

Indiana Disability Retirement Deduction

Attach to Form IT-40, IT-40PNR or IT-40P

2012

Your Social Security Number

Spouse's Social Security Number

Your first name

Initial

Last name

If filing a joint return, spouse's first name

Initial

Last name

▶ Enter the date you and/or your spouse retired. ▶ Enter the employer's name below or give payer's name, if other than employer.

| | |
|---|---|
| Yourself | Spouse |
| <input style="width: 50px; height: 20px;" type="text"/> <input style="width: 50px; height: 20px;" type="text"/> <input style="width: 50px; height: 20px;" type="text"/> | <input style="width: 50px; height: 20px;" type="text"/> <input style="width: 50px; height: 20px;" type="text"/> <input style="width: 50px; height: 20px;" type="text"/> |
| MM DD YYYY | MM DD YYYY |

Your Employer's or Payer's Name

▶ Your Daytime Telephone Number

Spouse's Employer's or Payer's Name

Note

- To claim this deduction, you must complete lines 1 through 6 and enclose this schedule with your Indiana return.
- Joint return filers use lines 1A and 3A for you and/or lines 1B and 3B for your spouse's information.

Column A: Yours

Column B: Spouse's

| | | | | | | |
|---|----|---|-----|----|---|-----|
| 1. Enter total disability payments received during the year _____ | 1A | <input style="width: 100%;" type="text"/> | .00 | 1B | <input style="width: 100%;" type="text"/> | .00 |
| 2. Add lines 1A and 1B _____ | | | | 2 | <input style="width: 100%;" type="text"/> | .00 |
| 3. Excess of disability payments over \$100 per week (see line 3 instructions, Table A and the Worksheet) _____ | | | | 3A | <input style="width: 100%;" type="text"/> | .00 |
| 4. Excess of federal adjusted gross income over \$15,000 (see line 4 instructions) _____ | | | | 4 | <input style="width: 100%;" type="text"/> | .00 |
| 5. Add lines 3A, 3B, and 4 _____ | | | | 5 | <input style="width: 100%;" type="text"/> | .00 |
| 6. Line 2 minus line 5 (if less than zero, enter zero). This is your disability retirement deduction. Enter here and on Form IT-40, Schedule 2, under line 11, or on Form IT-40PNR, Schedule C, under line 11 _____ | | | | 6 | <input style="width: 100%;" type="text"/> | .00 |

Physician's Statement of Permanent and Total Disability

To be completed by the physician

Name of Disabled Individual

Date you Retired

| | | | | | |
|---------------------------|---------|-----------|---|---|---|
| First Name | Initial | Last Name | <input style="width: 100%;" type="text"/> | <input style="width: 100%;" type="text"/> | <input style="width: 100%;" type="text"/> |
| M M D D Y Y Y Y | | | | | |

Physician Information

| | | |
|------------|---------|-----------|
| First Name | Initial | Last Name |
|------------|---------|-----------|

Address (Street Address, City, State and Zip Code)

▶ I certify that the taxpayer named above is permanently and totally disabled (see instructions).

Physician's Signature _____

Date _____



Line-by-Line Instructions

Do You Qualify for the Deduction?

You may qualify for the deduction if you meet **both** of the following requirements:

- you retired on disability before December 31 of the tax year for which you are claiming the deduction; **and**
- you were permanently and totally disabled when you retired.

If you meet these requirements, you may be eligible to subtract up to \$5,200 a year of your disability payments from your gross income. The amount you subtract is limited to the amount of disability pay you actually received or \$100 a week, whichever is less, and may have to be reduced by part of your federal adjusted gross income.

Your spouse may also be eligible to subtract up to \$5,200 of disability payments if you file a joint return and your spouse meets all the above requirements.

Note: In no case may the total deduction be more than \$10,400 on a joint return.

General Instructions

Enter your name(s), social security number(s) and, if applicable, the date you retired.

On a joint return, if both spouses qualify for the disability retirement deduction, two Physician's Statements must be attached. Use only one Schedule IT-2440 to calculate the deduction.

Line 1 - Enter the amount received during the taxable year through an accident and health plan for personal injuries or sickness. Use line 1A for yourself and line 1B for your spouse.

Line 3 - The amount you can deduct is limited to the disability income you received each week or \$100 per week, whichever is less.

If you did not receive your disability pay each *week*, you will have to figure your weekly pay (see Table A).

Table A - How to figure your weekly pay:

| If you were paid: | Figure your weekly pay by: |
|---------------------|---|
| Every 2 weeks | Divide your gross pay by 2 |
| Twice a month..... | Multiply your gross pay by 24 and divide the result by 52 |
| Once a month | Multiply your gross pay by 12 and divide the result by 52 |
| Any other way | Divide your gross yearly pay by 52 |

Note: If you did not receive disability income for the whole year, use the actual amount of weeks/months.

Example: Jim received disability income of \$130 a week for six weeks. He should complete the worksheet below, entering the \$130 amount on line a.

Worksheet - How to figure the excess over \$100 for full weeks:

| | | |
|---|-------|--------------|
| a. Weekly disability pay received..... | a | _____ |
| b. Maximum weekly deduction | b | - <u>100</u> |
| c. Subtract line b from line a (If line b is larger than line a, enter 0)..... | | |
| c | _____ | |
| d. Number of full weeks for which you received disability pay | | |
| d | _____ | |
| e. Multiply the amount on line c by line d. Enter here and on line 3A or 3B on the front of this schedule | | |
| e | _____ | |

Line 4 - The deduction is further reduced by the excess of the federal adjusted gross income (AGI) over \$15,000.

| | | |
|--|-------|-----------------|
| a. Federal AGI (from IT-40 line 1 or from IT-40PNR Schedule A, line 37A) | a | _____ |
| b. Income limit | b | - <u>15,000</u> |
| c. Subtract b from a (if b is larger than a, enter 0). Enter here and on line 4 on the front of this schedule... c | | |
| c | _____ | |

Instructions for Physician's Statement

A person is permanently and totally disabled when:

- He or she cannot engage in any substantial gainful activity because of a physical or mental condition; and
- A physician determines that the disability (a) has lasted or can be expected to last continuously for at least a year, or (b) can be expected to result in death.

