

## General Information - Pension Schedule (Form 4884)

### What are Retirement and Pension Benefits

Under Michigan law, qualifying retirement and pension benefits include most payments that are reported on a 1099-R for federal tax purposes. This includes defined benefit pensions, IRA distributions, and most payments from defined contribution plans. Payments received before the recipient could retire under the provisions of the plan or benefits from 401(k), 457, or 403(b) plans attributable to employee contributions alone are not retirement and pension benefits under Michigan law, are taxable, and are subject to withholding.

#### Qualifying benefits include distributions from the following sources:

- Pension plans that define eligibility for retirement and set contribution and benefit amounts in advance
- Qualified retirement plans for the self-employed
- Retirement distributions from a 401(k) or 403(b) plan attributable to employer contributions or attributable to employee contributions that result in additional employer contributions (e.g., matching contributions)
- IRA distributions received after age 59½ or described by Section 72(t)(2)(A)(iv) of the IRC (series of equal periodic payments made for life)
- Benefits from any of the previous plans received due to a disability, or as a surviving spouse if the decedent qualified for the subtraction at the time of death and was born prior to January 1, 1953. For exceptions see “Retirement Benefits from a Deceased Spouse” on page 20.
- Benefits paid to a senior citizen (age 65 or older) from a retirement annuity policy that are paid for life (as opposed to a specified number of years)
- Foreign retirement and pension benefits that meet Michigan’s qualifications may also be eligible.

#### Qualifying public benefits include distributions from the following sources:

- The State of Michigan
- Michigan local governmental units (e.g., Michigan counties, cities, and school districts)
- Federal civil service.

Retirement and pension benefits that are transferred from one plan to another (rolled over) continue to be treated as if they remained in the original plan.

#### For public and private retirement or pension benefits, you may not subtract (do not include on Form 4884):

Amounts received from a deferred compensation plan that lets the employee set the amount to be put aside and does not set retirement age or requirements for years of service. These plans include, but are not limited to, plans under Sections 401(k), 457, and 403(b) of the IRC

- Amounts received before the recipient could retire under the plan provisions, including amounts paid on separation, withdrawal, or discontinuance of the plan
- Amounts received as early retirement incentives, unless the incentives were paid from a pension trust.

### Which Benefits are Taxable

Retirement and pension benefits are taxed differently depending on the age of the recipient. Married couples filing a joint return should complete Form 4884 based on the year of birth of the older spouse. Military and Michigan National Guard pensions, railroad retirement benefits and Social Security benefits are exempt from tax and should be reported on the Schedule 1, line 11 or line 14. The amounts reported on Schedule 1, line 11 or line 14 may affect the retirement and pension benefits subtraction.

### Which Deduction am I Eligible to Claim

**NOTE:** Private pension limits for all filers are reduced by the following from Schedule 1, line 11:

- Military retirement from the U.S. Armed Forces
- Retirement from the Michigan National Guard
- Railroad retirement.

#### Recipients of Benefits from Qualified Fire, Police, and County Corrections Service

A recipient of qualified Fire, Police, and County Corrections retirement or pension benefits is an individual with a qualifying distribution included in AGI from Michigan service as one of the following:

- Public police or fire department employee subject to the Michigan Compulsory Arbitration of Labor Disputes in Police and Fire Departments Act,
- A state police trooper or state police sergeant subject to the Michigan Compulsory Arbitration of Labor Disputes of State Police Troopers and Sergeants Act, or
- A corrections officer employed by a county sheriff in a county jail, work camp, or other facility maintained by a county that houses adult prisoners.

**NOTE:** Recipients of a qualifying distribution included in AGI from service in **federal employment** that is substantially similar to Qualified Fire, Police and County Corrections Service also qualify.

A recipient of qualified Fire, Police, and County Corrections retirement or pension benefits may deduct the larger of the following:

(a) All qualifying retirement and pension benefits received from federal or Michigan public sources, and may subtract qualifying private retirement and pension benefits up to \$61,518 if single or married filing separate, or \$123,036 if married filing a joint return. **If your public retirement benefits are greater than the maximum amount, you are not entitled to claim an additional subtraction for private pensions.**

(b) If eligible, a Michigan Standard Deduction based on their year of birth.

- **Recipients born before 1946** may subtract all qualifying retirement and pension benefits received from federal or Michigan public sources, and may subtract qualifying private retirement and pension benefits up to \$61,518 if single or married filing separate, or \$123,036 if married filing a joint return. If your public retirement benefits

are greater than the maximum amount, you are not entitled to claim an additional subtraction for private pensions.

- **Recipients born during the period January 1, 1946 through December 31, 1952**, qualify for a Tier 2 Michigan Standard Deduction or a retirement and pension benefits subtraction.

**Exception:** If you are a surviving spouse who has reached the age of 67, has not remarried, and claimed a subtraction for retirement and pension benefits on a return jointly filed with the decedent in the year your spouse died, you may elect to take the retirement and pension benefits subtraction based on the older deceased spouse's year of birth subject to the limits available for a single filer instead of your standard deduction.

- **Recipients born during the period January 1, 1953 through January 1, 1957** qualify for a Tier 3 Michigan Standard Deduction or a retirement and pension benefits subtraction.

**Exception:** If you are a surviving spouse who has reached the age of 67, has not remarried, and claimed a subtraction for retirement and pension benefits on a return jointly filed with the decedent in the year your spouse died, you may elect to take the retirement and pension benefits subtraction based on the older deceased spouse's year of birth subject to the limits available for a single filer instead of your standard deduction.

- **Recipients born after January 1, 1956 through December 31, 1958** may subtract qualifying retirement and pension benefits up to \$15,380 if single or married filing separate, or \$30,759 if married filing a joint return.
- **Recipients born during the period January 1, 1959 through January 1, 1962 who have reached age 62 and receive retirement benefits from employment exempt from Social Security** may deduct up to \$15,000 in qualifying retirement and pension benefits. If both spouses on a joint return receive Social Security exempt retirement benefits, the maximum deduction increases to \$30,000.
- **Recipients born after January 1, 1957, received retirement benefits from SSA exempt employment, and were retired as of January 1, 2013** may deduct up to \$35,000 in qualifying retirement and pension benefits if single or married filing separately or \$55,000 if married filing a joint return. If both spouses on a joint return qualify, the maximum deduction increases to \$70,000.
- **All other recipients born after December 31, 1958**, all retirement and pension benefits are taxable and you are not entitled to a pension subtraction.

For help calculating the retirement and pension subtraction, see "*Which Section of Form 4884 Should I Complete?*" on page 22.

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## **Retirement Benefits from a Deceased Spouse**

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Retirement benefits received as a survivor generally have a distribution code of 4 on the federal Form 1099-R. The 1099-R reports retirement benefits to the Internal Revenue Service and it is sent by the pension administrator paying the benefits.

If a surviving spouse claimed a subtraction for retirement and pension benefits on a return jointly filed with the decedent in the year your spouse died and the surviving spouse has not remarried, then the surviving spouse may claim the retirement and pension benefits subtraction that would have applied based on the year of birth of the older of the surviving spouse or the deceased spouse. If a surviving spouse did not claim a subtraction for retirement and pension benefits on a return jointly filed with the decedent in the year your spouse died or the surviving spouse has remarried, then claim the retirement and pension benefits subtraction based on the year of birth of the filer (or older spouse if remarried).

If the surviving spouse was born during the period January 1, 1946 through January 1, 1957 and has reached the age of 67, typically the retirement and pension benefits subtraction cannot be claimed on Form 4884 because the surviving spouse would claim a standard deduction on the Schedule 1. Except, the surviving spouse may elect to continue to claim the retirement and pension benefits subtraction on Form 4884 if the surviving spouse was born during the period January 1, 1946 through January 1, 1957 and has reached the age of 67, has not remarried, and claimed a subtraction for retirement and pension benefits on a return jointly filed with the decedent in the year your spouse died. Refer to the following section "Retirement Benefits Election for Surviving Spouses" for further instruction.

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## **Retirement Benefits Election for Surviving Spouses**

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If you are a surviving spouse who was born after 1945 and has reached the age of 67, has not remarried, and claimed a subtraction for retirement and pension benefits on a return jointly filed with the decedent in the year your spouse died, you may elect to claim the **larger** of either:

- (a) Your Michigan Standard Deduction **or**
- (b) The retirement and pension benefits subtraction based on the older deceased spouse's year of birth subject to the limits available for a single filer.

For help determining your larger subtraction refer to "*Which Section of Form 4884 Should I Complete?*" on page 22.

## Line-by-Line Instructions for *Pension Schedule (Form 4884)*

Visit [www.michigan.gov/iit](http://www.michigan.gov/iit) for help calculating the retirement and pension subtraction.

**NOTE:** For purposes of this form, single limits apply to taxpayers who are married filing separately.

*Lines not listed are explained on the form.*

**Lines 1, 2, and 3:** Enter your name(s) and Social Security number(s). If you are married filing separate returns, enter both Social Security numbers, but do **not** enter your spouse's name.

**Lines 4 and 5:** Enter your year(s) of birth. If you are married and filing separately, do not enter your spouse's year of birth.

**Line 6a:** Check the box if you receive qualifying benefits earned from service as any of the following:

- (1) Public police or fire department employee subject to the Michigan Compulsory Arbitration of Labor Disputes in Police and Fire Departments Act,
- (2) A state police trooper or state police sergeant subject to the Michigan Compulsory Arbitration of Labor Disputes of State Police Troopers and Sergeants Act, or
- (3) A corrections officer employed by a county sheriff in a county jail, work camp, or other facility maintained by a county that houses adult prisoners.

**NOTE:** Recipients of a qualifying distribution included in AGI from service in **federal employment** that is substantially similar to Qualified Fire, Police and County Corrections Service also qualify.

**Line 6b:** Check the box if both criteria are met:

- If the older of you or your spouse (if filing a joint return) was born after January 1, 1957 (or was born in 1956 and died during the tax year before reaching age 67)
- You or your spouse (if filing a joint return) were retired as of January 1, 2013 and also received retirement benefits from SSA exempt employment.

**Lines 7a through 7c:** If you are receiving retirement and pension benefits from a deceased spouse or are claiming the retirement and pension benefits subtraction based on your deceased spouse's year of birth, enter your deceased spouse's name, Social Security number and year of birth. If you are filing your final joint tax return because your spouse died during the tax year, do not complete Part 2 or check box 8B.

**NOTE:** When completing Form 4884, surviving spouse means the deceased spouse died prior to the current tax year (e.g., when filing a 2023 return the spouse died in 2007). Deceased spouse benefits do not include benefits from a spouse who died in 2023.

**Line 7d:** Check the box if your deceased spouse was born after 1952, was retired as of January 1, 2013, and received retirement benefits from SSA exempt employment.

For more information, see "Retirement Benefits Election for Surviving Spouses" on page 20.

**Line 8:** If you have more than eight qualifying entries, continue those entries on the *2023 Michigan Pension Continuation Schedule* (Form 4973). If you are married filing separate returns, only report your qualifying retirement and pension benefits here, do not include your spouse's retirement and pension benefits.

**Line 8B:** For each qualifying retirement and pension benefit attributable to a deceased spouse put an "X" in column 8B. See instructions for line 7 for more information on deceased spouse benefits.

**Line 8C:** If an individual has multiple retirement and pension benefits from the same Payer FEIN and distribution code, combine those amounts on the same line.

**Line 8D:** List the distribution code from box 7 of the federal Form 1099-R.

**Line 8F:** Include the taxable amount of retirement or pension reported in federal AGI. Use these amounts when completing the applicable section in Part 4. If you are a part-year resident only use the portion from the Michigan Schedule NR, line 10 column B.

**NOTE:** Before completing Form 4884, Part 4, refer to "*Which Section of Form 4884 Should I Complete?*" on page 22.

**Line 9:** For purposes of this line, single limits apply to taxpayers who are married filing separately.

**Line 10:** If you or your spouse reported any retirement and pension benefits from service in the U.S. Armed Forces or Michigan National Guard, or taxable railroad retirement benefits reported on Schedule 1, line 11, enter these amounts on this line.

**Line 16:** Carry this amount to Schedule 1, line 27. Do not complete Section B, Section C, or Section D.

**Line 17:** If you checked either box 24C or 24G from Schedule 1, the maximum is increased by \$15,000. If you checked both boxes 24C and 24G the maximum is increased by \$30,000.

If you and your spouse (if filing a joint return) were born after January 1, 1956, and you or your spouse (if filing a joint return) were retired as of January 1, 2013 and received retirement benefits from SSA exempt employment, you should use Section B to calculate the deduction for retirement and pension benefits. These taxpayers may deduct up to: \$35,000 in qualifying retirement and pension benefits if single or married filing separately; or \$55,000 if married filing a joint return. If both spouses on a joint return receive retirement benefits from SSA exempt employment, the maximum deduction increases to \$70,000.

If the older of you or your spouse (if filing a joint return) was born in 1956 and died during the tax year before reaching age 67, retired as of January 1, 2013 and received retirement benefits from SSA exempt employment, use Section B to calculate the deduction for retirement and pension benefits.

If you are the unremarried spouse of a decedent who was born during the period January 1, 1946 to December 31, 1952 who had not reached the age of 67 or of a decedent who was born after 1952 who had received retirement benefits from employment exempt from social security in the year your spouse died and had retired as of January 1, 2013, use Section B to calculate the deduction for retirement and pension benefits.

If you have taxable railroad retirement benefits or qualifying retirement and pension benefits from service in the U.S.

Armed Forces or Michigan National Guard that was deducted on Schedule 1, line 11, use Worksheet 3.1 to determine your allowable subtraction.

Carry this amount to Schedule 1, line 27. Do not complete Section A, Section C, or Section D.

**Line 18:** If you checked box 24C or 24G on Schedule 1 and the older of you or your spouse was born after December 31, 1958 but before January 2, 1962, enter all qualifying retirement and pension benefits you received, up to \$15,000. If both boxes 24C and 24G on Schedule 1 were checked on a joint return, the maximum deduction is \$30,000. If you are the unremarried spouse of a decedent who was born after 1958, had reached age 62 and received retirement benefits from employment exempt from Social Security in the year your spouse died, enter all qualifying retirement and pension benefits you received up to \$15,000.

If the older of you or your spouse was born January 2, 1957 through December 31, 1958 and you receive taxable railroad retirement benefits or military retirement benefits due to service in the U.S. Armed Forces or Michigan National Guard, Section C may provide a greater deduction than Section D of this form.

Recipients who deduct taxable railroad retirement benefits or military retirement benefits due to service in the U.S. Armed Forces or Michigan National Guard on Schedule 1, line 11 may have lower deduction limits on this line if the Schedule 1, line 11 totals more than \$46,518. Use Worksheet 3.2 to determine your allowable subtraction.

Carry this amount to Schedule 1, line 27. Do not complete Section A, Section B, or Section D.

**Line 19:** If the older of you or your spouse (if filing a joint return) was born on or after January 1, 1946 but before January 1, 1959, You may deduct up to \$15,380 in qualifying retirement and pension benefits if single or married filing separately, and up to \$30,759 if married filing a joint return. If you have taxable railroad retirement benefits or qualifying retirement and pension benefits from service in the U.S. Armed Forces or Michigan National Guard that was deducted on Schedule 1, line 11, use Worksheet 3.3 to determine your allowable subtraction. Carry this amount to Schedule 1, line 27. Do not complete Section A, Section B, or Section C.

### Which Section of Form 4884 Should I Complete?

To determine which section of Form 4884 to complete to claim a retirement or pension benefits subtraction or a Michigan Standard Deduction, if applicable, answer the following questions. Questions 3 and 4 will establish information about the key person, which will be referenced through the remainder of the questionnaire and help determine which section should be completed.

**1. Did you or your spouse (if filing a joint return) receive qualified retirement benefits that are included in AGI?**

**Yes:** Continue to question 2.

**No:** You are not eligible for a retirement and pension benefits subtraction. Do not file Form 4884. If the older of you or your spouse was born during the period January 1, 1946 through January 1, 1957 and have reached age 67, complete Worksheet 2.

**2. Did you or your spouse (if filing a joint return) receive qualified retirement benefits, included in AGI, earned from service by a fire, police, or county corrections retiree (see instructions to determine if you qualify)?**

**Yes:** If the older of you or your spouse (if filing a joint return) were born during the period January 1, 1946 through January 1, 1957 and have reached age 67, complete and compare Worksheet 2 and Section A of Form 4884 and claim the larger subtraction.†

If the older of you or your spouse (if filing a joint return) were born prior to January 1, 1946, after January 1, 1957, or have not reached age 67, complete Section A of Form 4884.

**No:** Continue to question 3.

**3. What is your current filing status?**

**Single:** If you claimed a subtraction for retirement and pension benefits on a return jointly filed with the decedent in the year your spouse died, the key person is the older of you or your deceased spouse who died prior to 2023, whoever has the earlier year of birth. Otherwise, the key person is you.

**Married filing jointly:** The key person is the older of you or your spouse. If either of you have a deceased spouse who died prior to 2023, you are not eligible to claim the retirement and pension benefits subtraction based on the deceased spouse's year of birth.

**Married filing separately:** The key person is you. If you have a deceased spouse, you are not eligible to claim the retirement and pension benefits subtraction based on your deceased spouse's year of birth.

**4. What is the key person's year of birth?**

**5. Was the key person born prior to January 1, 1946?**

**Yes:** If you are a surviving spouse who was born during the period January 1, 1946 through January 1, 1957 and have reached age 67, complete and compare Worksheet 2 and Section A of Form 4884 and claim the larger subtraction.†

All others, complete Section A of Form 4884.

**No:** Continue to question 6.

**6. Did the key person reach age 67?**

**Yes:** If you are the surviving spouse of a deceased key person and you have not reached age 67, continue to question 8.

If you are the surviving spouse of a decedent who received retirement benefits from SSA exempt employment, continue to question 9.

All others, complete and compare Worksheet 2 and Worksheet 3.3 and claim the larger subtraction

**No:** Continue to question 7.

**7. Are you the surviving spouse of a key person born during the period of January 1, 1946 through December 31, 1952?**

**Yes:** If you, as the surviving spouse, were born during the period January 1, 1946 through January 1, 1957, complete Worksheet 2 and Worksheet 3.1 and claim the larger subtraction.

If you, as the surviving spouse, were born after January 1, 1957, complete Section B\* of Form 4884.

**No:** Continue to question 8.

**8. Do you receive retirement benefits from SSA exempt employment?**

**Yes:** Continue to question 9.

**No:** If the key person, or the surviving spouse of a deceased key person, was born during the period January 2, 1956 through December 31, 1958, complete Section D\*\*\* of Form 4884.

If the key person, or the surviving spouse of a deceased key person, was born after December 31, 1958, you are not eligible for a retirement and pension benefits subtraction. Do not file Form 4884

**9. Answer the question below that corresponds to your current filing status:**

**Single:** Do you or your deceased spouse receive retirement benefits from SSA exempt employment and were retired as of January 1, 2013?

**Married filing jointly:** Do you or your spouse receive retirement benefits from SSA exempt employment and were retired as of January 1, 2013?

**Married filing separately:** Do you receive retirement benefits from SSA exempt employment and were retired as of January 1, 2013?

**Yes:** If you, as the surviving spouse, have reached age 67, complete and compare Worksheet 2 and Worksheet 3.1 and claim the larger subtraction.

All others, complete Section B\* of Form 4884.

**No:** Continue to question 10.

**10. Answer the question below that corresponds to your current filing status:**

**Single:** Do you or your deceased spouse receive retirement benefits from SSA exempt employment and have reached age 62?

**Married filing jointly:** Do you or your spouse receive retirement benefits from SSA exempt employment and have reached age 62?

**Married filing separately:** Do you receive retirement benefits from SSA exempt employment and have reached age 62?

**Yes:** If you, as the surviving spouse, have reached age 67, complete and compare Worksheet 2 and Worksheet 3.2 and claim the larger subtraction.

If the older of you or your spouse (if filing a joint return) were born during the period January 2, 1957 through December 31, 1958, complete and compare Worksheet 3.2 and Worksheet 3.3 and claim the larger subtraction.

All others, complete Section C\*\* of Form 4884.

**No:** You are not eligible for a retirement and pension benefits subtraction. Do not file Form 4884.

\*If you have taxable railroad retirement benefits or qualifying retirement and pension benefits from service in the U.S. Armed Forces or Michigan National Guard that was deducted on Schedule 1, line 11, use Worksheet 3.1 to determine your allowable subtraction for Form 4884 Section B.

\*\*If you have taxable railroad retirement benefits or qualifying retirement and pension benefits from service in the U.S. Armed Forces or Michigan National Guard that was deducted on Schedule 1, line 11, use Worksheet 3.2 to determine your allowable subtraction for Form 4884 Section C.

\*\*\*If you have taxable railroad retirement benefits or qualifying retirement and pension benefits from service in the U.S. Armed Forces or Michigan National Guard that was deducted on Schedule 1, line 11, use Worksheet 3.3 to determine your allowable subtraction for Form 4884 Section D.

† If your Michigan Standard Deduction results in a larger subtraction, do not file Form 4884.

**Worksheet 3.1: Retirement and Pension Benefits Subtraction for Section B of Form 4884**

1. Enter \$61,518 if single or \$123,036 if filing jointly .....	1.		00
2. Enter military retirement benefits due to service in the U.S. Armed Forces or Michigan National Guard and taxable railroad retirement benefits reported on Schedule 1, line 11 .....	2.		00
3. Enter public retirement and pension benefits reported on Form 4884, line 8.....	3.		00
4. Add lines 2 and 3.....	4.		00
5. Subtract line 4 from line 1. If line 4 is greater than line 1, enter \$0 .....	5.		00
6. Enter private retirement and pension benefits report on Form 4884, line 8 .....	6.		00
7. Enter the smaller of line 5 or line 6.....	7.		00
8. Add lines 3 and 7.....	8.		00
9. Enter \$20,000 if single or \$40,000 if filing jointly .....	9.		00
10. Enter \$15,000 if single or if filing jointly and one spouse checked either box 24C or 24G on Schedule 1. Enter \$30,000 if filing jointly and both spouses checked boxes 24C and 24G on Schedule 1.....	10.		00
11. Add lines 9 and 10.....	11.		00
12. Enter the smaller of line 8 or line 11 .....	12.		00

If the older of you or your spouse (if filing a joint return) was born during the period January 1, 1946 through January 1, 1957, you are eligible to claim the larger of your pension and retirements benefits subtraction calculated on line 12 of this worksheet or the amount calculated on Worksheet 2: Tier 2 or Tier 3 Michigan Standard Deduction.

If you claim the pension and retirements benefits subtraction from this worksheet, enter the amount from line 12 on Form 4884, line 17.

**Worksheet 3.2: Retirement and Pension Benefits Subtraction for Section C of Form 4884**

1. Enter \$61,518 if single or \$123,036 if filing jointly .....	1.		00
2. Enter military retirement benefits due to service in the U.S. Armed Forces or Michigan National Guard and taxable railroad retirement benefits reported on Schedule 1, line 11 .....	2.		00
3. Enter public retirement and pension benefits reported on Form 4884, line 8.....	3.		00
4. Add lines 2 and 3.....	4.		00
5. Subtract line 4 from line 1. If line 4 is greater than line 1, enter \$0 .....	5.		00
6. Enter private retirement and pension benefits reported on Form 4884, line 8 .....	6.		00
7. Enter the smaller of line 5 or line 6.....	7.		00
8. Add lines 3 and 7.....	8.		00
9. Enter \$15,000 if single or if filing jointly and one spouse checked either box 24C or 24G on Schedule 1. Enter \$30,000 if filing jointly and both spouses checked boxes 24C and 24G on Schedule 1.....	9.		00
10. Enter the smaller of line 8 or line 9 here.....	10.		00

If you were instructed to compare this worksheet with Worksheet 3.3, you are eligible to claim the larger of your pension and retirements benefits subtraction calculated on line 10 of this worksheet or the amount calculated on Worksheet 3.3.

If you claim the pension and retirements benefits subtraction from this worksheet, enter the amount from line 10 on Form 4884, line 18.

### Worksheet 3.3: Retirement and Pension Benefits Subtraction for Section D of Form 4884

1. Enter \$61,518 if single or \$123,036 if filing jointly .....	1.		00
2. Enter military retirement benefits due to service in the U.S. Armed Forces or Michigan National Guard and taxable railroad retirement benefits reported on Schedule 1, line 11. ....	2.		00
3. Subtract line 2 from line 1. If line 2 is greater than line 1, enter \$0. ....	3.		00
4. Multiply line 3 by 25% (0.25). ....	4.		00
5. Enter total public and private retirement and pension benefits, including benefits received from a deceased spouse who died prior to 2023, from Form 4884, line 8. ....	5.		00
6. Enter the smaller of line 4 or line 5. ....	6.		00

If the older of you or your spouse (if filing a joint return) was born during the period January 1, 1946 through January 1, 1957, you are eligible to claim the larger of your pension and retirements benefits subtraction calculated on line 6 of this worksheet or the amount calculated on *Worksheet 2: Tier 2 or Tier 3 Michigan Standard Deduction*.

If you were instructed to compare this worksheet with Worksheet 3.2, you are eligible to claim the larger of your pension and retirements benefits subtraction calculated on line 6 of this worksheet or the amount calculated on Worksheet 3.2.

If you claim the pension and retirements benefits subtraction, enter the amount from line 6 on Form 4884, line 19.

## General Information - Homestead Property Tax Credit (MI-1040CR)

The request for your Social Security number is authorized under USC Section 42. Social Security numbers are used by Treasury to conduct matches against benefit income provided by the Social Security Administration and other sources to verify the accuracy of the home heating and property tax credit claims filed for mandatory federal reporting requirements and to deter fraudulent filings.

### Who May Claim a Property Tax Credit

You may claim a property tax credit if all of the following apply:

- Your homestead is located in Michigan
- You were a Michigan resident at least six months of 2023
- You own your Michigan homestead and property taxes were levied in 2023, or you paid rent under a rental contract.

You can have only one **homestead** at a time, and you must be the occupant as well as the owner or renter. Your homestead can be a rented apartment or a mobile home on a lot in a mobile home park. A vacation home or income property is **not** considered your homestead.

Your homestead is in your state of **domicile**. Domicile is the place where you have your permanent home. It is the place to which you plan to return whenever you go away. College students and others whose permanent homes are not in Michigan are **not** Michigan residents. Domicile continues until you establish a new permanent home.

Property tax credit claims may **not** be submitted on behalf of minor children. Filers claimed as a dependent on someone else’s return see instructions for line 24 on page 32 to correctly report support received.

**You may not claim a property tax credit if your total household resources are over \$67,300.** In addition, you may not claim a property tax credit if your taxable value exceeds \$154,000 (excluding vacant farmland classified as agricultural). The computed credit is reduced by 10 percent for every \$1,000 (or part of \$1,000) that total household resources exceed \$58,300. If filing a part-year return, you must annualize total household resources to determine if the income limitation applies. See “Annualizing Total Household Resources” on page 28.

### Which Form to File

Most filers should use the MI-1040CR in this booklet. If you are blind and own your homestead, are in the active military, are an eligible veteran, or an eligible veteran’s surviving spouse, complete forms MI-1040CR and MI-1040CR-2 (available on Treasury’s website.) **Use the form that gives you a larger credit.**

If you are blind and rent your homestead, you cannot use the MI-1040CR-2. Claim your credit on the MI-1040CR and check box 5b if you are age 65 or younger. Check boxes 5a and 5b if you are blind and age 65 or older.