

Gross Income Exclusion for Eligible Retired Public Safety Workers

Are you a retired public safety worker receiving your pension from MainePERS? Did you retire at or after your normal retirement age, or due to disability? Do you have your health insurance premium deducted directly from your MainePERS benefit?

If you answered yes to all three of these questions, you may be able to exclude up to \$3,000 from your gross taxable income for those health insurance dollars you paid.

The Pension Protection Act of 2006 includes a provision that permits eligible retired public safety workers to exclude health insurance premiums of up to \$3,000 per year from their taxable income. To qualify, a retired public safety worker must have retired on or after normal retirement age, or due to disability. In addition, the premiums for the health insurance must be deducted directly from a qualified retirement plan, like MainePERS, and must be remitted directly to the insurance provider. If you think you qualify, please contact your tax advisor for additional information including how to claim the exclusion.