

**INCOME TAX FOR RETIREMENT BENEFITS
EFFECTIVE FOR TAX YEAR 2016**

<p style="text-align: center;">Taxpayers born before 1946 (Tier 1)</p>	<p style="text-align: center;">Taxpayers born 1946 through 1952 (Tier 2) Before the taxpayer reaches age 67</p>	<p style="text-align: center;">Taxpayers born after 1952 (Tier 3) Before the taxpayer reaches age 67</p>
<ul style="list-style-type: none"> • Social Security is exempt. • Senior citizen subtraction for interest, dividends, and capital gains up to \$11,115 for single filers and \$22,229 for joint filers.* • Public pensions exempt. • Private pensions, subtract up to \$49,861 for single filers and \$99,723 for joint filers. <p>* 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 pension is exempt. • Military compensation and pension is 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 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. 	<ul style="list-style-type: none"> • Social Security is exempt. • Railroad and Michigan National Guard pension is exempt. • Military compensation and pension is 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 Social Security Act. \$15,000 for single or joint filers or \$30,000 for joint filers if both spouses worked for an "uncovered" agency.

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<p style="text-align: center;">Taxpayers born 1946 through 1952 (Tier 2) After the taxpayer reaches Age 67</p>	<p style="text-align: center;">Taxpayers born after 1952 (Tier 3) After the taxpayer reaches Age 67 (will first occur in 2020)</p>
<ul style="list-style-type: none"> • Social Security is exempt. • Railroad and Michigan National Guard pension is exempt (see below). • Military compensation and pension is 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 Social Security Act, 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 is 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 filers <p>Note: No exemption for Social Security, Military compensation and pension, and Railroad/Michigan National Guard pension. No personal exemptions</p> <p>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.