Schedule
IT-2440
State Form 46003
R / 8-05

Indiana Disability Retirement Deduction

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

20____
Year

Attachment
Sequence No. **11**

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 and/or your spouse retired.

Yourself: M M D D Y Y

Spouse: M M D D Y Y

▶ Your Daytime Telephone Number
(   )

▶ Enter the employer's name below or 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 line 3 instructions, Table A and the Worksheet) 3A		3B	
4. Excess of federal adjusted gross income over $15,000 (see line 4 instructions)		4	
5. Add lines 3A, 3B, and 4		5	
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 1, under line 11, or on Form IT-40PNR, Schedule D, under line 11		6	

Physician's Statement of Permanent and Total Disability

To be completed by the physician

Name of Disabled Individual

First Name	Initial	Last Name	Date you Retired (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 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.

Important: There is a third qualification if you are claiming this deduction for tax years beginning before January 1, 2002 (when filing an amended or other prior year return); you must be under age 65 before the end of the tax year for which you are making the claim.

If you qualify for the Indiana disability retirement deduction, 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.

IT-2440 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 $130.00 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	- 100.00
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 line 40A)..........................	a	
b.	Income limit....................................	b	- 15,000.00
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	

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.