



# HELPS

HEALTH CARE ENHANCEMENT FOR LOCAL PUBLIC SAFETY OFFICERS

## **What is HELPS?**

HELPS is a new retiree health care benefit that provides a tax-free distribution of up to \$3,000 from retirement plans to help retirees pay for health insurance or long-term care insurance. The funds can be for coverage for the retiree, spouse or dependents. The distribution must be made directly from the retirement plan to the insurance provider.

## **Why should I take the time to get this benefit?**

A large number of retired fire fighters have to pay for their health insurance. As an active employee, they were able to pay their premiums or health care costs with pre-tax dollars. HELPS extends this pre-tax benefit into retirement (for up to \$3,000). It could be an annual tax savings of around \$750.

## **Who is eligible for HELPS?**

If you are a retired fire fighter, law enforcement officer, chaplain, or member of a rescue squad or ambulance crew, you are eligible for HELPS.

## **Is my plan eligible for this?**

Eligible retirement plans include qualified defined benefit pension plans, section 403(a) plans, section 403(b) annuities and section 457(b) deferred compensation plans.

## **How do I get started? What exactly happens with the money?**

If you are a retired public safety officer, you can contact your retirement plan administrator, who will set up a transfer to send the funds directly to the health plan. You can use the sample 1040 form found at [www.iaff.org/helps](http://www.iaff.org/helps) to report this tax break. The IAFF advises members to consult with their retirement plan administrator and accountant or tax preparer to ensure the proper execution and reporting to the IRS of the HELPS benefit.

## **What if my retirement plan doesn't want to participate in HELPS?**

Retirement systems do not have to make any formal decision to participate or not participate in HELPS. They do, however, have to agree to send payments

directly to your health insurance provider in order for you to take advantage of the HELPS tax deduction. As long as you receive a statement from your retirement plan stating how much money went directly to your health insurance provider, you are eligible for the tax deduction.

**Where can I find more information?**

If you have more questions, visit [www.iaff.org/helps](http://www.iaff.org/helps) or consult a tax accountant. You can also visit the National Conference on Public Employee Retirement Systems website at [www.ncpers.org](http://www.ncpers.org), which provides further information on the benefit.