

**INCOME TAX FOR RETIREMENT BENEFITS  
EFFECTIVE FOR TAX YEAR 2014**

Taxpayers born before 1946 (Tier 1)	Taxpayers born 1946 through 1952 (Tier 2) Before the taxpayer reaches age 67	Taxpayers born after 1952 (Tier 3) Before the taxpayer reaches age 67
<ul style="list-style-type: none"> <li>• Social Security is exempt.</li> <li>• Senior citizen subtraction for interest, dividends, and capital gains up to \$10,929 for single filers and \$21,857 for joint filers.*</li> <li>• Public pensions exempt.</li> <li>• For 2014 private pensions, subtract up to \$49,027 for single filers and \$98,054 for joint filers.</li> </ul> <p>*Subtraction may be limited if pension benefits are also subtracted.</p>	<ul style="list-style-type: none"> <li>• Social Security is exempt.</li> <li>• Railroad pension is exempt.</li> <li>• Military/Michigan National Guard pension is exempt.</li> <li>• Not eligible for the senior citizen subtraction for interest, dividends, and capital gains.</li> <li>• Public and private pension limited subtraction of \$20,000 for single filers or \$40,000 for joint filers.</li> <li>• Pensions from governmental agencies not covered by the Social Security Act. \$35,000 for single filer, \$55,000 for joint filers, or \$70,000 for joint filers if both spouses worked for an "uncovered" agency.</li> </ul>	<ul style="list-style-type: none"> <li>• Social Security is exempt.</li> <li>• Railroad pension is exempt.</li> <li>• Military/Michigan National Guard pension is exempt.</li> <li>• Not eligible for the senior citizen subtraction for interest, dividends, and capital gains.</li> <li>• Not eligible for public or private pension subtraction.</li> <li>• At age 62, pensions from governmental agencies not covered by the Social Security Act \$15,000 for single or joint filer or \$30,000 for joint filers if both spouses worked for an "uncovered" agency.</li> </ul>
	After the taxpayer reaches Age 67	After the taxpayer reaches Age 67 (will first occur in 2020)
	<ul style="list-style-type: none"> <li>• Social Security is exempt.</li> <li>• Railroad pension is exempt (see below).</li> <li>• Military/Michigan National Guard pension is exempt (see below).</li> <li>• Not eligible for the senior citizen subtraction for interest, dividends, and capital gains.</li> <li>• Subtraction against all income of \$20,000 for single filers and \$40,000 for joint filers.</li> </ul> <p><b>Note:</b> Not eligible for this income subtraction to the extent a Military/Michigan National Guard or Tier 2 railroad pension exemption is claimed.</p>	<ul style="list-style-type: none"> <li>• Not eligible for the senior citizen subtraction for interest, dividends, and capital gains.</li> <li>• Not eligible for public or private pension subtraction.</li> <li>• Income exemption election: <ul style="list-style-type: none"> <li>– <b>Elect</b> exemption against all income of \$20,000 for single filers or \$40,000 for joint filer, <b>OR</b></li> <li><b>Note:</b> No exemption for Social Security, Military/Michigan National Guard, or railroad pension. No personal exemptions</li> <li>– <b>Elect</b> to exempt Social Security, Military/Michigan National Guard and railroad pension. May claim personal exemptions.</li> </ul> </li> </ul>