



Did you know that thanks to MRTA

**100%**

of your **out-of-pocket health insurance and long term care premiums** are deductible on your 2012 Missouri State Income Taxes?

To find out more about any tax deductions or exemptions and how they will affect you please contact your tax preparer.

And did you know that thanks to MRTA

**100%**

of your **retirement pension income** is deductible on your 2012 Missouri State Income Taxes?\*

These tax cuts, enacted in 2007 (HB 444), were an MRTA priority. ALL other education associations opposed or were silent on these exemptions. \*Please see below.

**TAX EXEMPTION INCREASES TO 100% OF RETIREMENT INCOME FOR TAX YEAR 2012!\***

2011 Tax Year Situation: The following example illustrates how an average Missouri public education retiree benefited from tax exemptions as a result of HB 444 (2007). There are income limitations so consult your tax preparer for your specific situation.

**EXAMPLE:**

- Two Missouri educators (age 65) one retired from a Missouri public school with a spouse still working. The Missouri public education retiree has a pension of \$35,000 per year with the spouse's salary of \$35,000.
- Health Insurance Supplemental premiums total \$3,000.
- Standard deduction was assumed.

**TAX CONSEQUENCES:**

- 2011 Missouri Income tax WITHOUT MRTA sponsored tax exemptions = \$1,797
- 2011 Missouri Income tax WITH MRTA sponsored tax exemptions = \$118

**Approximate total average Missouri tax savings per education retiree = \$1,679**

**The 2012 MO-A Forms are available on the MRTA website !**

**MO-A Part 3:** Public Pension Exemption  
**MO-A Part 1 - Item 11:** Qualified Health Insurance Premium

**\*HB 444**

Beginning January 1, 2007, this bill authorized an income tax deduction to be phased-in over six years for Social Security benefits, Social Security disability benefits, and benefits received from a non-private retirement system. **Married couples with a Missouri adjusted gross income less than \$100,000 and single individuals with a Missouri adjusted gross income less than \$85,000, may deduct up to 100 percent of their public retirement benefits, to the extent the amounts are included in their federal adjusted gross income.** A breakdown of the yearly percentage is as seen on the right:

The total public pension exemption is limited to \$35,234 for tax year 2012 for each eligible taxpayer. Taxpayers who also qualify for the Social Security or Social Security Disability Deduction, must reduce their public pension exemption by the amount of the Social Security or Social Security Disability Deduction.

Year	Limit
2007	20%
2008	35%
2009	50%
2010	65%
2011	80%
2012 and forward	100%