

Purpose of the Form

- Use this form to elect to have your insurance premiums paid directly to your insurance provider and the cost deducted from your monthly BFDRA benefit.

Instructions

Read About This Form on Page 2.

Member Information			
Name First : Middle : Last			Social Security Number : : :
Mailing Address	Street or P.O. Box		
	City	State	Zip Code
Daytime Phone Number Area Code : Phone Number			
BFD Fire #	Email Address (Optional)		

Insurance Carrier Information			
<input type="checkbox"/> New Designation <input type="checkbox"/> Change to Previously Designated Policy <input type="checkbox"/> Stop Previously Designated Payments			
Insurance Company Name			Group/Policy Number
Payment Address	Street or P.O. Box		
	City	State	Zip Code
Area Code	Telephone Number		
Insurance Type <input type="checkbox"/> Health <input type="checkbox"/> Long Term Care			Annual Amount to Withhold <small>(Maximum \$3000)</small> \$

Member Acknowledgment	
<ul style="list-style-type: none">• I have read, understand and agree to rules and conditions in the Waiver of Claims, Insurance Carrier Participation, Notes about Distributions, Rules and Policies and Procedures sections included in this form.• I have read and understand the eligibility section and certify that I am eligible to participate in before-tax distributions for health and long-term care insurance premiums.• I authorize BFDRA to pay the insurance premiums directly and deduct the cost from my monthly benefit.• I understand that the maximum amount of insurance premiums excludable from income from all retirement plans is \$3000 per year.• I understand that it is my responsibility and obligation to inform BFDRA of any change related to my health insurance premium deduction including, but not limited to, coverage, insurance company, or premium changes.• I understand that BFDRA is performing an administrative function permitted by federal law in withholding insurance premiums from my pension benefits. I understand that any and all tax implications of my election are my responsibility alone and I agree that I will make no claim against BFDRA for consequences of my election.• I understand that BFDRA may withhold a pre-determined amount to offset administrative expenses related to this application.	
Signature	Date

BFDRA Authorization for Insurance Premium Deduction Form

Instructions

- 1 Complete the Member Information and Insurance Carrier Information sections.
 - 2 Attach a copy of the insurance policy bill from the insurance company.
 - 3 Sign the form and send it to BFDRA.
- **Note:** Resubmit Authorization For Insurance Premium Form if you have changes to insurance provider or premium information previously designated or to stop insurance premium payments previously designated.

Important Notice

This is a new benefit recently enacted by congress and the IRS has not provided guidance to date on the application of this program. BFDRA is proceeding with implementation of the program based on its understanding of the information currently available, with the anticipation that the program might require revisions and adjustments as the provisions of the Pension Protection Act are interpreted and clarified. By participating in the program, you acknowledge that changes may be required and that changes could affect your eligibility or the eligibility of your insurance carrier or policy. It may also result in reversal of some transactions. You agree that any benefit or privilege granted under this program is subject to change or revocation, that you will cooperate with any adjustments, and that BFDRA is not responsible for any consequence of any change to the program, including unexpected tax liability, interest and penalties.

Waiver of Claims

By signing this form, I agree that I will not make any legal claim of any kind against BFDRA, its staff and advisors should my participation in this program result in unexpected tax liability to me, including interest and penalties. I understand that my ability to participate in this program is a valuable benefit for which I am willing to agree to this waiver of all claims. I further release BFDRA, its staff and advisors from any liability arising from the administration of payments to any insurer.

Eligibility for Before-Tax Distributions for Health and Long Term Care Insurance

- Public Safety Officer means 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 for a police or fire department, or as a member of a rescue squad or ambulance crew.
- Eligible Retired Public Safety Officer means an individual who, by reason of disability or attainment of normal retirement age, is separated from service as a public safety officer with the employer who maintains the eligible retirement plan from which distributions are made.
- Must have retired from the Bloomington Fire Department at 50 years of age or older.
- Receiving a pension benefit for a permanent disability.
- Current or past deferred members **are not** eligible for this benefit.

Insurance Carrier Participation

- Section 845 of the Pension Protection Act allows public safety officers to elect to exclude up to \$3,000 of distributions from a governmental qualified retirement plan from taxable income as long as the payments are made directly to an insurer to purchase health or long-term care insurance for the officer or the officer's spouse and/or dependents.
- Retirement plans may elect whether or not to participate.

Notes about Tax-free Distributions for Insurance Premiums

- You must submit a separate copy of this form for each insurance policy you are designating for direct payment by BFDRA.
- The insurance premiums you designate on this form will be paid directly to the insurance company by BFDRA and the cost will be deducted from your monthly benefit.
- The cost of insurance premiums, up to \$3000, is excluded from your taxable income for federal withholding purposes.
- You can use income from more than one retirement plan to pay insurance premiums, but the maximum income exclusion the I.R.S. allows for all plans combined is \$3,000 per year.

Rules and Policies

- Insurance carrier must allow monthly payment option.
- Payments will be setup up to be paid monthly.
- New Payments will start in January & July with a minimum 30 day notice.
- Payment amount changes can be made one time per year.
- Discontinued policies and their payments can happen in any month with a 30 day notice.
- There will be a limit of two policies per eligible member with payments at any one time.
- Cost for the payment fees will be paid by the member and deducted from monthly payment.
- You are responsible for complying with this federal limit and for the consequences if your designated insurance premiums exceed the limit.

Procedures

- Authorization form completed and sent to BFDRA.
- BFDRA reviews and approves.
- Member receives written confirmation and start date. (January or July)