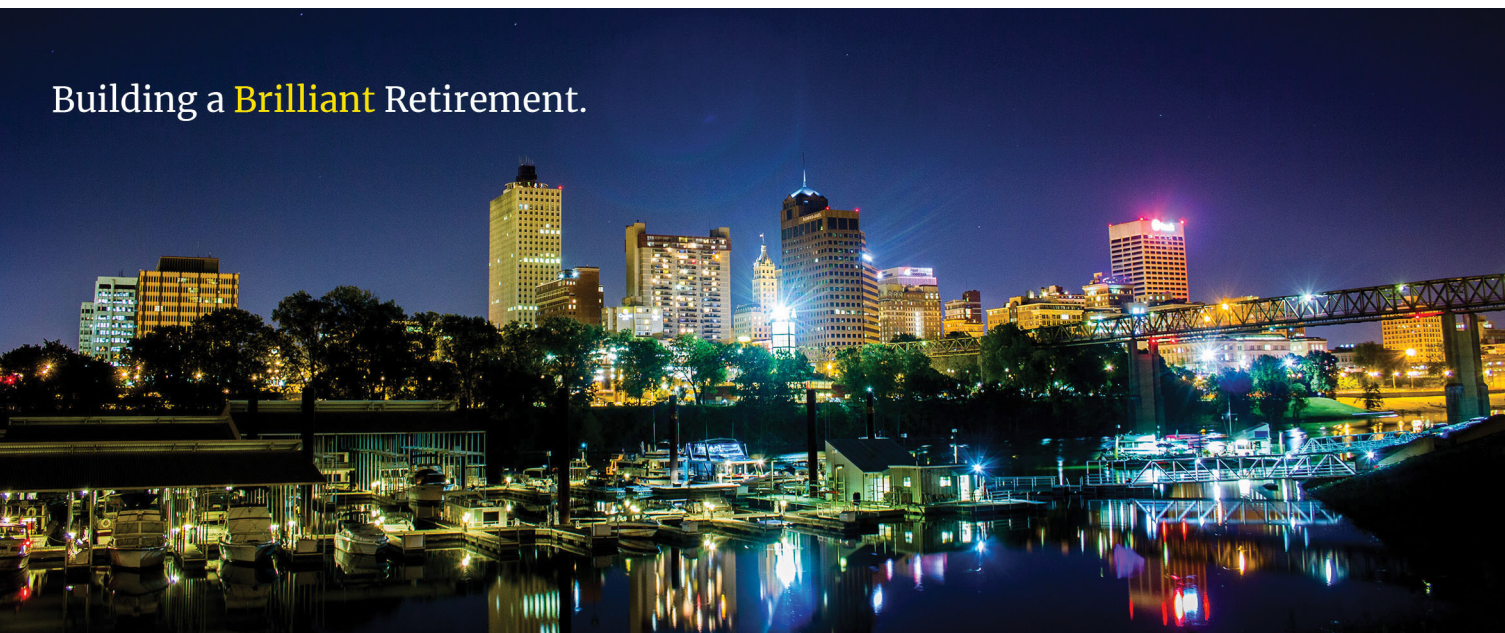


Building a **Brilliant** Retirement.



Tax-free retirement plan distribution for health insurance premiums

Eligible City of Memphis retired public safety officers may elect to exclude up to \$3,000 each tax year of otherwise taxable distributions from an eligible governmental plan for the payment of qualified health insurance premiums for the retired public safety officer and their spouse and dependents.

Who is eligible to participate in this tax-saving distribution?

Eligible retired public safety officers covered under this provision include any individual serving a public agency in an official capacity as one of the following:

- Law enforcement officer
- Firefighter
- Member of a rescue squad or ambulance crew
- Chaplain to one of the above entities

Tax-free payments that are the smaller of the amount of the insurance premiums or \$3,000 and cover the retiree and their spouse and dependents are allowed each year.

Should you predecease your beneficiary, the beneficiary is not allowed to continue these tax-free distributions for insurance premiums.

How is this a benefit to me?

As an employee, you made a pretax contribution to the City of Memphis 457 Deferred Compensation Plan (the Plan). Generally when you take a distribution from the Plan, you must pay taxes on the contribution plus the earnings. However, by electing to take the distribution to pay for insurance premiums, you are able to take the distributions tax-free. You can potentially save up to \$750. Please consult with your tax provider to see how this distribution can benefit you.

When can this distribution start?

If you are an eligible retired public safety officer, you can start taking the distribution as soon as your employment status has changed to retired or disabled.

Can I take more than \$3,000 from my account each year?

Yes, you may take any amount out of your account as needed; however, you can only exclude from your income the lesser of the insurance premiums or \$3,000. The amount excluded from your income cannot be used to claim a medical expense deduction.

How do I take this distribution?

Call Empower at **866-816-4400** for the appropriate paperwork to set up this distribution.

Contact Empower

Austin Maness

austin.maness@empower.com

San Tate

san.tate@empower.com

To schedule a meeting with Austin or San, scan the QR code or visit: **memphisretirement.empowermyretirement.com**



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