



# DEFERRED COMPENSATION PLAN

*This checklist will help guide you through the process of utilizing your Deferred Compensation Plan to make payments to offset your health insurance.*

**ALL CORRESPONDENCE SHOULD BE DONE CERTIFIED RETURN RECEIPT TO ENSURE IT WAS RECEIVED.  
PLEASE REFER TO IRS PUBLICATION 575 TO ENSURE YOU ARE ELIGIBLE FOR THIS BENEFIT.**

## For Newly Retired Members

*Follow the steps below to utilize your Deferred Compensation Plan to make payments to offset your health insurance. Your transfer cannot exceed \$3,000 yearly or the amount of your yearly health insurance premium.*

- Step 1** ☐ **IMMEDIATELY**- Upon Retirement, complete and mail the Refund Hold Request letter to Civil Service Employee Benefits Division.
- Step 2** ☐ Complete the Deferred Comp Public Safety Officers Insurance Premium Payment Authorization form and fax or mail it, with a copy of the below letter or health insurance bill, to Deferred Comp.
- ☐ Letter from Civil Service Employee Benefits Division explaining how much your sick leave credit is worth and how much your health insurance premiums will be;
- or
- ☐ Your first health insurance bill from Civil Service

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**NOTE:** *If you choose an annual disbursement from Deferred Comp and have your Refund Hold Request on file you will not have to set this up yearly, as long as you are utilizing the full \$3,000. If your health insurance premiums are less than \$3,000 and you receive notice from Civil Service that your health insurance premiums are increasing you will need to resubmit the Public Safety Officers Insurance Premium Payment Authorization form to increase your yearly Deferred Comp transfer.*



# New York State Correctional Officers & Police Benevolent Association, Inc.

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## IRS Publication 575

Insurance Premiums for Retired Public Safety Officers

*Taken from IRS publication 575. Always consult a tax professional to determine if you qualify for this benefit.*

### Insurance Premiums for Retired Public Safety Officers

If you are an eligible retired public safety officer (law enforcement officer, firefighter, chaplain, or member of a rescue squad or ambulance crew), you can elect to exclude from income distributions made from your eligible retirement plan that are used to pay the premiums for accident or health insurance or long-term care insurance. The premiums can be for coverage for you, your spouse, or dependents. The distribution must be made directly from the plan to the insurance provider. You can exclude from income the smaller of the amount of the insurance premiums or \$3,000. You can only make this election for amounts that would otherwise be included in your income. The amount excluded from your income cannot be used to claim a medical expense deduction.

An eligible retirement plan is a governmental plan that is: a qualified trust, a section 403(a) plan, a section 403(b) annuity, or a section 457(b) plan. If you make this election, reduce the otherwise taxable amount of your pension or annuity by the amount excluded. The amount shown in box 2a of Form 1099-R does not reflect this exclusion. Report your total distributions on Form 1040, line 16a; Form 1040A, line 12a; or Form 1040NR, line 17a. Report the taxable amount on Form 1040, line 16b; Form 1040A, line 12b; or Form 1040NR, line 17b. Enter "PSO" next to the appropriate line on which you report the taxable amount. If you are retired on disability and reporting your disability pension on line 7 of Form 1040 or Form 1040A, or line 8 of Form 1040NR, include only the taxable amount on that line and enter "PSO" and the amount excluded on the dotted line next to the applicable line.

### Additional Information

#### **Certain Retired Law Enforcement Officers Eligible to Exclude from Income up to \$3000 in Distributions from Eligible Plans to Pay for Health Benefits**

According to the Internal Revenue Service, eligible retired public safety officers can elect to exclude up to \$3000 from income, for distributions made directly from their eligible retirement plan to pay for health insurance premiums to provide coverage for the eligible retiree, his or her spouse, and dependents.

For the purposes of this benefit, the term "public safety officer" has the same meaning as is used in Section 1204(8)(a) of the Omnibus Crime Control and Safe Streets Act of 1968, which includes individuals involved in crime control or reduction, or enforcement of the criminal laws, "including but not limited to, police, corrections, probation, parole, and judicial officers." An eligible retirement plan is a governmental plan that is: a qualified trust; a section 403(a) plan; a section 403(b) annuity; or a section 457(b) plan. In order to be eligible, the distribution must be made directly from the plan to the insurance provider. An eligible retiree can exclude from income the smaller of the amount of the insurance premiums or \$3,000. The retiree can make this election only for amounts that would otherwise be included in the retiree's income.

IRS Publication 575, Pension and Annuity Income, Insurance Premiums for Retired Public Safety Officers, advises:

*If you make this election, reduce the otherwise taxable amount of your pension or annuity by the amount excluded. The amount shown in box 2a of Form 1099-R does not reflect this exclusion. Report your total distributions on Form 1040, line 16a; Form 1040A, line 12a; or Form 1040NR, line 17a. Report the taxable amount on Form 1040, line 16b; Form 1040A, line 12b; or Form 1040NR, line 17b. Enter "PSO" next to the appropriate line on which you report the taxable amount.*

*If you are retired on disability and reporting your disability pension on line 7 of Form 1040 or Form 1040A, or line 8 of Form 1040NR, include only the taxable amount on that line and enter "PSO" and the amount excluded on the dotted line next to the applicable line.*

Retirees should discuss this benefit with their tax preparer or advisor to determine if they are eligible, based upon the job title from which they retired, and the funds from which they may be paying for their retiree health benefits. Members preparing their own tax returns can refer to IRS Publication 575 and seek advice from the IRS Tax Help Line for Individuals at 800-829-1040.

***This article is for informational purposes only, and is not intended and should not be construed as tax advice. Readers should review IRS Publication 575 and other relevant tax laws and IRS regulations, and discuss these issues with their tax advisors or preparers. Nonetheless, to ensure compliance with requirements imposed by the IRS under Circular 230, we inform you that any U.S. federal tax advice contained in this communication (including any attachments), unless otherwise specifically stated, was not intended or written to be used, and cannot be used, for the purpose of (1) avoiding penalties under the Internal Revenue Code or (2) promoting, marketing or recommending to another party any matters addressed herein.***

# Refund Hold Request

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Phone: \_\_\_\_\_

SSN: \_\_\_\_\_

Or

Empire Plan ID number: \_\_\_\_\_

Mail to:

NYS Dept of Civil Service  
Employee Benefits Division  
Albany, NY 12239

Dear NYS Dept of Civil Service:

The payment for my health insurance coverage is being made for multiple months. I would like to request that you hold any refunds and continue to apply them towards my health insurance coverage.

Any questions feel free to contact me at the above address or phone.

Sincerely,

\_\_\_\_\_  
Sign

\_\_\_\_\_  
Date



## PUBLIC SAFETY OFFICER INSURANCE PREMIUM PAYMENT AUTHORIZATION FORM

### PERSONAL DATA

Name (Please Print)

Last Four of SSN/Account Number

Home Address

Date of Birth

City

State

Zip

Home Telephone Number

Employer or Former Employer

Work Telephone Number

☐ **This is a change to my home address of record. Please update my account accordingly.**

### PAYMENT METHOD

Pursuant to the enclosed Health and/or Long Term Care Insurance premium notice, I hereby authorize the transfer of:

\$ \_\_\_\_\_ to the following insurance carrier.

Premium Due Date \_\_\_\_\_

Payment Frequency (select one): ☐ Monthly ☐ Quarterly ☐ Semi-Annually ☐ Annually

Insurance Carrier: NYS Employee Insurance Pending Account

Mailing Address: State of NY Dept of Civil Service Employee Benefits Division - Enrollee

City, State, and Zip Code: P.O. Box 645475 Cincinnati, OH 45264-5475

A copy of the insurance premium notice must be included with this form. Your request will be delayed if you do not include a copy of the premium notice. We must receive this form and a copy of the insurance premium notice no later than 15 days prior to the premium due date.

### AUTHORIZATION

I hereby authorize the Plan's trustee to pay the Health and Long Term Care Insurance premiums directly to my insurance carrier. I understand that these benefits will be paid directly to the carrier (subject to a \$3,000 per year limitation) and will not be made to me. I certify that I am a qualified public safety officer who has retired from employment as a police officer, firefighter, correction officer, parole officer, probation officer, or a member of a rescue squad or ambulance crew because I attained retirement age or for disability.

I understand that funds will be sold pro-rata from my Plan account to pay this premium. Some mutual funds may impose a short-term trade fee. Please read the underlying prospectuses carefully.

I understand the Plan must verify my termination date prior to processing my request. I understand that I may be subject to civil and criminal liability for any false statements on this form or any papers attached to or related to this form or my claim under the Plan.

Participant Signature

Date

Return to: New York State Deferred Compensation Plan  
Administrative Service Agency  
P.O. Box 182797  
Columbus, OH 43218-2797

Overnight Address: New York State Deferred Compensation Plan  
Administrative Service Agency, DSPF-F2  
3400 Southpark Place, Suite A  
Grove City, OH 43123-4856

**OR** Fax to: 1-877-677-4329  
When faxing paperwork, please allow  
two hours from receipt for it to be processed.  
If your fax is sent after 3 p.m., your paperwork  
will be processed on the next business day.

