

## **Insurance Premiums for Retired Public Safety Officers**

**This is straight out of the 2020 1040 Instruction booklet**

If you are an eligible retired public safety officer (law enforcement officer, firefighter, chaplain, or member of a rescue squad or ambulance crew), you can elect to exclude from income distributions made from your eligible retirement plan that are used to pay the premiums for coverage by an accident or health plan or a long-term care insurance contract. You can do this only if you retired because of disability or because you reached normal retirement age. The premiums can be for coverage for you, your spouse, or dependents. The distribution must be from a plan maintained by the employer from which you retired as a public safety officer. Also, the distribution must be made directly from the plan to the provider of the accident or health plan or long-term care insurance contract. You can exclude from income the smaller of the amount of the premiums or \$3,000. You can make this election only for amounts that would otherwise be included in your income.

An eligible retirement plan is a governmental plan that is a qualified trust or a section 403(a), 403(b), or 457(b) plan.

If you make this election, reduce the otherwise taxable amount of your pension or annuity by the amount excluded. The amount shown in box 2a of Form 1099-R doesn't reflect the exclusion. Report your total distributions on line 5a and the taxable amount on line 5b. Enter "PSO" next to line 5b.