

IMPORTANT INFORMATION ABOUT THE MAINE PENSION INCOME DEDUCTION AND YOUR MAINEPERS BENEFIT

Individuals who receive MainePERS benefits and file their taxes in the State of Maine may qualify for a pension income deduction for all or part of their MainePERS benefit. The amount of the pension income deduction available varies depending on the tax year and will be reduced by social security or railroad retirement benefits you may receive. The maximum deductions for individual taxpayers for tax years beginning in 2022 and 2023 are \$25,000 and \$30,000, respectively. For tax years beginning on or after January 1, 2024, the maximum pension income deduction is \$35,000.

To qualify for this deduction, the pension income must be *earned* by the person receiving the benefit, with the exception of a spouse receiving survivor benefits under an eligible pension plan. A spouse who receives a portion of their spouse's benefit while both are living cannot take a pension income deduction for that amount. Income received by a former spouse receiving a portion of a member's benefit under a qualified domestic relations order does not qualify for this deduction.

Disability income received from MainePERS that is reported as wages on your federal income tax return does not qualify for this deduction.

Questions about your MainePERS benefit and whether it qualifies for the Maine pension income deduction should be directed to your tax advisor or the Maine Revenue Services at 207-626-8475.