

Healthcare Enhancement for Local Public Safety (HELPS) Retirees Act



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What is it?

Retired firefighters, EMS providers and police officers may reduce their taxable earnings by up to \$3,000 for medical insurance premiums paid during a calendar year. Prior to 2022, this benefit was only available to those who had their premiums deducted from their pension checks. This is no longer the case.

Who is eligible?

Retired Public Safety Officers including law enforcement officer, firefighter, chaplain, or member of a rescues squad or ambulance crew. You must be retired due to disability or because you have reached normal retirement age.

What are the rules?

You may deduct up to \$3,000 for medical insurance premiums paid during the calendar year. This includes premiums paid for the coverage by an accident or health plan, or a long-term care contract for either you, your spouse, or dependents.

You may choose to exclude income distributions from your eligible workplace retirement plan (457, not the pension) that are used to pay for coverage by an accident or health plan, or long-term care contract. The distribution must be from the plan maintained by the employer from which you retired as a public safety officer. The distribution can be made directly from the plan to the provider of the accident or health plan or long-term care insurance contract, or the distribution can be made to you to pay to the provider of the accident or health plan or long-term care insurance contract.

How do I get this benefit?

This \$3,000 reduction does not appear on your 1099-R form that is sent out by NYSLRS. You must report the gross amount of your pension on form 1040. For 2023 this was line 5a. The deduction is subtracted from line 5a and the taxable amount of your pension after your deduction is entered on line 5b with the letters "PSO" next to it. It is recommended that you consult your tax professional for proper treatment of this reduction.

If your health insurance is paid directly from your pension the above instructions still apply. The amount of the deduction will be on your pension statement, not your pension 1099-R.

Note:

Persons who receive survivor pensions are not eligible. You may not use this credit for any income that has already been excluded from taxation.