

2020 TAX EXEMPTIONS

PENSION AND ANNUITY STATE TAX EXEMPTION

The Connecticut Legislature made changes to State income taxes to help retirees. The legislation only covers Connecticut residents filing their Connecticut State Income Taxes. The newly passed legislative Pension and Annuity Tax Exemption is **income based**.

The following schedule of exemption from state income taxes only impacts those with adjusted gross income on pension and annuity income of

less than \$75,000 for single filers and less than \$100,000 for joint filers:

TAX YEAR	PERCENT OF PENSION & ANNUITY INCOME EXEMPT FROM STATE INCOME TAX
2020	28%
2021	42%
2022	56%
2023	70%
2024	84%
2025	100%

TEACHERS RETIREMENT PENSION EXEMPTIONS:

The teachers Retirement Pension Tax Exemption is **not income based**. This year, the Legislature made a conforming change to the existing Teachers Retirement Pension Tax Exemption by allowing taxpayers to claim either their Teachers Retirement Pension Tax Exemption of 25%, **or** the Pension and Annuity Exemption of 28% providing their income is less than \$75,000 for single filers and less than \$100,000 for joint filers:

SOCIAL SECURITY TAX BENEFIT

In addition, single filers with adjusted gross income of less than \$75,000 and joint filers with adjusted gross income of less than \$100,000 now have 100% tax exemption on Social Security income. Under the existing CT tax laws, taxpayers with incomes above those thresholds qualify for 75% State tax exemption on their Social Security income.

ARTC is merely reporting what we have learned about Tax Exemption Legislation. If you have questions, please check with your accountant or tax preparer before filing your CT State income tax.