



## **Pension Protection Act of 2006 Retired Public Safety Officer \$3,000 Health Care Tax Benefit**

Under the Pension Protection Act of 2006 (PPA), eligible retired Public Safety Officers (PSO) are permitted to exclude up to \$3,000 of distributions each year from their LACERA retirement plans for direct payment of health and/or long-term care plan insurance premiums. The tax benefit allows exclusion of the amount of premiums (up to \$3,000 annually) paid directly on the PSO's behalf from the taxable distribution of his or her retirement plan. To receive this tax benefit, **the eligible retired public safety officer must report the excluded funds on IRS Form 1040** when filing his or her annual income tax return.

PSO eligibility requirements as set forth in the PPA are detailed in the **Affidavit Attesting to Public Safety Officer Status and Election Form** on the back of this document.

***To elect this tax benefit you must complete the Affidavit Attesting to Public Safety Officer Status and Election Form on the back of this document. Return the completed form to LACERA, P.O. Box 7060, Pasadena, CA 91109-7060.***



**Affidavit Attesting to Public Safety Officer (PSO) Status and Election Form:  
Retired PSO \$3,000 Health Care Tax Benefit under Pension Protection Act of 2006**

By my signature below, I elect to participate in the Internal Revenue Service (IRS) tax benefit provided under Section 845 of the Pension Protection Act of 2006 (PPA). By this election, the amount of qualified health and/or long-term care insurance premiums paid on my behalf directly from the distribution of my LACERA retirement plan will be excluded from income. I understand the maximum exclusion permitted for this purpose under the PPA is \$3,000 annually. Furthermore, I agree not to request an additional \$3,000 health care tax benefit from any other qualified retirement plan.

**I have read and I understand the FAQs: PPA Tax Benefit for Retired Public Safety Officers. I acknowledge it is my responsibility to substantiate my Public Safety Officer (PSO) eligibility; this responsibility also applies in the event of an IRS audit. I attest I have met the PSO eligibility requirements, as defined in the PPA:**

- The County service I performed as a LACERA member meets the PSO definition: *“An individual serving a public agency in an official capacity, with or without compensation, as a law enforcement officer, as a firefighter, as a chaplain, or as a member of a rescue squad or ambulance crew.”* (Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796b(9)(A))
- I have met at least *one* of these conditions:
  - I retired by reason of disability
  - At the time of my retirement, I had attained the normal retirement age (age 55 for safety plans A and B, 57 for general plans A, B, C, and D, and 65 for general plan E)
- I separated from County service as a PSO
- My LACERA retirement allowance is taxable
- My LACERA-administered health care plans are not fully subsidized

I also understand this IRS tax benefit is an “evergreen election,” which will automatically renew each year and will remain in effect unless and until I cancel it in writing. This IRS tax benefit will also be revoked if I cancel my qualified health and/or long-term care insurance plans.

I agree to notify LACERA immediately if I elect to cancel any of my qualified health insurance plans. I also agree to notify my long-term insurance carrier if I elect to cancel my long-term care insurance plan.

I understand that by signing below, I accept full responsibility for the accuracy and truth of all the information I have provided and certify I am entitled to these benefits. Additionally, I understand LACERA is complying with federal law by withholding insurance premiums from my pension benefits. In doing so, LACERA is only performing an administrative function and is only responsible for payment of premiums, as required by law. **I understand that in order to receive this tax benefit, I must report the funds excluded from my LACERA retirement allowance on IRS Form 1040 when I file my annual income tax return.**

I agree I will not make any legal claim of any kind against LACERA, its Boards, and/or its staff and advisors should my participation in this program result in unexpected tax liability, including interest and penalties, to me. I further release LACERA, its Boards, its staff and advisors from any liability arising from the administration of payments to any insurer.

**I declare the representations herein are true, correct, and contain no material omissions of fact to the best of my knowledge and belief.**

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 Signature

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 Print Name (Last)

(First)

(Middle Initial)

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 Address

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 Date of Birth

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 Date of Retirement

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 Date Signed
