

**FREQUENTLY ASKED QUESTIONS (FAQs)  
REGARDING VOLUNTEER FIREFIGHTERS INCENTIVE PLAN TRANSITION**

**2.8 Will the lump sum distribution impact Medicare premiums?**

Depending on amount of income received in 2023 from all sources, including the lump sum distribution, there may be an impact to the 2025 Medicare premiums. Please refer to [Benefits Planner: Retirement | Medicare Premiums | SSA](#) for the annual income thresholds and more detailed information. We also encourage participants to reach out to their individual financial advisor to discuss potential implications of the lump sum distribution.

**2.9 If I have already begun receiving Social Security benefits, will the lump sum distribution impact my current Social Security benefits?**

Depending on your age and the amount of income received in 2023, including the lump sum distribution, it is possible there will be an impact to Social Security benefits. If you are receiving Social Security retirement benefits but are less than full retirement age (generally between 66 and 67 years old), income above the Social Security threshold amounts could offset your payments unless it qualifies as a Special Payment, which was earned before you started collecting Social Security. More information, including the process for notification of a Special Payment, is available at: [KA-01921 FAQ | SSA](#) and [KA-01987 FAQ | SSA](#).

The lump sum distributions may impact the taxability of the Social Security benefits received. Please see the following for more information: [Benefits Planner | Income Taxes And Your Social Security Benefit | SSA](#) and [Social Security Income | Internal Revenue Service \(irs.gov\)](#).

We encourage you to reach out to your individual financial advisor to discuss potential implications of your lump sum distribution.

**2.10 Can I rollover my lump sum distribution into an employer-sponsored retirement plan or IRA?**

No. The lump sum distributions are not eligible to be rolled over into an employer-sponsored retirement plan or IRA. More information is available at: [Rollover Chart \(irs.gov\)](#).

Participants are encouraged to work with their financial adviser to determine individual investment strategies for their lump sum distribution. For example, a participant may consider investing the lump sum distribution in the stock market, or apply the funds to certificates of deposit or high-yield savings accounts. A participant may also consider using the lump sum distribution to purchase an annuity product.

Visit <https://troymi.gov/newslist.php> for more information.