Schedule IT-2440
SF#46002
Revised 10-97

Indiana Disability Retirement Deduction

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

19___

Your Social Security Number		Spouse's Social Security Number	
Your First Name	Initial / Last Name		
Spouse's First Name	Initial / Last Name		

▶ Enter the date you retired below. Also enter this date in the space on Physician's Statement under your social security number.

Yourself M M D D Y Y

Spouse M M D D Y Y

▶ Your Daytime Phone ( ) -

▶ Enter the employer's name below (also give payer's name, if other than employer).

Your Employer's or Payer's Name

Spouse's Employer's or Payer's Name

Note
- To claim this deduction, you must complete Lines 1 through 6 and attach this form to 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	1B	
2. Add Lines 1A and 1B		2	
3. Excess of disability payments over $100 per week (See Instructions)	3A	3B	
4. Excess of federal adjusted gross income over $15,000 (See Instructions)		4	
5. Add Lines 3A, 3B, and 4		5	
6. Line 2 minus Line 5. This is your disability retirement deduction. Enter here and on Form IT-40, Schedule 1, Line 9; Form IT-40PNR, Schedule D, Line 9; or IT-40P, Schedule V, Line 9 ..... ▶		6	

Physician's Statement of Permanent and Total Disability

To be completed by the Physician

Name of Disabled Taxpayer

First Name	Initial	Last Name	Retirement Date M M D D Y Y

Physician Information

First Name	Initial	Last Name
Address (Street Address, City, State and Zip Code)		

I certify that the taxpayer named above was permanently and totally disabled on the date he or she retired.

Physician's Signature ✍ Date

Line-by-Line Instructions

Do You Qualify for the Deduction?

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

1. You were under age 65 on December 31 of the tax year for which you are claiming the deduction.
2. You retired on disability before December 31 of that year.
3. You were permanently and totally disabled when you retired.

If you qualify for the Indiana disability retirement deduction, you may 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.

IT-2440 Instructions

Enter your name, social security number and 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.

Note: If you claim a credit on the Federal Schedule R because you are permanently and totally disabled, you must attach a copy of the Schedule R as proof of disability in lieu of the physician's statement. Complete Lines 1 through 6 on the front of this schedule to calculate the Indiana 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.

If you received disability pay all year and you were paid weekly, you deduct the actual amount received weekly or $100.00 whichever is less.

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

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 results 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 $130.00 a week for six weeks. He should enter the $130 amount on Line 1 of **Section A** below.

Section A

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

1. Weekly disability pay received ..... 1. _____
2. Maximum weekly deduction 2. **100.00**
3. Subtract Line 2 from Line 1 (If Line 2 is larger than 1, enter 0) ..... 3. _____
4. Number of full weeks for which you received disability pay ..... 4. _____
5. Multiply the amount on Line 3 by Line 4 ..... 5. _____

Enter the amount of excess over $5,200.00 or the amount from Section A Line 5 on Line 3A and/or 3B.

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

a. Federal AGI (from Federal 1040 or 1040A)*..... a. _____
b. Income limit ..... b. **15,000.00**
c. Subtract b from a (if b is larger than a, enter 0) ..... c. _____

Enter the Line c amount on Line 4.

*Federal adjusted gross income in most cases will be the same as adjusted gross income on the Indiana return, before Indiana modifications. However, there may be certain differences between the state and federal adjusted gross income. These differences include the Indiana tax add back of real estate and/or personal property taxes and the ordinary income portion of a lump sum distribution.

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.