

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 18.
- 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.

Who May Claim a Pension Subtraction

Tier 1

- **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 \$52,808 if single or married filing separate, or \$105,615 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.

NOTE: In addition to the public retirement benefits listed above, the private pension limits are also 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.

Tier 2

- **Recipients born during the period January 1, 1946 through December 31, 1952**, do not complete Form 4884. See Schedule 1, line 23.

Tier 3

- **Recipients born on or after January 1, 1953 but before January 2, 1958 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. See Form 4884, line 29 instructions for more information.
- **Recipients born after 1952, 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 1952**, 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 19.

Retirement Benefits from a Deceased Spouse

Calculate the amount of deductible retirement benefits received as a survivor of a deceased spouse based on the birth year of the deceased spouse and the filing status of the surviving spouse. If the filer is in Tier 2 and has reached the age of 67, the deceased spouse's benefits cannot be claimed on Form 4884 and the taxpayer is eligible for the Standard Deduction. 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.

Example 1: A married filer who receives retirement benefits as the surviving spouse of a decedent born in 1942 (Tier 1) would be able to subtract all public retirement benefits received from the deceased spouse and private retirement benefits received up to \$105,615, reduced by any public benefits received from the deceased spouse.

Generally, any retirement benefits deducted as a survivor reduce the amount of other retirement benefits that may be deducted.

Example 2: A single filer who receives retirement benefits as the surviving spouse of a decedent born in 1952 (Tier 2) would be able to subtract up to \$20,000 in qualified retirement benefits received from the deceased spouse.

NOTE: Filers born after 1952 (Tier 3) receiving survivor benefits from a deceased spouse born in Tier 1 complete Section B of Form 4884. Filers born after 1952 (Tier 3) receiving survivor benefits from a deceased spouse born in Tier 2 complete Section C of Form 4884. Filers born after 1952 (Tier 3) and receiving SSA exempt survivor benefits from a deceased spouse in Tier 3 complete "Which Section of Form 4884 Should I Complete?" on page 19.

Filing Status	Birth Year	Retirement Benefits Tier	Retirement Benefits Deduction Limits
Single/Separate	Before 1946	Tier 1	All public plus private benefits up to \$52,808 combined
Single/Separate	1946 through 1952	Tier 2	No retirement deduction on Form 4884. Standard Deduction on Schedule 1, line 23
Single/Separate	After 1952	Tier 3	† ‡No deduction
*Joint	Before 1946	Tier 1	All public plus private benefits up to \$105,615 combined
*Joint	1946 through 1952	Tier 2	No retirement deduction on Form 4884. Standard Deduction on Schedule 1, line 23
*Joint	After 1952	Tier 3	† ‡No deduction

* On a joint return, determine the eligibility for deducting retirement benefits using the age of the older spouse.

†Taxpayers in Tier 3 who receive pension benefits from employment with governmental agencies not covered by the Social Security Act may be eligible for a pension deduction. See instructions for Form 4884, line 28 and line 29.

‡Taxpayers in Tier 3 who receive benefits from a deceased spouse, see the NOTE in "Retirement Benefits from a Deceased Spouse" above.

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

Visit www.michigan.gov/incometax for help calculating the retirement and pension subtraction.

Before completing Form 4884, refer to “Which Section of Form 4884 Should I Complete?”

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 6: Check the box if both criteria are met:

- You and your spouse (if filing a joint return) were born after 1952.
- 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.

Line 7: Enter 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 line 7 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 2019 return the spouse died in 2007). Deceased spouse benefits do not include benefits from a spouse who died in 2019.

Line 8: If you have more than ten qualifying entries, continue those entries on the *2019 Michigan Pension Continuation Schedule* (Form 4973).

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 3. If you are a part-year resident only use the portion from the Michigan Schedule NR, line 10 column B.

Line 9: If you or your spouse reported any retirement and pension benefits from service in the U.S. Armed Forces, the Michigan National Guard or any taxable railroad retirement benefits reported on Schedule 1, line 11, these amounts should be subtracted from the allowable private pension deduction limits. For purposes of this line, single limits apply to taxpayers who are married filing separately. Amounts deducted on Schedule 1, line 11, are not deducted again on Form 4884, and are only used to reduce the allowable deduction for private retirement and pension benefits. For

example, if a joint filer born in 1945 received \$30,000 in retirement benefits from service in the U.S. Armed Forces the allowable private deduction limit reported on line 9 would be \$105,615 - \$30,000 = \$75,615.

Line 13: If you checked either box 22C or 22F from Schedule 1, your maximum is increased by \$15,000. If you checked both boxes 22C and 22F your maximum is increased by \$30,000.

Which Section of Form 4884 Should I Complete?

Using the information from line 8, complete Section A, Section B, Section C or Section D. To determine which section of the form to complete, answer the following questions.

1. Were retirement or pension benefits received by a filer or spouse (if married filing jointly) born prior to January 1, 1953, or were surviving spouse benefits received for a deceased spouse who was born prior to January 1, 1953 and died prior to January 1, 2019?
Yes: Continue to question 2.
No: Continue to question 5.
2. Was the older of filer or spouse (if married filing jointly) born during the period January 1, 1946 through December 31, 1952?
Yes: Do not file Form 4884. Use Schedule 1, line 23 (see instructions, page 15).
No: Continue to question 3.
3. Was the older of filer or spouse (if married filing jointly) born prior to January 1, 1946?
Yes: Complete Section A of Form 4884.
No: Continue to question 4.
4. Is filer or spouse (if married filing jointly) receiving benefits from a deceased spouse who was born prior to January 1, 1946 and died prior to January 1, 2019?
Yes: Complete Section B of Form 4884.
No: Complete Section C of Form 4884.
5. Were benefits from SSA exempt employment received by a filer or spouse (if married filing jointly) who was born after 1952 and retired as of January 1, 2013?
Yes: Complete Section C of Form 4884.
No: Continue to question 6.
6. Were benefits from SSA exempt employment received by a filer or spouse (if married filing jointly), and either filer or spouse has reached age 62?
Yes: Complete Section D of Form 4884.
No: You are not eligible for a retirement or pension benefits subtraction. Do not file Form 4884.

Line 16: Carry this amount to Schedule 1, line 24. Do not complete Section B, Section C or Section D.

Line 17: If you or your spouse received and reported any retirement and pension benefits from service in the U.S. Armed Forces or Michigan National Guard, or any taxable railroad retirement benefits reported on Schedule 1, line 11, these amounts should be subtracted from the allowable private pension deduction limit here. Amounts deducted on Schedule 1, line 11, are not deducted again on Form 4884 and are only used to reduce the allowable deduction for private retirement and pension benefits.

Line 23: Do not include benefits received from a deceased spouse (who died prior to 2019).

Line 24: If you were born on or after January 1, 1953 but before January 2, 1958 and checked box 22C or 22F on Schedule 1, enter \$15,000. If both spouses on a joint return checked boxes 22C and 22F on Schedule 1, enter \$30,000.

If you were born after 1952, were retired as of January 1, 2013 and checked box 22C or 22F on Schedule 1, enter \$35,000 if filing single or married filing separately, or \$55,000 if married filing a joint return. If both spouses on a joint return checked boxes 22C and 22F on Schedule 1, enter \$70,000.

Line 27: Carry this amount to Schedule 1, line 24. Do not complete Section A, Section C or Section D.

Line 28: Taxpayers born after January 1, 1952, that are receiving benefits from a deceased spouse who was born during the period January 1, 1946 through December 31, 1952 should use Section C to calculate the deduction for retirement and pension benefits.

If you checked either box 22C or 22F from Schedule 1, the maximum is increased by \$15,000. If you checked both boxes 22C and 22F the maximum is increased by \$30,000.

Taxpayers born after 1952, that were retired as of January 1, 2013 and received retirement benefits from SSA exempt employment should use Section C 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 qualify, the maximum deduction increases to \$70,000.

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 2 to determine your allowable subtraction.

Carry this amount to Schedule 1, line 24. Do not complete Section A, Section B, or Section D.

Line 29: If you checked box 22C or 22F on Schedule 1 and the older of you or your spouse was born on or after January 1, 1953 but before January 2, 1958, enter all qualifying retirement and pension benefits you received,

up to \$15,000. If you are receiving benefits as a surviving spouse, do not use your deceased spouse's year of birth. If both boxes 22C and 22F on Schedule 1 were checked on a joint return, the maximum deduction is \$30,000.

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 \$37,808. For additional information and to determine your allowable subtraction, refer to the "Worksheet for Filers with Taxable Railroad Retirement Benefits or Qualifying Retirement and Pension Benefits from Service in the U.S. Armed Forces or Michigan National Guard and Completing Section D of Form 4884" available on Treasury's Web site.

Carry this amount to Schedule 1, line 24. Do not complete Section A, Section B, or Section C.

Worksheet 2 for Filers with Taxable Railroad Retirement Benefits or Qualifying Retirement and Pension Benefits from Service in the U.S. Armed Forces or Michigan National Guard and Completing Section C of Form 4884

1. 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.	1.		00
2. Enter public retirement and pension benefits reported on Form 4884, line 8.....	2.		00
3. Add lines 1 and 2.....	3.		00
4. Enter private retirement and pension benefits reported on Form 4884, line 8.	4.		00
5. Enter \$52,808 if single or \$105,615 if filing jointly.	5.		00
6. Subtract line 3 from line 5. If less than zero, enter \$0.	6.		00
7. Enter the smaller of line 4 or line 6.	7.		00
8. Add line 2 and line 7.	8.		00
9. Enter \$20,000 if single or \$40,000 if filing jointly. Higher limits apply if you checked Schedule 1, box 22C or 22F (see line 11 below).....	9.		00
10. Enter the smaller of line 8 or line 9 here and on Form 4884, line 28.....	10.		00
Calculation for filers with benefits from employment exempt from the Social Security Act			
11. Enter \$20,000 if single or \$40,000 if filing jointly.	11.		00
12. If you checked box 22C or 22F on Schedule 1, enter \$15,000 for each box checked.	12.		00
13. Add line 11 and line 12. This is your maximum deduction for line 9 of this Worksheet.	13.		00

Form 4884 Various Scenarios

Scenario 1: Joint filer with the older spouse born prior to January 1, 1946 (Tier 1) with private and public retirement/pension benefits.

Jerry and Beverly are filing a joint return. Jerry was born in 1943 and is receiving a public pension of \$40,000 with a distribution code of 7. Beverly was born in 1946 and is receiving a private pension of \$70,000 with a distribution code of 7.

- Step 1: After completing lines 1 through 3, Jerry and Beverly enter 1943 on line 4 and 1946 on line 5.
- Step 2: They complete row 1 of line 8 by entering an X in Public for 8A, the payer FEIN in 8C, the distribution code 7 in 8D, the name of the payer in 8E and \$40,000 in 8F..... Line 8F, Row 1..... \$40,000
 They complete row 2 of line 8 by entering an X in Private for 8A, the payer FEIN in 8C, the distribution code 7 in 8D, the name of the payer in 8E and \$70,000 in 8F Line 8F, Row 2..... \$70,000
- Step 3: Jerry and Beverly refer to the questionnaire on page 19 to decide which Section of Form 4884 is to be completed. They answer yes to question 1, no to question 2, yes to question 3 and complete Section A of Form 4884.
- Step 4: They enter \$105,615 on line 9 as they are married filing jointly..... Line 9. \$105,615
- Step 5: They enter \$40,000 on line 10, the total of their public pension benefits. Line 10. \$40,000
- Step 6: They subtract line 10 from line 9 and enter \$65,615 on line 11. Line 11. \$65,615
- Step 7: They enter \$70,000 on line 12, the total of their private pension benefits. Line 12 \$70,000
- Step 8: They leave line 13 blank as it does not apply to them..... Line 13 leave blank
- Step 9: They enter \$70,000 on line 14, the total of lines 12 and 13..... Line 14. \$70,000
- Step 10: They enter \$65,615, the smaller of lines 11 or 14..... Line 15. \$65,615
- Step 11: They add lines 10 and 15, enter \$105,615 on line 16 and carry this amount to Schedule 1, line 24..... Line 16. \$105,615
 Schedule 1, Line 24..... \$105,615

Scenario 2: Joint filers, with the older spouse born prior to January 1, 1946 (Tier 1) who died during the tax year with private pension benefits.

Bob and Mary are filing a joint return. Bob, born in 1944, has a private pension of \$55,000. Bob died on October 15, 2019. Bob received a 1099-R for \$50,000 with a distribution code of 7 and Mary received a 1099-R for \$5,000 with a distribution code of 4 for the remainder of Bob’s pension. Mary, born in 1952, is receiving a public pension of \$70,000 with a distribution code of 7.

- Step 1: After completing lines 1 through 3, Mary enters 1944 on line 4 and 1952 on line 5. Mary does not complete line 7 or check 8B because Bob died during the current tax year.
- Step 2: Mary completes row 1 of line 8 by entering an X in Private for 8A, the payer FEIN in 8C, the distribution code 7 in 8D, the name of payer in 8E, and \$50,000 in 8F..... Line 8F, Row 1. \$50,000
 She completes row 2 of line 8 by entering an X in Private for 8A, the payer FEIN in 8C, the distribution code 4 in 8D, the name of payer in 8E, and \$5,000 in 8F Line 8F, Row 2. \$5,000
 She completes row 3 of line 8 by entering an X in Public for 8A, the payer FEIN in 8C, the distribution code 7 in 8D, the name of payer in 8E, and \$70,000 in 8F Line 8F, Row 3. \$70,000
- Step 3: Mary refers to the questionnaire on page 19 to decide which Section of Form 4884 is to be completed. She answers yes to question 1, no to question 2, yes to question 3 and completes Section A of Form 4884.
- Step 4: She enters \$105,615 on line 9 as she is filing jointly Line 9..... \$105,615
- Step 5: She enters \$70,000, her public pension, on line 10..... Line 10..... \$70,000
- Step 6: She subtracts line 10 from line 9 and enters \$35,615 on line 11. ... Line 11. \$35,615
- Step 7: She enters \$55,000, the total private pension benefits, on line 12. Line 12..... \$55,000
- Step 8: Mary leaves line 13 blank as Bob is not considered a deceased spouse for purposes of this return; Mary is filing a joint return... Line 13..... leave blank
- Step 9: Mary enters \$55,000 on line 14, the total of lines 12 and 13..... Line 14..... \$55,000
- Step 10: She enters \$35,615, the smaller of lines 11 or 14..... Line 15..... \$35,615
- Step 11: She adds lines 10 and 15, enters \$105,615 on line 16 and carries this amount to Schedule 1, line 24. Line 16..... \$105,615
 Schedule 1, Line 24..... \$105,615

Scenario 3: Filer and spouse both born in Tier 2 with the older spouse born in 1948 and receiving surviving benefits from a deceased spouse born in 1945 (Tier 1).

William and Betty are Michigan residents and are filing a joint return. William, born in 1948, is receiving public pension benefits of \$10,000 and wages from a part-time job. Betty, born in 1951, is receiving private pension benefits of \$20,000. William’s deceased spouse, Johanna, was born in 1945 and died in 2015. William is receiving \$7,500 in surviving spouse pension benefits from Johanna’s private pension.

- Step 1: As the older of William and Betty was born in 1948 (age 71 in 2019), they do not complete Form 4884 and instead complete Schedule 1, lines 22 and 23 for the Michigan Standard Deduction. Once William reached the age of 67, William and Betty no longer qualify for a pension deduction. This includes benefits from an older deceased spouse. Instead, they qualify for the standard deduction against all income (pension, wages, interest, etc.) Do not file Form 4884.

Scenario 4: Filer and spouse both born after December 31, 1952 (Tier 3).

Scott and Lisa are filing a joint return. Scott, born in 1954, is receiving private pension benefits of \$30,000. Lisa, born in 1957, is receiving an IRA distribution (private pension) of \$20,000.

- Step 1: As both Scott and Lisa were born after December 31, 1952 and did not check box 22C or 22F on Schedule 1, they are not entitled to a pension subtraction. Do not complete Form 4884. Do not file Form 4884.

Scenario 5: Joint filers born after 1952 (Tier 3) with retirement/pension benefits and receiving surviving benefits from a deceased spouse born in 1944 (Tier 1).

Howard and Georgia are filing a joint return. Howard, born in 1953, is receiving a private pension of \$40,000. Georgia was born in 1955. Howard’s deceased spouse, Edith, was born in 1944 and died in 2006. Howard is receiving \$30,000 in surviving spouse pension benefits from Edith’s private pension.

- Step 1: After completing lines 1 through 3, Howard and Georgia enter 1953 on line 4 and 1955 on line 5. Howard is receiving pension benefits from a deceased spouse so he then completes line 7. He enters Edith’s full name on line 7a, her Social Security number on line 7b, and 1944 on line 7c.
- Step 2: As Howard and Georgia were both born in Tier 3 their pension benefits are not deductible and should not be listed on line 8 of Form 4884.
They complete row 1 of line 8 by entering an X in Private for 8A, an X in 8B, the payer FEIN in 8C, the distribution code in 8D, the name of payer in 8E, and \$30,000 in 8F. Line 8F, Row 1. \$30,000
- Step 3: They refer to the questionnaire on page 19 to decide which Section of Form 4884 is to be completed. They answer yes to question 1, no to question 2, no to question 3, yes to question 4 and complete Section B of Form 4884.
- Step 4: They enter \$105,615 on line 17 as they are filing jointly. Line 17. \$105,615
- Step 5: They leave line 18 blank because they are not receiving public benefits from Edith. Line 18. leave blank
- Step 6: They subtract line 18 from line 17 and enter \$105,615 on line 19. Line 19. \$105,615
- Step 7: They enter \$30,000, private benefits received from Howard’s deceased spouse, Edith, on line 20. Line 20. \$30,000
- Step 8: They enter the smaller of lines 19 or 20, \$30,000, on line 21. Line 21. \$30,000
- Step 9: Howard and Georgia add lines 18 and 21 and enter \$30,000 on line 22. Howard and Georgia skip to line 26. Line 22. \$30,000
- Step 10: Since Howard and Georgia skipped lines 23 through 25, they enter zero on line 26. Line 26. \$0
- Step 11: They add lines 22 and 26 and enter \$30,000 on line 27 and Schedule 1, line 24. Line 27. \$30,000
Schedule 1, Line 24. \$30,000

Scenario 6: Joint filers born after 1952 (Tier 3) with retirement/pension benefits and receiving surviving benefits from a deceased spouse born in 1949 (Tier 2).

Mark and Nancy are filing a joint return. Mark, born in 1953, is receiving a private pension of \$25,000. Nancy was born in 1953. Nancy’s deceased spouse, Eduardo, was born in 1949 and died in 2008. Nancy is receiving \$35,000 in surviving spouse pension benefits from Eduardo’s private pension.

Step 1: After completing lines 1 through 3, Mark and Nancy enter 1953 on line 4 and 1953 on line 5. Nancy is receiving pension benefits from a deceased spouse so she then completes line 7. She enters Eduardo’s full name on line 7a, his Social Security number on line 7b, and 1949 on line 7c.

Step 2: As Mark and Nancy were both born in Tier 3 Mark’s pension is not deductible and should not be listed on line 8 of Form 4884.

They complete row 1 of line 8 by entering an X in Private for 8A, an X in 8B, the payer FEIN in 8C, the distribution code in 8D, the name of payer in 8E, and \$35,000 in 8F.....

Line 8F, Row 1. \$35,000

Step 3: They refer to the questionnaire on page 19 to decide which Section of Form 4884 is to be completed. They answer yes to question 1, no to question 2, no to question 3, no to question 4 and complete Section C of Form 4884.

Step 4: They are married filing jointly and enter the total of their benefits from line 8 of \$35,000, since it is less than the maximum of \$40,000, on line 28 and on the Michigan Schedule 1, line 24.....

Line 28..... \$35,000

Schedule 1, Line 24..... \$35,000

Scenario 7: Single filer born on or after January 1, 1953 but before January 2, 1958 (Tier 3) with benefits from SSA exempt employment and who retired after January 1, 2013

Leigh is filing as single, was born in 1953, and is receiving pension of \$8,000 from SSA exempt employment and a private pension of \$10,000. She retired in 2014.

Step 1: After completing lines 1 and 2, Leigh enters 1953 on line 4.

Step 2: Leigh completes row 1 of line 8 by entering an X in Public for 8A, the payer FEIN in 8C, the distribution code in 8D, the name of the payer in 8E and \$8,000 in 8F.

Line 8F, Row 1. \$8,000

Leigh completes row 2 of line 8 by entering an X in Private for 8A, the payer FEIN in 8C, the distribution code in 8D, the name of the payer in 8E and \$10,000 in 8F.....

Line 8F, Row 2. \$10,000

Step 3: Leigh refers to the questionnaire on page 19 to decide which section of Form 4884 is to be completed. She answers no to question 1 and skips to question 5. She answers no to question 5 because she did not retire on or before January 1, 2013. She answers yes to question 6 and completes Form 4884, Section D.

Step 4: Since Leigh is single, she enters \$15,000, which is the lesser of her total retirement and pension benefits (\$18,000) or the maximum allowable pension deduction (\$15,000) on line 29 and on the Schedule 1, line 24.....

Line 29..... \$15,000

Schedule 1, Line 22

22A..... 1953

22B..... 66

22C..... X

Schedule 1, Line 24..... \$15,000

NOTE: It is important for taxpayers with benefits from SSA exempt employment to check the box(es) on line 22 of the Schedule 1.

Scenario 8: Married filing separately with filer and spouse born on or after January 1, 1953 but before January 2, 1958 (Tier 3) with benefits from SSA exempt employment and who retired after January 1, 2013.

James and Phyllis are married filing separately. James was born in 1956 and is receiving pension of \$8,000 from SSA exempt employment. James retired in 2015. Phyllis was born in 1957 and is receiving pension of \$10,000 from SSA exempt employment. Phyllis retired in 2016.

- Step 1: As James is married filing separately, he completes lines 1 and 2, leaves the spouse's name line blank, and includes the spouse's Social Security number on line 3.
- Step 2: James enters 1956 on line 4 and skips line 5.
- Step 3: He completes row 1 of line 8 by entering an X in Public for 8A, the payer FEIN in 8C, the distribution code in 8D, the name of the payer in 8E, and \$8,000 in 8F Line 8F, Row 1 \$8,000
- Step 4: James refers to the questionnaire on page 19 to decide which Section of Form 4884 is to be completed. He answers no to question 1 and skips to question 5. He answers no to question 5 because he did not retire on or before January 1, 2013. He answers yes to question 6 and completes Form 4884, Section D.
- Step 5: Since James is married filing separately, he enters \$8,000, which is the lesser of his total retirement and pension benefits (\$8,000) or the maximum allowable pension deduction (\$15,000) on line 29 and on the Schedule 1, line 24

Line 29.....	\$8,000
Schedule 1, Line 22	
22A.....	1956
22B.....	63
22C.....	X
Schedule 1, Line 24.....	\$8,000

NOTE: It is important for taxpayers with benefits from SSA exempt employment to check the box(es) on line 22 of the Schedule 1

Scenario 9: Single filer born after 1952 (Tier 3), received retirement benefits from SSA exempt employment and was retired as of January 1, 2013.

Matt is filing as single, was born in 1960 and retired April 30, 2012 and is receiving benefits from SSA exempt employment of \$12,000 and a private pension of \$30,000.

- Step 1: After completing lines 1 and 2, Matt enters 1960 on line 4.
- Step 2: Since Matt was born after 1952, was retired as of January 1, 2013, and received benefits from SSA exempt employment, he checks the box on line 6..... Line 6..... X
- Step 3: Matt completes row 1 of line 8 by entering an X in Public for 8A, the payer FEIN in 8C, the distribution code in 8D, the name of the payer in 8E and \$12,000 in 8F. Line 8F, Row 1 \$12,000

Matt completes row 2 of line 8 by entering an X in Private for 8A, the payer FEIN in 8C, the distribution code in 8D, the name of the payer in 8E and \$30,000 in 8F..... Line 8F, Row 2 \$30,000
- Step 4: Matt refers to the questionnaire on page 19 to decide which section of Form 4884 is to be completed. Matt answers no to question 1 and continues to question 5. After answering yes to question 5, Matt completes Section C of Form 4884.
- Step 5: Since Matt is single, he enters \$35,000, which is the lesser of his total retirement and pension benefits (\$42,000) or the maximum allowable pension deduction (\$35,000) on line 28 and on the Schedule 1, line 24.....

Line 28.....	\$35,000
Schedule 1, Line 22	
22A.....	1960
22B.....	59
22C.....	X
Schedule 1, Line 24.....	\$35,000

NOTE: It is important for taxpayers with benefits from SSA exempt employment to check the box(es) on line 22 of the Schedule 1.