

WORKSHEET 2: TIER 2 AND TIER 3 MICHIGAN STANDARD DEDUCTION

Calculation of Tier 2 or Tier 3 Michigan Standard Deduction for taxpayers born during the period January 1, 1946 through January 1, 1958. Note: If married, filing a joint return, the older of you or your spouse must be born during this period to qualify for the Michigan Standard Deduction.

- 1. Enter \$20,000 if single or married filing separately or \$40,000 if married filing a joint return..... _____

- 2. Enter the amount based on your answer to line 2a or line 2b. If you do not qualify under line 2a or 2b, enter \$0..... _____
 - a. If the older of you or your spouse (if filing a joint return) was born during the period January 1, 1946 through December 31, 1952:
 Enter \$15,000 if either box 24C or 24G (if filing jointly) are checked on Schedule 1.
 ii. Enter \$30,000 if filing jointly and both spouses checked boxes 24C and 24G on Schedule 1.
 - b. If the older of you or your spouse (if filing a joint return) was born during the period January 1, 1953 through January 1, 1958:
 i. Enter \$15,000 if either boxes 24C and 24D or 24G and 24H (if filing jointly) are checked on Schedule 1.
 ii. Enter \$30,000 if filing jointly and both spouses checked boxes 24C and 24D, and 24G and 24H on Schedule 1.

- 3. Add lines 1 and 2..... _____

- 4. Enter the amount of compensation received for active duty in the U.S. Armed Forces included in AGI from Schedule 1, line 14. (Nonresidents and part-year residents, enter total compensation; do not enter only the portion attributable to Michigan.)..... _____

- 5. Enter military retirement benefits due to service in the U.S. Armed Forces or Michigan National Guard or taxable railroad retirement benefits included in AGI from Schedule 1, line 11. (Nonresidents and part-year residents, enter total benefits; do not enter only the portion attributable to Michigan.) _____

- 6. Add lines 4 and 5..... _____

- 7. Subtract line 6 from line 3. If line 6 is greater than line 3, enter \$0. _____
 - a. If the older of your or your spouse (if filing a joint return) was born during the period January 1, 1946 through December 31, 1952, STOP; the amount on line 7 is your Tier 2 Michigan Standard Deduction. If you also receive qualified retirement benefits that are included in AGI, you may instead qualify for a more beneficial retirement and pension benefits subtraction; see "Which Section of Form 4884 Should I Complete?" on page 22. If you claim the Tier 2 Michigan Standard Deduction, enter the amount from line 7 on Schedule 1, line 25.
 - b. If the older of you or your spouse (if filing a joint return) was born during the period January 1, 1953 through January 1, 1958 and reached age 67, you or your spouse was retired as of January 1, 2013, and also received retirement benefits from SSA exempt employment, STOP; the amount on line 7 is your Tier 2 Michigan Standard Deduction. If you also receive qualified retirement benefits that are included in AGI, you may instead qualify for a more beneficial retirement and pension benefits subtraction; see "Which Section of Form 4884 Should I Complete?" on page 22. If you claim the Tier 2 Michigan Standard Deduction, enter the amount from line 7 on Schedule 1, line 25.
 - c. If the older of you or your spouse (if filing a joint return) was born during the period January 1, 1953 through January 1, 1958 and you don't meet the other qualifications described in line 7b, continue to line 8 to calculate your Tier 3 Michigan Standard Deduction.

- 8. Enter the amount of taxable Social Security benefits included in AGI from Schedule 1, line 14..... _____

- 9. Enter the amounts from MI-1040, lines 9a and 9d. (Nonresidents and part-year residents, enter total of lines 9a and 9d multiplied by the percentage from Schedule NR, line 18. If you are required to complete Worksheet 6 – Exemption Allowance from Schedule NR, carry the amount from Worksheet 6, line 22 to this line.) _____

- 10. Add lines 8 and 9..... _____

- 11. Subtract line 10 from line 7. If line 10 is greater than line 7, enter \$0..... _____

The amount on line 11 is your Tier 3 Michigan Standard Deduction. If you also receive qualified retirement benefits that are included in AGI, you may instead qualify for a more beneficial retirement and pension benefits subtraction; see "Which Section of Form 4884 Should I Complete?" on page 22. If you claim the Tier 3 Michigan Standard Deduction, enter the amount from line 11 on Schedule 1, line 26.

General Information - Pension Schedule (Form 4884)

What are Retirement and Pension Benefits

Under Michigan law, qualifying retirement and pension benefits include most payments reported on a 1099-R that are included in AGI. Subject to certain restrictions, this includes defined benefit pensions, IRA distributions, and most payments from defined contribution plans.

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
- 401(k) or 403(b) plans attributable to employer contributions or attributable to employee contributions that result in additional employer contributions (e.g., matching contributions)
- IRAs after age 59½ or described by Section 72(t)(2)(A)(iv) of the IRC (series of equal periodic payments made for life)
- Any of the previous plans if 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 and Pension Benefits Subtraction as a Qualifying Surviving Spouse” on page 20.

NOTE: Retirement and pension benefits received as a survivor generally have a distribution code of 4 on the federal Form 1099-R. The 1099-R reports retirement and pension benefits to the Internal Revenue Service and it is sent by the pension administrator paying the benefits.

- Retirement annuity policies paid to a senior citizen (age 65 or older) for life (as opposed to a specified number of years)
- Foreign plans 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. All other qualifying benefits are considered private benefits (including public benefits from other states that offer a similar or reciprocal subtraction or exemption for Michigan public benefits).

Public and private retirement or pension benefits that may not be subtracted (do not include on Form 4884):

- 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.

- 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, the following:

- 401(k) plans attributable to unmatched employee contributions alone.
- 403(b) plans attributable to unmatched employee contributions, other than plans purchased by an organization exempt under IRC 501(c)(3) or a public school system.
- 457 plans.

Which Benefits are Taxable

Retirement and pension benefits may be 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 subtracted from AGI and should be reported on the Schedule 1, line 11 or line 14, not on Form 4884; however, those subtractions may affect the retirement and pension benefits subtraction.

Which Subtraction am I Eligible to Claim

For help calculating the retirement and pension subtraction, see “Which Section of Form 4884 Should I Complete?” on page 22.

NOTE: Private pension limits for all filers are 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.

Recipients of Retirement and Pension Benefits from Qualified Fire, Police, and County Corrections Service

A recipient of qualified Fire, Police, and County Corrections retirement or pension benefits is an individual with a qualifying distribution included in AGI from Michigan service as one of the following:

- Public police or fire department employee subject to the Michigan Compulsory Arbitration of Labor Disputes in Police and Fire Departments Act,
- A state police trooper or state police sergeant subject to the Michigan Compulsory Arbitration of Labor Disputes of State Police Troopers and Sergeants Act, or
- A corrections officer employed by a county sheriff in a county jail, work camp, or other facility maintained by a county that houses adult prisoners.

NOTE: Recipients of a qualifying distribution included in AGI from service in **federal employment** that is substantially similar to Qualified Fire, Police and County Corrections Service also qualify.

If a surviving spouse received retirement and pension benefits from a qualified fire, police, or county corrections

officer employee they qualify as a recipient of those benefits under this section.

A recipient of qualified Fire, Police, and County Corrections retirement or pension benefits may claim the most beneficial:

(a) All qualifying retirement and pension benefits received from federal or Michigan public sources, and qualifying private retirement and pension benefits up to \$64,040 if single or married filing separate, or \$128,080 if married filing a joint return. **If the public retirement benefits are greater than the maximum amount, the recipient, and their spouse (if filing a joint return) are not entitled to claim an additional subtraction for private retirement and pension benefits.**

(b) If eligible, a Michigan Standard Deduction based on their year of birth.

Recipients born before 1946

These recipients 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 \$64,040 if single or married filing separate, or \$128,080 if married filing a joint return. If the public retirement benefits are greater than the maximum amount, the recipient, and their spouse (if filing a joint return) are not entitled to claim an additional subtraction for private retirement and pension benefits.

Recipients born during the period from January 1, 1946 through December 31, 1952

These recipients qualify for a retirement and pension benefits subtraction or a Tier 2 Michigan Standard Deduction.

Exceptions may apply for surviving spouses; see “Retirement and Pension Benefits Subtraction as a Qualifying Surviving Spouse.”

Recipients born during the period from January 1, 1953 through December 31, 1958

These recipients qualify for a retirement and pension benefits subtraction or a Tier 3 Michigan Standard Deduction.

Exceptions may apply for surviving spouses; see “Retirement and Pension Benefits Subtraction as a Qualifying Surviving Spouse.”

Recipients born during the period from January 2, 1958 through December 31, 1962

These recipients may subtract qualifying retirement and pension benefits up to \$32,020 if single or married filing separate, or \$64,040 if married filing a joint return.

Recipients of retirement and pension benefits from SSA exempt employment who were born during the period from January 1, 1958 through January 1, 1963 and who have reached age 62

These recipients may subtract up to \$15,000 in qualifying retirement and pension benefits. If both spouses on a joint return receive Social Security exempt retirement and pension benefits, the maximum subtraction increases to \$30,000.

NOTE: Recipients born prior to January 1, 1963 may qualify for multiple subtraction options.

Recipients of retirement and pension benefits from SSA exempt employment who were born after January 1, 1958 and were retired as of January 1, 2013

These recipients may subtract 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 subtraction increases to \$70,000.

Recipients born after December 31, 1962

These recipients, unless allowed under another section, **do not qualify** for a retirement and pension benefits subtraction; all benefits included in AGI are taxable. Exceptions may apply for surviving spouses; see “Retirement and Pension Benefits Subtraction as a Qualifying Surviving Spouse.”

Retirement and Pension Benefits Subtraction as a Qualifying Surviving Spouse

Retirement and pension benefits received as a survivor generally have a distribution code of 4 on the federal Form 1099-R. The 1099-R reports retirement and pension benefits to the Internal Revenue Service and it is sent by the pension administrator paying the benefits.

If a surviving spouse received retirement and pension benefits of a qualified fire, police, or county corrections officer employee refer to the guidance under that section on page 19 instead.

A **qualifying surviving spouse** is an individual that claimed a subtraction for retirement and pension or Social Security benefits on a return jointly filed with the decedent in the year the spouse died, and the surviving spouse has not remarried. A qualifying surviving spouse may claim the retirement and pension benefits subtraction that would have applied based on the year of birth of the older of the surviving spouse or the deceased spouse. If a surviving spouse did not claim a subtraction for retirement and pension or Social Security benefits on a return jointly filed with the decedent in the year the spouse died or the surviving spouse has remarried, claim the retirement and pension benefits subtraction based on the year of birth of the filer (or older spouse if remarried). If the qualifying surviving spouse was born during the period January 1, 1946 through January 1, 1958 and has reached the age of 67, they may elect to claim the most beneficial of either a Michigan Standard Deduction or a retirement and pension benefits subtraction on Form 4884. If a surviving spouse did not claim a subtraction for retirement and pension or Social Security benefits on a return jointly filed with the decedent in the year the spouse died or the surviving spouse has remarried, they are not considered a qualifying surviving spouse and must claim the retirement and pension benefits subtraction based on the year of birth of the filer (or older spouse if remarried).

For help determining the most beneficial subtraction refer to “Which Section of Form 4884 Should I Complete?” on page 22.

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

Visit www.michigan.gov/iit for help calculating the retirement and pension subtraction. Also see Revenue Administrative Bulletin 2023-22, Individual Income Tax - Treatment of Retirement Income Under Public Act 4 of 2023

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 filing a return as married filing separate, 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 6a: Check the box if you receive qualifying retirement and pension benefits earned from service as any of the following:

- (1) Public police or fire department employee subject to the Michigan Compulsory Arbitration of Labor Disputes in Police and Fire Departments Act,
- (2) A state police trooper or state police sergeant subject to the Michigan Compulsory Arbitration of Labor Disputes of State Police Troopers and Sergeants Act, or
- (3) A corrections officer employed by a county sheriff in a county jail, work camp, or other facility maintained by a county that houses adult prisoners.

NOTE: Recipients of a qualifying distribution included in AGI from service in **federal employment** that is substantially similar to Qualified Fire, Police and County Corrections Service also qualify.

Line 6b: Check the box if both criteria are met:

- The older of you or your spouse (if filing a joint return) was born after January 1, 1958 (or was born before January 2, 1958 and died during the tax year before reaching age 67)
- 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.

Lines 7a through 7c: If you are receiving retirement and pension benefits from a deceased spouse or are claiming the retirement and pension benefits subtraction based on your deceased spouse's year of birth, enter your 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 Part 2 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 2024 return the spouse died in 2023 or prior). Deceased spouse benefits do not include benefits from a spouse who died in 2024.

Line 7d: Check the box if your deceased spouse received retirement benefits from SSA exempt employment, was born after 1952, and was retired as of January 1, 2013.

For more information, see "Retirement and Pension Benefits Subtraction as a Qualifying Surviving Spouse" on page 20.

Line 8: If you have more than eight qualifying entries, continue those entries on the *2024 Michigan Pension Continuation Schedule* (Form 4973). If you are married filing

separate returns, only report your qualifying retirement and pension benefits here, do not include your spouse's retirement and pension benefits.

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 you (or your spouse if filing a joint return) have 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 4. If you are a part-year resident only use the portion from the Michigan Schedule NR, line 10 column B.

NOTE: Before completing Form 4884, Part 4, refer to "Which Section of Form 4884 Should I Complete?" on page 22.

Line 9: For purposes of this line, single limits apply to taxpayers who are married filing separately.

Line 10: If you (or your spouse if filing a joint return) reported any retirement and pension benefits from service in the U.S. Armed Forces or Michigan National Guard, or taxable railroad retirement benefits reported on Schedule 1, line 11, enter these amounts on this line.

Line 16: Carry this amount to Schedule 1, line 27. Do not complete Section B, Section C, or Section D.

Line 17: If you checked either box 24C or 24G from Schedule 1, the maximum is increased by \$15,000. If you checked both boxes 24C and 24G the maximum is increased by \$30,000.

If you (and your spouse if filing a joint return) were born after January 1, 1958, and you (or your spouse if filing a joint return) were retired as of January 1, 2013 and received retirement benefits from SSA exempt employment, you should use Section B to calculate the subtraction for retirement and pension benefits. You may subtract 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 you and your spouse on a joint return receive retirement benefits from SSA exempt employment, the maximum subtraction increases to \$70,000.

If the older of you (or your spouse if filing a joint return) was born before January 2, 1958 and died during the tax year before reaching age 67, retired as of January 1, 2013 and received retirement benefits from SSA exempt employment, use Section B to calculate the subtraction for retirement and pension benefits.

If you are a qualifying surviving spouse of a decedent who was born during the period from January 1, 1946 through December 31, 1952 who had not reached the age of 67 or of a decedent who was born after 1952 who had received retirement benefits from SSA exempt employment in the year your spouse died and had retired as of January 1, 2013, use

Section B to calculate the subtraction for retirement and pension benefits.

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 subtracted on Schedule 1, line 11, use Worksheet 3.1 to determine your allowable subtraction.

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

Line 18: If you checked box 24C or 24G on Schedule 1 and the older of you (or your spouse if filing a joint return) was born during the period from January 2, 1958 through January 1, 1963, enter all qualifying retirement and pension benefits you received, up to \$15,000. If both boxes 24C and 24G on Schedule 1 were checked on a joint return, the maximum subtraction is \$30,000. If you are a qualifying surviving spouse of a decedent who was born after 1958, had reached age 62 and received retirement benefits from employment exempt from Social Security in the year your spouse died, enter all qualifying retirement and pension benefits you received up to \$15,000.

Recipients who subtract 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 use Worksheet 3.2 to determine your allowable subtraction.

Carry this amount to Schedule 1, line 27. Do not complete Section A, Section B, or Section D.

Line 19: If the older of you (or your spouse if filing a joint return) was born during the period from January 1, 1946 through December 31, 1962, or if you are the qualifying surviving spouse of a decedent born during that time, you may subtract up to \$32,020 in qualifying retirement and pension benefits if single or married filing separately, and up to \$64,040 if married filing a joint return. 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 subtracted on Schedule 1, line 11, use Worksheet 3.3 to determine your allowable subtraction. Carry this amount to Schedule 1, line 27. Do not complete Section A, Section B, or Section C.

Which Section of Form 4884 Should I Complete?

To determine which section of Form 4884 to complete to claim a retirement or pension benefits subtraction or a Michigan Standard Deduction, if applicable, answer the following questions. Questions 3 and 4 will establish information about the key person, which will be referenced through the remainder of the questionnaire and help determine which section should be completed. See page 20 for the definition of qualifying surviving spouse.

1. Did you (or your spouse if filing a joint return) receive qualified retirement benefits that are included in AGI?

Yes: Continue to question 2.

No: You are not eligible for a retirement and pension benefits subtraction. Do not file Form 4884. If the older of you or your spouse was born during the period January 1, 1946 through January 1, 1958 and have reached age 67, complete Worksheet 2.

2. Did you (or your spouse if filing a joint return) receive qualified retirement benefits, included in AGI, earned from service by a fire, police, or county corrections retiree (see instructions to determine if you qualify)?

Yes: If the older of you (or your spouse if filing a joint return) were born during the period January 1, 1946 through January 1, 1958 and reached age 67, complete Worksheet 2 and Section A of Form 4884 and claim the most beneficial subtraction.†

If the older of you (or your spouse if filing a joint return) were born prior to January 1, 1946, after January 1, 1958, or did not reach age 67, complete Section A of Form 4884.

No: Continue to question 3.

3. What is your current filing status?

Single: If you are a qualifying surviving spouse, the key person is the older of you or your deceased spouse who died prior to 2024, whoever has the earlier year of birth. Otherwise, the key person is you.

Married filing jointly: The key person is the older of you or your spouse. If either of you have a deceased spouse who died prior to 2024, you are not eligible to claim the retirement and pension benefits subtraction based on the deceased spouse's year of birth.

Married filing separately: The key person is you. If you have a deceased spouse, you are not eligible to claim the retirement and pension benefits subtraction based on your deceased spouse's year of birth.

4. What is the key person's year of birth?

5. Was the key person born prior to January 1, 1946?

Yes: If you are a qualifying surviving spouse who was born during the period January 1, 1946 through January 1, 1958 and have reached age 67, complete Worksheet 2 and Section A of Form 4884 and claim the most beneficial subtraction.†

All others, complete Section A of Form 4884.

No: Continue to question 6.

6. Did the key person reach age 67?

Yes: If the key person is deceased and you are a qualifying surviving spouse that has not reached the age of 67, continue to question 8.

All others, complete Worksheet 2 and Worksheet 3.3 and claim the most beneficial subtraction

No: If the key person is deceased and you are a qualifying surviving spouse, continue to question 7.

All others, continue to question 8.

7. Was the key person born during the period January 1, 1946 through December 31, 1952?

Yes: If you, as a qualifying surviving spouse, have reached the age of 67, complete Worksheet 2, Worksheet 3.1 and Worksheet 3.3 and claim the most beneficial subtraction.

If you, as a qualifying surviving spouse, have not reached age 67, complete Worksheet 3.1 and Worksheet 3.3 and claim the most beneficial subtraction.

No: Continue to question 8.

8. Do you receive retirement benefits from SSA exempt employment?

Yes: Continue to question 9.

No: If you, as a qualifying surviving spouse, have reached age 67, complete Worksheet 2 and Worksheet 3.3 and claim the most beneficial subtraction.

If the key person, or a qualifying surviving spouse, was born before January 1, 1963, complete Section D*** of Form 4884.

All others are not eligible for a retirement and pension benefit subtraction. Do not file Form 4884.

9. Answer the question below that corresponds to your current filing status:

Single: Do you or your deceased spouse receive retirement benefits from SSA exempt employment and were retired as of January 1, 2013?

Married filing jointly: Do you or your spouse receive retirement benefits from SSA exempt employment and were retired as of January 1, 2013?

Married filing separately: Do you receive retirement benefits from SSA exempt employment and were retired as of January 1, 2013?

Yes: If you, as the qualifying surviving spouse, have reached age 67, complete Worksheet 2 and Worksheet 3.1 and claim the most beneficial subtraction.

If the key person, or a qualifying surviving spouse, was born before January 1, 1963, complete Worksheet 3.1 and Worksheet 3.3 and claim the most beneficial subtraction.

All others, complete Section B* of Form 4884.

No: Continue to question 10.

10. Answer the question below that corresponds to your current filing status:

Single: Do you or your deceased spouse receive retirement benefits from SSA exempt employment and have reached age 62?

Married filing jointly: Do you or your spouse receive retirement benefits from SSA exempt employment and have reached age 62?

Married filing separately: Do you receive retirement benefits from SSA exempt employment and have reached age 62?

Yes: If you, as a qualifying surviving spouse, have reached age 67, complete Worksheet 2, Worksheet 3.2 and Worksheet 3.3 and claim the most beneficial subtraction.

If the older of you or your spouse (if filing a joint return) were born before January 1, 1963 and has not reached age 67, complete and compare Worksheet 3.2 and Worksheet 3.3 and claim the most beneficial subtraction.

All others, complete Section C** of Form 4884.

No: If a key person, or a qualifying surviving spouse, was born before January 1, 1963, complete Section D*** of Form 4884.

All others are not eligible for a retirement and pension benefit subtraction. Do not file Form 4884.

*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 subtracted on Schedule 1, line 11, use Worksheet 3.1 to determine your allowable subtraction for Form 4884 Section B.

**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 subtracted on Schedule 1, line 11, use Worksheet 3.2 to determine your allowable subtraction for Form 4884 Section C.

***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 subtracted on Schedule 1, line 11, use Worksheet 3.3 to determine your allowable subtraction for Form 4884 Section D.

† If your Michigan Standard Deduction results in a more beneficial subtraction, do not file Form 4884.

Worksheet 3.1: Retirement and Pension Benefits Subtraction for Section B of Form 4884

1. Enter \$64,040 if single or \$128,080 if filing jointly	1.		00
2. 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	2.		00
3. Enter public retirement and pension benefits reported on Form 4884, line 8.....	3.		00
4. Add lines 2 and 3.....	4.		00
5. Subtract line 4 from line 1. If line 4 is greater than line 1, enter \$0	5.		00
6. Enter private retirement and pension benefits report on Form 4884, line 8	6.		00
7. Enter the smaller of line 5 or line 6.....	7.		00
8. Add lines 3 and 7.....	8.		00
9. Enter \$20,000 if single or \$40,000 if filing jointly	9.		00
10. Enter \$15,000 if either box 24C or 24G (if filing jointly) are checked on Schedule 1. Enter \$30,000 if filing jointly and both spouses checked boxes 24C and 24G on Schedule 1.	10.		00
11. Add lines 9 and 10.....	11.		00
12. Enter the smaller of line 8 or line 11	12.		00

If the older of you or your spouse (if filing a joint return) was born during the period January 1, 1946 through January 1, 1958, you are eligible to claim the most beneficial of your pension and retirements benefits subtraction calculated on line 12 of this worksheet or the amount calculated on Worksheet 2: Tier 2 or Tier 3 Michigan Standard Deduction.

If you claim the pension and retirements benefits subtraction from this worksheet, enter the amount from line 12 on Form 4884, line 17.

Worksheet 3.2: Retirement and Pension Benefits Subtraction for Section C of Form 4884

1. Enter \$64,040 if single or \$128,080 if filing jointly	1.		00
2. 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	2.		00
3. Enter public retirement and pension benefits reported on Form 4884, line 8.....	3.		00
4. Add lines 2 and 3.....	4.		00
5. Subtract line 4 from line 1. If line 4 is greater than line 1, enter \$0	5.		00
6. Enter private retirement and pension benefits reported on Form 4884, line 8	6.		00
7. Enter the smaller of line 5 or line 6.....	7.		00
8. Add lines 3 and 7.....	8.		00
9. Enter \$15,000 if either box 24C or 24G (if filing jointly) are checked on Schedule 1. Enter \$30,000 if filing jointly and both spouses checked boxes 24C and 24G on Schedule 1.	9.		00
10. Enter the smaller of line 8 or line 9 here.....	10.		00

If you were instructed to compare this worksheet with Worksheet 3.3, you are eligible to claim the most beneficial of your pension and retirements benefits subtraction calculated on line 10 of this worksheet or the amount calculated on Worksheet 3.3.

If you claim the pension and retirements benefits subtraction from this worksheet, enter the amount from line 10 on Form 4884, line 18.

Worksheet 3.3: Retirement and Pension Benefits Subtraction for Section D of Form 4884

1. Enter \$64,040 if single or \$128,080 if filing jointly	1.		00
2. 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.	2.		00
3. Subtract line 2 from line 1. If line 2 is greater than line 1, enter \$0.	3.		00
4. Multiply line 3 by 50% (0.50).	4.		00
5. Enter total public and private retirement and pension benefits, including benefits received from a deceased spouse who died prior to 2024, from Form 4884, line 8.	5.		00
6. Enter the smaller of line 4 or line 5.	6.		00

If the older of you or your spouse (if filing a joint return) was born during the period January 1, 1946 through January 1, 1958, you are eligible to claim the most beneficial of your pension and retirements benefits subtraction calculated on line 6 of this worksheet or the amount calculated on *Worksheet 2: Tier 2 or Tier 3 Michigan Standard Deduction*.

If you were instructed to compare this worksheet with Worksheet 3.2, you are eligible to claim the most beneficial of your pension and retirements benefits subtraction calculated on line 6 of this worksheet or the amount calculated on Worksheet 3.2.

If you claim the pension and retirements benefits subtraction, enter the amount from line 6 on Form 4884, line 19.

General Information - *Homestead Property Tax Credit (MI-1040CR)*

The request for your Social Security number is authorized under USC Section 42. Social Security numbers are used by Treasury to conduct matches against benefit income provided by the Social Security Administration and other sources to verify the accuracy of the home heating and property tax credit claims filed for mandatory federal reporting requirements and to deter fraudulent filings.

Who May Claim a Property Tax Credit

You may claim a property tax credit if all of the following apply:

- Your homestead is located in Michigan
- You were a Michigan resident at least six months of 2024
- You own your Michigan homestead and property taxes were levied in 2024, or you paid rent under a rental contract.

You can have only one **homestead** at a time, and you must be the occupant as well as the owner or renter. Your homestead can be a rented apartment or a mobile home on a lot in a mobile home park. A vacation home or income property is **not** considered your homestead.

Your homestead is in your state of **domicile**. Domicile is the place where you have your permanent home. It is the place to which you plan to return whenever you go away. College students and others whose permanent homes are not in Michigan are **not** Michigan residents. Domicile continues until you establish a new permanent home.

Property tax credit claims may **not** be submitted on behalf of minor children. Filers claimed as a dependent on someone else’s return see instructions for line 24 on page 32 to correctly report support received.

You may not claim a property tax credit if your total household resources are over \$69,700. In addition, you may not claim a property tax credit if your taxable value exceeds \$160,700 (excluding vacant farmland classified as agricultural). The computed credit is reduced by 10 percent for every \$1,000 (or part of \$1,000) that total household resources exceed \$60,700. If filing a part-year return, you must annualize total household resources to determine if the income limitation applies. See “Annualizing Total Household Resources” on page 28.

Which Form to File

Most filers should use the MI-1040CR in this booklet. If you are blind and own your homestead, are in the active military, are an eligible veteran, or an eligible veteran’s surviving spouse, complete forms MI-1040CR and MI-1040CR-2 (available on Treasury’s website.) **Use the form that gives you a larger credit.**

If you are blind and rent your homestead, you cannot use the MI-1040CR-2. Claim your credit on the MI-1040CR and check box 5b if you are age 65 or younger. Check boxes 5a and 5b if you are blind and age 65 or older.

When to File

If you are not required to file an MI-1040, you may file your credit claim as soon as you know your 2024 total household resources and property taxes levied in 2024. If you file a Michigan income tax return, your credit claim should be included with your MI-1040 return and filed by April 15, 2025 to be considered timely. To avoid penalty and interest, if you owe tax, postmark your return no later than April 15, 2025. The filing deadline to receive a 2024 property tax credit is April 15, 2029.