

PABF 2017-2018 Healthcare Subsidy FAQ's

Can I fax the form to the Fund?

No, but you can scan the form to hcsubsidy@chipabf.org as long as you send it as a pdf document.

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Will my subsidy be taxable?

The Fund cannot provide you with tax advice or any potential tax implications related to your receipt of healthcare premium subsidy payments. You should consult your tax advisor regarding potential tax or other consequences. However, you should know that:

- If you provide (1) proof of enrollment in a health insurance plan **and** (2) evidence of payment of the health insurance premium, the Fund will **NOT** report the subsidy payment as taxable income to the IRS.
- If you do **NOT** provide this additional documentation, you will still receive the subsidy payment, but the Fund will report the subsidy payment as taxable income to the IRS.
- Finally, if you are participating in an employer-sponsored healthcare plan in which your premiums are paid pre-tax, the Fund will report the subsidy payment as taxable income to the IRS.

When will I get my payment?

We anticipate you will receive your payment within 90 days of the Fund receiving your signed and completed form.

Why aren't spouses and dependents eligible to receive the subsidy?

The eligibility criteria entitling those individuals to the subsidies under the 1983 and 1985 amendments to the Illinois Pension Code was determined by the Court. One such criteria is the individual must have been an "employee annuitant receiving an age and service annuity."

If I get free health insurance, do I get the subsidy?

No. The purpose of the subsidy is to offset the cost of healthcare premiums paid by the employee annuitant. Given that you are not paying those premiums; you are not entitled to a subsidy.

If I get health insurance at 2% cost, do I get the subsidy?

Yes, as long as your monthly healthcare premium is more than the \$55.

Why is this only for the 2017-2018 subsidies? Why isn't it for 2019?

You will receive a letter in early 2020 if you are eligible for a 2019 subsidy.

What do I do if I lost my form?

The Fund can reissue you the letter and form via mail or email. (If the annuitant wants the form via email, please obtain their email address)

What will count as proof of payment?

Bank statements or copies of cancelled checks are proof of payment but other evidence such as a statement from your insurance carrier may meet the requirements.

How long do I have to complete the form?

If you do not return a completed Form by **December 31, 2020**, the Fund will assume you have declined the health insurance subsidy.

If the Fund deducted my health insurance premiums from my monthly annuity and paid the premiums on my behalf directly to the health insurance provider do I still need to submit proof of enrollment and evidence of payment.

No.

Can I send in the documents to prove that I was insured and paid for it after I send in the form?

No. You have until December 30, 2020 to send in the form and required documentation. However, if you choose to submit evidence of insurance and payment then it must be submitted along with the signed form. If the form is received without the documentation, it will be processed as is and reported as taxable income to the IRS.

Why didn't I receive a letter about the subsidy from PABF?

If you did not receive a letter than most likely, you are not eligible for the 2017 and 2018 healthcare premium subsidies. Those eligible for the subsidy are employee annuitants who retired on or after August 23, 1989 and were hired prior to April 4, 2003. (offer to take their name and look up while on the phone or call back after with an answer).