

ATTENTION

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ALL DISABILITY PENSIONERS

Please review the below letter from the Pension Board Meeting Agenda dated 4/27/2022 (Page 140) . Our tax attorney has recommended that the 13th check be taxed and issued a 1099 for Disability Pensions. All Disability Pensioner will be affected by this. This could open up pensioners tax liability for previous 13th checks. Please call your board member and come to the City of Tampa Fire and Police Pension Office on this Wednesday 4/27/22 at 1:00pm.

City of Tampa Fire and Police Pension Fund
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Tampa Fire & Police Pension Fund

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www.tampagov.net/fppension

To: Recipients of Duty-Related Disability or Death Benefits
From: Tiffany Weber, Plan Administrator
Date: April 28, 2022
Subject: Taxability of 13th Check Benefits

The Fund recently asked its tax counsel to review its taxation and withholding processes for COLA and 13th Check benefits. During this review, the tax counsel concluded that the IRS would most likely consider the 13th Check benefit to be taxable, as it is not based upon the underlying pension benefit. Additionally, it is based upon a separate calculation and the amount is the same for all members. It was determined that COLA benefits will continue to be considered non-taxable.

This change means that any 13th Check benefits paid after 01/01/2022 will be reported to the IRS as taxable income and you will receive Form 1099-R for each tax year going forward. As such, the Fund recommends that you complete the enclosed Form W-4P prior to issuance of any future 13th check payments. If you do not submit a completed tax withholding form, the default tax withholding, which is currently a filing status of married claiming three withholding exemptions, will be applied to all future 13th Check benefits.

As a reminder, 13th Check determination for the fiscal year ended 09/30/2021 will occur at the May 18, 2022 board meeting. Letters will be mailed to all eligible retirees and surviving spouses by May 31, 2022 providing notification as to whether or not a 13th Check will be issued at the end of June 2022. The deadline to submit a W-4P for any 13th Check that may be payable June 2022 is June 15, 2022. Any W-4P forms received after this date will be applied to future 13th Check payments and the default tax withholding will apply to any 13th Check paid in June 2022.

This letter is not meant to suggest or assure that a 13th Check will be payable in June 2022. Payment or non-payment of a 13th Check will be separately determined by the Fund's actuary.

We appreciate your understanding regarding this change. Please call the pension office at 813-274-8550 if you have any questions or concerns.