



# FLORIDA RETIREMENT SYSTEM RETIREE NEWSLETTER

January 2003

Department of Management Services, Division of Retirement

## Health Insurance Subsidy Exclusion

You will not have to pay income taxes on all or part of your health insurance subsidy payment if:

- ❑ Your health insurance premium is deducted each month from your Florida Retirement System benefit, **or**
- ❑ You are paying health insurance premiums directly to your former Florida Retirement System employer and the employer notifies the Division of the annual amount of insurance payments made by you.

However, if your annual health insurance premiums are less than your annual health insurance subsidy payments, only the amount of the health insurance premium will be excluded from your annual taxable income and the remaining portion of your subsidy payment will be included in your annual taxable income. If your annual health insurance premiums are more than your health insurance subsidy payments, the entire amount of your subsidy payment will be excluded from your annual taxable income.

The Health Insurance Subsidy is a monthly supplemental payment that you may be eligible to receive if you have health insurance coverage, which includes Medicare or Tricare. You must apply to receive this benefit. After your application is approved, this payment is included with your monthly retirement benefit.

Your monthly Health Insurance Subsidy payment is calculated by multiplying your total years of creditable service at retirement (up to a maximum of 30 years) by \$5. The minimum monthly subsidy payment is \$30 and the maximum is \$150.

## Medicare Premiums and Health Insurance Subsidy

Although Medicare coverage qualifies you to receive a health insurance subsidy, the Internal Revenue Service will not allow you to use your premium payments to Medicare as tax-exempt income.

## DELAYED or LOST Check?

To avoid this problem, we urge retirees to join the Direct Deposit Program by completing the application form available on the back of their monthly benefit statement or by visiting the Division's website ([www.myflorida.com/frs](http://www.myflorida.com/frs)) and printing a *Direct Deposit Authorization* from the Retired Payroll Forms section of the Forms Page.

Fact: 80 % of Florida Retirement System retirees now receive their monthly benefits by Direct Deposit.

## NOTICE!

### Federal Tax Tables are Changing



If you have taxes withheld from your retirement payment based on the tax tables, you may see a small reduction in the amount withheld for taxes beginning this month. Federal income tax tables changed effective January 2003. These tables were released in Publication 15, *Circular E, Employer's Tax Guide*. These tables were distributed to local Internal Revenue Service offices and tax professionals in late December. If you wish

to view these tables, visit the Internal Revenue Service website ([www.irs.gov](http://www.irs.gov)) or log onto the Division's website ([www.myflorida.com/frs](http://www.myflorida.com/frs)) and use the link provided on the Links Page.

## Internal Revenue Service Tax Filing

Your 1099-R is in the mail. If you **have not** received your 1099-R by February 10<sup>th</sup>, please contact Retired Payroll by email at [Retired@frs.state.fl.us](mailto:Retired@frs.state.fl.us), by telephone (850) 488-4742 or by fax at (850) 487-9474 and a duplicate form will be provided to you. If you misplace your 1099-R, please request a duplicate early enough to meet your tax filing deadline or appointment with your income tax preparer.

### REMEMBER!

Florida Retirement System benefits are taxable income and are reported to the Internal Revenue Service. Please be aware that if you do not have taxes withheld from your monthly benefit, you are still responsible for paying any taxes that are owed for the year.

## 2003 Social Security Earnings Test

If you receive Social Security benefits, you may earn a specific amount of wages each calendar year without affecting your Social Security benefit. **Your Florida Retirement System benefits are not considered "wages" for the earnings test.**

If you are over age 65 in 2003, no earnings limit applies to you. If you attain age 65 during 2003, your annual earnings limit for the months prior to your birth month is \$30,720 and \$1 of Social Security benefits will be withheld for every \$3 in earnings above the limit. If you are age 62 through age 64 in 2003, your earnings limit is \$11,520 and \$1 of Social Security Benefits will be withheld for each \$2 in earnings above the limit.

The Division does not administer Social Security Benefits. Questions about Social Security should be made to the Social Security Administration's website at [www.ssa.gov](http://www.ssa.gov) or by telephone (1-800-772-1213).

### Contacting the Division

#### Bureau of Benefit Payments

##### Retired Payroll Section

Telephone .....(850) 488-4742

FAX.....(850) 487-9474

Email ..... [Retired@frs.state.fl.us](mailto:Retired@frs.state.fl.us)

##### Survivor Benefits Section

Telephone .....(850) 488-5207

FAX .....(850) 410-2197

Email .. [Survivors@frs.state.fl.us](mailto:Survivors@frs.state.fl.us)

## Insurance Premiums deducted from your Pension check?

During the month of January you may see changes in your insurance premiums. The Division processes insurance premium deductions for many different types of insurance. While the Division processes premium deductions for these companies as a service to Florida Retirement System retirees, we do not have access to their records and are not authorized agents for these companies. If you have questions or need further information about these deductions or your insurance coverage, please contact your agent directly for prompt and accurate information.

### Did Your Address or Zip Code Change?

It is important to keep your mailing address with the Division up to date. You may use the address change form available on the Forms Page of the Division's website. Otherwise, include your Social Security number, signature, and new address, and telephone number when notifying us.

Retirement benefit payments are paid on the last state working day of each month. Retirees using direct deposit will have their benefit payments available on the days shown in the box on the right. Retirees who have their benefit payments sent through the mail would have their benefit payments mailed two workdays before the date shown on the schedule.

If your benefit is sent by mail and you have not received it by the 5th of the month, notify the Retired Payroll Section at (850) 488-4742. If you request a duplicate check, the Division will have a stop payment order placed on your original check. If you later receive your original check, please do not try to attempt to cash it. It usually takes 2 weeks to complete the processing of the duplicate check.

### 2003 Schedule of Retirement Benefit Payments

#### 2003

#### Schedule

January 31  
February 28  
March 31  
April 30  
May 30  
June 30  
July 31  
August 29  
September 30  
October 31  
November 26  
December 31