

**INCOME TAX FOR RETIREMENT BENEFITS  
EFFECTIVE FOR TAX YEAR 2018**

<p style="text-align: center;"><b>Taxpayers born before 1946 (Tier 1)</b></p>	<p style="text-align: center;"><b>Taxpayers born 1946 through 1952 (Tier 2) Before the taxpayer reaches age 67</b></p>	<p style="text-align: center;"><b>Taxpayers born after 1952 (Tier 3) Before the taxpayer reaches age 67</b></p>
<ul style="list-style-type: none"> <li>• Social Security is exempt.</li> <li>• Senior citizen subtraction for interest, dividends, and capital gains up to \$11,495 for single filers and \$22,991 for joint filers.*</li> <li>• Public pensions exempt.</li> <li>• Private pensions, subtract up to \$51,570 for single filers and \$103,140 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 and Michigan National Guard pension is exempt.</li> <li>• Military compensation and 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 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.</li> </ul>	<ul style="list-style-type: none"> <li>• Social Security is exempt.</li> <li>• Railroad and Michigan National Guard pension is exempt.</li> <li>• Military compensation and 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 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.</li> <li>• 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.</li> </ul>

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<p style="text-align: center;"><b>Taxpayers born before 1946 (Tier 1)</b></p>	<p style="text-align: center;"><b>Taxpayers born 1946 through 1952 (Tier 2) After the taxpayer reaches age 67</b></p>	<p style="text-align: center;"><b>Taxpayers born after 1952 (Tier 3) After the taxpayer reaches age 67</b></p>
	<ul style="list-style-type: none"> <li>• Social Security is exempt.</li> <li>• Railroad and Michigan National Guard pension is exempt (see below).</li> <li>• Military compensation and pension is exempt (see below).</li> <li>• Not eligible for the senior citizen subtraction for interest, dividends, and capital gains.</li> </ul> <p>Eligible for <b>Standard deduction</b>:</p> <ul style="list-style-type: none"> <li>• Subtraction against all income of \$20,000 for single filers and \$40,000 for joint filers.</li> <li>• 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.</li> <li>• Not eligible for this income subtraction to the extent Military income and Railroad/Michigan National Guard pension exemption is claimed.</li> </ul>	<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 filers.</li> </ul> <p>Note: No exemption for Social Security, Military compensation and pension, and Railroad/Michigan National Guard pension. No personal exemptions</p> <p><b>OR</b></p> <li>• <b>Elect</b> to exempt Social Security, Military compensation and pension, and Railroad/Michigan National Guard pension. May claim personal exemptions.</li> </li></ul>

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		<ul style="list-style-type: none"> <li>• 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.</li> </ul>