

Administration

The WRS and ETF, as administrator of the Retired Public Safety Officer Insurance Premium Deduction Program for WRS annuitants, are not responsible for an annuitant's tax liability, insurance premium late fees or any other issues that may arise with an annuitant's insurance provider resulting from this deduction program. This brochure is not intended to provide a detailed description of the qualification rules for the federal retired public safety officer income tax exclusion.



For more Information

Visit our Internet Site

Access the internet site at: etf.wi.gov. A tremendous amount of information is on-line regarding the Wisconsin Retirement System and other benefit programs. You may e-mail the Department through this site.

Call During Office Hours

Office Hours: 7:45 am to 4:30 pm,
Monday - Friday (except holidays)

Telephone: 1-877-533-5020 (toll free)
(608) 266-3285 (local Madison)

Wisconsin Relay Service
(for hearing & speech impaired)
7-1-1 or
1-800-947-3529 (English)
1-800-833-7813 (Spanish)

Write Us

Department of Employee Trust Funds
P. O. Box 7931
Madison, WI 53707-7931

Visit Us

Schedule an Appointment (608) 266-5717

Madison: An appointment is recommended
801 West Badger Road

Waukesha: An appointment is required
141 N.W. Barstow Street, Rm. 411

The Department of Employee Trust Funds does not discriminate on the basis of disability in the provision of programs, services or employment. If you are speech, hearing or visually impaired and need assistance, call us toll free at 1-877-533-5020 or 608-266-3285 (local Madison). We will try to find another way to get the information to you in a usable form.

Retired Public Safety Officer Insurance Premium Deduction Program



Department of
Employee Trust Funds
P.O. Box 7931
Madison WI 53707-7931
www.etf.wi.gov

General Program Information

Eligible, retired public safety officers receiving a Wisconsin Retirement System (WRS) annuity may elect to have health and long-term care insurance premiums taken from their monthly WRS annuities. Beginning in 2009, the Department of Employee Trust Funds (ETF) will deduct the premium amount authorized by both the retired officer and the officer's insurance provider and remit the amount directly to the insurance provider. The retired officer can change or stop the deduction at any time. After the close of the calendar year, ETF will provide the retired officer with total premiums paid for tax reporting purposes.

Officers covered under a State of Wisconsin group insurance plan currently have health insurance premiums deducted from their annuities. This program allows officers, who have insurance coverage from other plans, to have insurance premiums deducted from their annuities.

An officer may have insurance premium deductions taken for more than one type of qualified insurance under the program. The premiums can be for medical, dental, vision and long-term care coverage for the retired public safety officer and the officer's spouse and dependents.

If at any time the officer's annuity is not sufficient to cover the premium amount the officer requested to be deducted, the officer shall make premium payments directly to the insurance provider.

Background

The federal Pension Protection Act of 2006 created a federal income tax exclusion for eligible, retired public safety officers. Officers can exclude up to \$3,000 annually from their gross taxable income on their income tax returns to cover qualified health and long-

term care insurance premiums paid by them, if they elect retirement annuity deduction as the premium payment method.

The State of Wisconsin adopted the retired public safety officer income tax exclusion provision of the Pension Protection Act. Therefore, the tax exclusion is also applicable for Wisconsin income tax purposes.

Eligibility

Federal law defines who is an eligible public safety officer. Some of the criteria are:

- The officer must have separated from service as a public safety officer with the employer who maintains the retirement plan for the officer. The insurance premium deduction must be taken from the annuity that the officer receives from this retirement plan.
- The officer must have separated from service by reason of disability or after attainment of normal retirement age under the officer's retirement plan. Officers that have taken an early retirement benefit are not eligible. Officers receiving a duty disability benefit without a retirement benefit are not eligible because a duty disability benefit does not qualify as a retirement benefit.



Additional information on this tax exclusion and eligibility for it can be found on the IRS's website, <http://www.irs.gov>. (Do a keyword search on "public safety officer".)

The following links, available through the IRS website, provide the federal regulations, Title 26 USC 402 (l) (4) (C). (Scroll through the information to find the applicable public safety officer sections.)
[http://www.law.cornell.edu/uscode/26/402\(l\)\(4\)\(C\).html](http://www.law.cornell.edu/uscode/26/402(l)(4)(C).html)
[http://www.law.cornell.edu/uscode/42/3796b\(9\)\(A\).html](http://www.law.cornell.edu/uscode/42/3796b(9)(A).html)

Officers should contact their tax advisors/preparers or the IRS if they have questions about their eligibility. **ETF cannot determine eligibility.**

Surviving spouses and dependents are not eligible to participate in this program.

Insurance Premium Deduction Authorization

To participate in the Retired Public Safety Officer Insurance Premium Deduction Program, a WRS annuitant, who qualifies as an eligible, retired public safety officer, must complete and sign form ET-4330, *Public Safety Officer Authorization for Insurance Premium Deduction*. The annuitant's insurance provider also must complete a portion of the form and sign the form authorizing participation in the program. ETF will begin taking the requested deduction amount from the monthly gross annuity payment of the annuitant after receipt and processing of a properly completed authorization form. The annuitant receives notification from ETF when the deduction begins. Deductions are remitted electronically to insurance providers on the first business day of each month.

Once a premium deduction begins, it will continue as long as the annuity is sufficient to cover the premium, until changed by the annuitant or stopped by either the annuitant or the annuitant's insurance provider. An annuitant must submit an authorization form for each premium deduction requested even if the insurance provider is the same.

Any deduction taken from an annuity payment that the annuitant was not eligible to receive must be returned to ETF by the insurance provider, the annuitant or the annuitant's heirs or estate.

For more information about the terms and conditions applicable to this program, see the *Public Safety Officer Authorization for Insurance Premium Deduction* form (ET-4330).