

## Missouri Income Tax Information

### **Public Pension and Social Security Exemption**

Retired members of KCPERS that are Missouri tax filers may be eligible to exempt a portion of their pension and/or Social Security income from Missouri income tax. To claim the pension and/or Social Security exemption on 2011 returns, Missouri tax filers will need to file using Form MO-1040, otherwise known as the long form, or Form MO-1040P, short form. If filing on Form MO-1040, you will need to complete the worksheet in Part 3 of Form MO-A and file it along with Form MO-1040. If you were age 62 by December 31, 2011 and received Social Security benefits, you will also want to complete the section for the Social Security exemption in Part 3. If filing on Form MO-1040P, the calculation of the pension and/or Social Security exemption is found on page 3 of that form.

Generally, for 2011 tax returns the pension exemption will be calculated as 80% of your taxable pension and then reduced by the amount of your nontaxable social security benefits, if any. The amount of your pension exemption may be reduced for married couples with Missouri adjusted gross income above \$100,000 or for single taxpayers with Missouri adjusted gross income above \$85,000. The total public pension exemption is limited to a maximum of \$34,141 for each taxpayer. Some of our members will qualify for a minimum pension exemption of \$6000 even though that amount is greater than 80% of their taxable pension. As you are planning for 2012 taxes, the deductible percentage will increase to 100% of your taxable pension income.

The deductible percentage of public retirement benefits will increase until 2012. The table below shows the yearly percentage limit.

<b>Year</b>	<b>Limit</b>	<b>Year</b>	<b>Limit</b>
2007	20%	2010	65%
2008	35%	2011	80%
2009	50%	2012	100%

For more information regarding eligibility please contact the Missouri Department of Revenue at (573) 751-3505 or [www.dor.mo.gov](http://www.dor.mo.gov), or consult your tax professional.

### **Qualified Health Insurance Premiums**

Missouri also allows a subtraction from federal adjusted gross income for qualified health insurance premiums. On 2011 tax returns, the subtraction is taken on Line 11 of Part 1 of Form MO-A and filed along with Form MO-1040. The Missouri Department of Revenue supplies a worksheet for Line 11 of Form MO-A which can be found in the MO-1040 instruction packet.