Q&A about HELPS

Q. What Is HELPS?

Created under federal law, the Healthcare Enhancement for Local Public Safety (HELPs) Retirees Act allows retired or permanently disabled public safety officers (PSOs) to designate funds to be deducted from their TMRS benefit payment to pay for qualified health insurance premiums. These deductions effectively reduce the retiree’s taxable income. The insurance payments can include coverage for the retiree, spouse, and dependents. Under HELPs, TMRS sends insurance premium payments directly to an insurance provider, as instructed by the retiree.

Q. Who qualifies for HELPs?

This provision applies only to retirees who were “eligible public safety officers” (PSOs) at the time of their retirement. This definition is included on the HELPs application form. An authorized city correspondent must certify in writing your public safety officer position at the time of separation. The retiree must submit a form to TMRS — the Application for Insurance Premium Deductions for Retired Public Safety Officers (TMRS-HLPS), available on the TMRS website.

Q. How does it affect my taxes?

Your retirement annuity is considered taxable income. HELPs allows you to reduce the amount of your taxable income in the amount of the premiums paid — up to $3,000 per year. It is the responsibility of each individual to substantiate his or her PSO eligibility in the event of an IRS audit.

Q. How are payments reported to the IRS?

As directed by the IRS, TMRS does not report the amount of these excluded funds on the IRS form 1099-R. To receive the tax benefit, the eligible retired PSO must report the excluded funds on IRS Form 1040 when filling out his or her income tax return. TMRS sends an annual letter in January indicating the amount of the HELPs payments. (You can always see Year to Date information under MyTMRS, as well as any garnishments currently deducted from your annuity.)

Q. How does it work?

Only the retiree, as the primary insurance subscriber, can participate in the HELPs program. Coverage (under an accident or health insurance plan, or qualified long-term care plan) can be for you or your spouse and dependents.

The premiums do not have to be for a plan sponsored by an employer.

Only one insurance premium check can be generated for each retiree. If you have multiple plans with the same insurance provider, the provider, at its discretion, may be willing to receive one payment and allocate the funds to cover multiple plans. TMRS sends premium payments only; we do not send payment coupons.

Q. When will my HELPs application be in effect?

Properly completed applications for TMRS to send insurance payments need to be received the month before the effective date.

Q. When does TMRS make the payments to my insurer?

TMRS issues insurance payments once a month on the last business day of each month. TMRS is not responsible for any lapsed insurance coverage. Therefore, the retiree must make arrangements for premium payments that become due before changes take effect.

Q. What should I do if I want to change the amount OR the insurer?

If the amount you want TMRS to pay to the insurer changes, you will need to file a new form. If you want to change either the amount deducted or your insurance provider, you must complete a new form. Since this is an amendment to your original form, the city will not have to certify your amended form. Changes take effect the month after TMRS receives this properly completed new form.

Q. How do I cancel?

To cancel premium deductions, you must submit a HELPs form — at least one month ahead of time — indicating a $0 deduction and the effective month. Without instructions from you, TMRS will continue to deduct payments, even if premiums exceed the $3,000 IRS limit or your insurance coverage terminates due to age, until we receive a cancellation request on a new HELPs form. In the event of your death, however, premium payments will be terminated.

See additional details about HELPs in the TMRS flyer on the TMRS website. If you have any other questions, please contact TMRS at 1.800.924.8677.