

INCOME TAX FOR RETIREMENT BENEFITS EFFECTIVE FOR TAX YEAR 2021

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"> • Social Security is exempt. • Senior citizen subtraction for interest, dividends, and capital gains up to \$12,127 for single filers and \$24,254 for joint filers.* • Public pensions exempt. • Private pensions, subtract up to \$54,404 for single filers and \$108,808 for joint filers. <p style="margin-left: 40px;">*Subtraction may be limited if pension benefits are also subtracted.</p>	<ul style="list-style-type: none"> • Social Security is exempt. • Railroad and Michigan National Guard pensions are exempt. • Military compensation and pensions are exempt. • Not eligible for the senior citizen subtraction for interest, dividends, and capital gains. • Public and private pension limited subtraction of \$20,000 for single filers or \$40,000 for joint filers. • Pensions from employment with governmental agencies not covered by the SSA. \$35,000 for single filer, \$55,000 for joint filers, or \$70,000 for joint filers if both spouses worked for an “uncovered” agency. 	<ul style="list-style-type: none"> • Social Security is exempt. • Railroad and Michigan National Guard pensions are exempt. • Military compensation and pensions are exempt. • Not eligible for the senior citizen subtraction for interest, dividends, and capital gains. • Not eligible for public or private pension subtraction. • At age 62, pensions from employment with governmental agencies not covered by the SSA. \$15,000 for single or joint filer or \$30,000 for joint filers if both spouses worked for an “uncovered” agency. • Beginning in 2018, pension from employment with governmental agencies not covered by the SSA for persons retired as of January 1, 2013, \$35,000 for single filer, \$55,000 for joint filer, or \$70,000 for joint filers if both spouses worked for an “uncovered” agency.

	Tier 2 After the taxpayer reaches Age 67	Tier 3 After the taxpayer reaches Age 67
	<ul style="list-style-type: none"> • Social Security is exempt. • Railroad and Michigan National Guard pensions are exempt (see below). • Military compensation and pensions are exempt (see below). • Not eligible for the senior citizen subtraction for interest, dividends, and capital gains. <p>Eligible for Standard deduction:</p> <ul style="list-style-type: none"> • Subtraction against all income of \$20,000 for single filers and \$40,000 for joint filers. • Subtraction increased to \$35,000 for single filers and \$55,000 for joint filers with pensions from employment with governmental agencies not covered by the SSA, or to \$70,000 for joint filers if both spouses worked for an “uncovered” agency. • Not eligible for this income subtraction to the extent Military income and Railroad/Michigan National Guard pension exemption are claimed. 	<ul style="list-style-type: none"> • Not eligible for the senior citizen subtraction for interest, dividends, and capital gains. • Not eligible for public or private pension subtraction. • Income exemption election: <ul style="list-style-type: none"> – Elect exemption against all income of \$20,000 for single filers or \$40,000 for joint filer <p>Note: No exemption for Social Security, Military compensation and pension, and Railroad/Michigan National Guard pension. No personal exemptions.</p> <p style="text-align: center;">OR</p> <ul style="list-style-type: none"> – Elect to exempt Social Security, Military compensation and pension, and Railroad/Michigan National Guard pension. May claim personal exemptions. <ul style="list-style-type: none"> • Beginning in 2018, persons retired as of January 1, 2013 and receiving pension from employment with governmental agencies not covered by SSA may claim standard deduction of \$35,000 for single filer, \$55,000 for joint filer, or \$70,000 for joint filers if both spouses worked for an “uncovered” agency; not eligible for this income subtraction to the extent Military income and Railroad/Michigan National Guard pension exemption are claimed.