



**Sacramento County Employees' Retirement System**  
**980 9<sup>th</sup> Street, Suite 1900**  
**Sacramento, CA 95814**  
**Phone: (916) 874-9119**  
**Fax: (916) 874-6060**  
**Web: [www.scers.org](http://www.scers.org)**

**REQUEST TO RECEIVE INFORMATION  
REGARDING HEALTH INSURANCE PREMIUMS PAID BY SCERS  
ON MY BEHALF DIRECTLY TO HEALTH INSURANCE PLANS**

**INTRODUCTION**

Beginning with the 2007 tax year, the federal tax law has been amended to allow certain retired 'public safety officers' to exclude up to \$3,000 in retirement benefit payments from their annual taxable income if the money was paid by the retirement system directly to qualified health insurance carriers to cover health insurance premium costs of the retiree.

This federal income tax exclusion is found in Section 402(l) of the Internal Revenue Code.

In order to be eligible for this federal income tax exclusion, you must be able to answer 'yes' to all of the following questions:

1. Did I retire from a 'public safety officer' position?
2. Did I separate from service under either (a) a disability retirement OR (b) after attaining 'normal retirement age' for my retirement membership category?
3. Did I (a) enroll in any of the group health insurance plans offered by Sacramento County to its retired employees AND (b) did I have SCERS deduct money from my monthly retirement benefit and pay those funds directly to the health insurance provider to cover the cost of my health insurance premiums?

In considering your answer to Question 1, please note that the definition of 'public safety officer' is determined by federal law and that the definition is NOT determined by state law OR whether you were a Safety member in SCERS at the time of your retirement. In general terms, under federal law, the term 'public safety officer' means an individual serving in a public agency in an official capacity as a law enforcement officer, firefighter, chaplain or member of a rescue squad or ambulance crew.

In considering your answer to Question 2, please note that SCERS has established age 50 as the 'normal retirement age' for SCERS' Safety membership category and age 62 as the 'normal retirement age' for SCERS' Miscellaneous membership category. Please note, however, that the Internal Revenue Service has not established definitive rules for determining 'normal retirement age' nor has it ruled that the ages set by SCERS are acceptable under federal tax law. Instead, the 'normal retirement ages' noted above represent a good faith effort by SCERS to determine the 'normal retirement age' for SCERS' Safety and Miscellaneous members based on the information currently available. If that information changes, it may be necessary for SCERS to modify its definition of 'normal retirement age.' If that occurs, SCERS will notify you.

In considering your answer to Question 3, please note that amounts YOU paid directly to health insurance plans or amounts you paid to SCERS to transmit to health insurance plans do NOT qualify for the tax exclusion.

**SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM**  
**Request to Receive Information Regarding Health Insurance Premiums**  
**Paid by SCERS on My Behalf Directly to Health Insurance Plans**

Ultimately, whether you are eligible for the federal tax exclusion is determined by federal law. SCERS will NOT determine whether you are eligible. Instead, you should consult your personal tax advisor and determine for yourself whether you are eligible.

By completing the attached form and returning it to SCERS in a timely manner, SCERS will provide you with information about the payments made by SCERS directly to certain health insurance plans on your behalf during the tax year. This does not mean, however, that SCERS is endorsing or certifying your determination that you are or may be eligible for the federal tax exclusion or that the payments qualify for the tax exclusion. SCERS is simply providing information you have requested.

If you believe that you are eligible for the tax exclusion, you can use the information provided by SCERS when completing your federal income tax return. SCERS will NOT be reporting this information to the Internal Revenue Service, nor will SCERS be noting this information on the annual Form 1099-R you receive. It is your responsibility to pursue the tax exclusion when you file your income tax return.

In order for SCERS to provide you with information you will need in order to pursue this federal tax exclusion, you must do the following:

1. Initial the section in the attached form in which you attest that it is your belief that you qualify as an eligible 'public safety officer,' as that term is defined by federal law, and that you are both: (a) Electing to have SCERS deduct amounts from your monthly retirement benefits and pay those amounts directly to eligible health care to cover the cost of your health insurance premiums; and (b) Requesting that SCERS report to you the amount of such payments made during the tax year.
2. Initial the section in the attached form in which you acknowledge that: (a) it is your responsibility to determine whether you qualify for the tax exclusion; (b) it is your responsibility to pursue the tax exclusion in your annual income tax return; (c) you assume the risk that the Internal Revenue Service might come to a different conclusion regarding your eligibility for the tax exclusion; and (d) waive any claims against SCERS if the Internal Revenue Service should conclude that you do not qualify for the tax exclusion.
3. Initial the section in the attached form in which you acknowledge that you have read and understand the information regarding completion of the form.
4. Complete the section in the attached form that asks for your name, address, Social Security Number, and date of birth.
5. Complete the section in the attached form indicating the health care plan in which you are participating.
6. **Sign, date and return the form to SCERS by December 12, 2007 if you want the new reporting process to reflect premiums paid from January 1, 2007 forward.** If this form is not returned by the referenced deadline, the reporting of premiums will be limited to amounts paid after the receipt of this form by SCERS.

Finally, please note that if you are eligible to take advantage of this federal tax exclusion, it could result in lower tax liability for the year. Accordingly, you may want to consider modifying the amount of taxes being withheld from your monthly benefit payment. SCERS can provide you with a separate form to make such a change.



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**I. STATEMENT OF PUBLIC SAFETY STATUS** [To be completed only by retired public safety officers.]

Given my final job description with the County or other participating employer, my age and/or disability status upon separation from service, and the fact that I participate in one or more of the group benefit plans available for direct payment, I believe that I am an eligible public safety officer. Since payments for these qualified health insurance premiums are deducted from my retirement allowance and remitted directly to one or more carriers selected by the County, I ask that SCERS report this annual activity to me every calendar year.

By submitting this form, I acknowledge that my election is limited to an exclusion of income under Internal Revenue Code section 402(l) and that the exclusion cannot exceed \$3,000 per calendar year. I also declare that I have not made a similar election with another eligible retirement plan sponsored by the County or any other public employer and I agree not to do so unless and until I deliver written notice to SCERS.

\_\_\_\_\_  
Retiree Initials

**II. WAIVER/DISCLAIMER**

In completing and returning this form, I acknowledge that it is my responsibility to determine whether or not I am an eligible public safety officer and I confirm that it will be my decision to pursue the corresponding income exclusion when I file my personal tax returns. I further acknowledge that I understand, and assume the risk, that the Internal Revenue Service may determine that I am not eligible for the tax benefit addressed in this form. As a result, I agree to waive any and all claims against SCERS, its officers, agents and employees, as to any tax liability, interest and penalties I may incur as a result, including, but not limited to, any determination for whatever reason that I was not a public safety officer and did not retire after attaining normal retirement age or because of disability.

\_\_\_\_\_  
Retiree Initials

**III. CONFIRMATION OF REVIEW**

I confirm that I have read and understand this form in its entirety.

\_\_\_\_\_  
Retiree Initials

**IV. RETIREE INFORMATION**

Retiree Name: \_\_\_\_\_ Social Security Number: \_\_\_\_\_

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

City, State, ZIP: \_\_\_\_\_

Date of Birth: \_\_\_\_\_ Date of Termination: \_\_\_\_\_

**SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM**  
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**V. GROUP INSURANCE INFORMATION**

Carrier for County-Sponsored Medical Coverage			
<input type="checkbox"/> Kaiser Permanente	<input type="checkbox"/> Health Net	<input type="checkbox"/> Blue Cross	<input type="checkbox"/> Blue Shield
Delta Dental Coverage			
<input type="checkbox"/> Retiree Only [Basic]	<input type="checkbox"/> Dependent(s) [Basic]	<input type="checkbox"/> Retiree Only [Prem.]	<input type="checkbox"/> Dependent(s) [Prem.]

**VI. RETIREE SIGNATURE AND DATE**

As evidenced by items completed above and the signature offered below, I believe that I am an eligible public safety officer. Accordingly, I ask SCERS to report premium payment information to me each year, so I may pursue an exclusion of taxable income when I file my personal tax returns. In making this request, I confirm that I have provided complete and accurate information within this form and understand that my request will remain in force unless and until I revoke it in writing.

\_\_\_\_\_  
 Retiree Signature

\_\_\_\_\_  
 Date

Receipt by SCERS – Internal Use Only		
Form Received and Logged	___/___/___	_____ [Staff initials]
Public Safety Officer declaration noted in COMPASS	___/___/___	_____ [Staff initials]
Public Safety Officer declaration noted in master list	___/___/___	_____ [Staff initials]