

# Indiana Disability Retirement Deduction

Attach to Form IT-40 or Form IT-40PNR.

# 2023

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         
 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 type="text"/> .00 | 1B <input type="text"/> .00 |
| 2. Add lines 1A and 1B _____  |                             | 2 <input type="text"/> .00  |
| 3. Excess of disability payments over \$100 per week<br>(see line 3 instructions, Table A and the Worksheet) _____  | 3A <input type="text"/> .00 | 3B <input type="text"/> .00 |
| 4. Excess of federal adjusted gross income over \$15,000<br>(over \$7,500 if married filing separately - see instructions) _____  |                             | 4 <input type="text"/> .00  |
| 5. Add lines 3A, 3B, and 4 _____  |                             | 5 <input type="text"/> .00  |
| 6. Line 2 minus line 5 (if less than zero, enter zero). This is your disability retirement deduction.<br>Enter here and on Form IT-40, Schedule 2, under line 11, or on Form IT-40PNR, Schedule C,<br>under line 11 _____ |                             | 6 <input type="text"/> .00  |

### Physician's Statement of Permanent and Total Disability

Completed statement must be signed and dated by the physician.

**Name of Disabled Individual**

Date you Retired

First Name	Initial	Last Name	<input type="text"/>	<input type="text"/>	<input type="text"/>
			MM	DD	YYYY

**Physician Information**

First Name	Initial	Last Name
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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).....                                  |              |
| 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 (\$7,500 if married filing separately).

- |  |                |
|--|----------------|
| a. Federal AGI (from IT-40 line 1 or from IT-40PNR Schedule A, line 36A) .....   | a _____        |
| b. Income limit (see above) .....  | b <u>15000</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 _____ |                |

### 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.

