive • Baton Rouge, Louisiana 70802
Phone: (225) 219-0500 • (800) 586-9049 • FAX: (225) 219-0521
www.lsprf.com



TO: All Pension Recipients

RE: Pension Protection Act of 2006, Section 845(a) -- \$3,000 Exclusion from Gross Income for Qualified Insurance Premiums

DATE: January 27, 2009

As part of the Pension Protection Act of 2006, Section 845(a), retired public safety officers may be eligible to exclude up to \$3,000 from gross income for qualified insurance premiums, but only if said premiums are paid by the retiree. According to the latest information available to the Pension Fund, eligibility criteria for this exclusion are as follows:

- Eligible public safety officers include law enforcement officers, firefighters, chaplains and members of rescue squads or ambulance crews. Retirees who held clerical, accounting, or maintenance positions are not eligible for this exclusion.
- Qualified insurance premiums include medical, dental, vision, cancer, catastrophic illness, and long-term care premiums. Life insurance premiums are not eligible under this program.
- Eligible premiums include those paid by you for yourself, your spouse, and your dependents.
- Regular and Disability Retirees are eligible, however, those retirees who retired under the "Early Retirement" provisions are not eligible.
- Surviving spouses and dependents who are receiving a benefit may be eligible under limited circumstances. Please consult your tax advisor.
- Retirees whose premiums are being paid by the sheriff's office from which they retired are not eligible.

Please be advised that this exclusion **will not** be reflected in Box 2a on the 1099-R issued to you by the Louisiana Sheriffs' Pension and Relief Fund nor will it be noted in any other block on the form. Any amount shown in Box 5 of your 1099-R reflects the return of non-taxable employee contributions and is not related to insurance premiums. Keep in mind that deductions made from your monthly benefit may include premiums not eligible for the exclusion. The most accurate way to obtain the amount of eligible premiums that you paid during the calendar year would be to contact the insurance office of the sheriff's office from which you retired.

This information is provided as a courtesy to our retirees in the event that it may be useful. Additional information regarding this program can be found in IRS Publication 575 or on the Internal Revenue website at www.irs.gov. The Pension Fund staff is not authorized to provide tax advice; accordingly we can accept no responsibility for unexpected tax liability or consequences. Always, we recommend that you consult your tax professional. We are always happy to be of assistance to our members. If you have questions of a general nature relating to this letter, please contact Roselyn Pitarro or Kathy Weimer at 225.219.0500.