

# 2008 Senior Freeze Exemption — Instructions

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Please note: the following instructions refer to the income portion of the Senior Freeze Exemption application.

The amounts written on each line **must** include your income and the income of all the individuals listed on Line 6 of the Senior Freeze Exemption application.

## Line A — Social Security and SSI benefits

Write the total gross amount of any retirement, disability, or survivor's benefits (including Medicare deductions) the entire household received from the Social Security Administration. You must also include any Supplemental Security Income (SSI) the entire household received and any benefits to dependent children in the household. Do not include reimbursements under Medicare/Medicaid for medical expenses. The amount deducted for Medicare is already included in the amount in box 3 of Form SSA-1099.

## Line B — Railroad Retirement benefits

Write the total amount of any retirement, disability, or survivor's benefits (including Medicare deductions) the entire household received under the Railroad Retirement Act.

## Line C — Civil Service benefits

Write the total amount of any retirement, disability, or survivor's benefits the total household received under any Civil Service retirement plan.

## Line D — Other pensions and annuity benefits

Write the total adjusted amount of income the entire household received from any annuity, endowment, life insurance contract, or similar contract or agreement. IRA's are not taxable when "rolled over," unless "rolled over" into a Roth IRA. Include only the federally taxable portion of pensions.

## Line E — Human Services and other governmental cash public assistance benefits

Write the total amount of Human Services and other governmental cash public assistance benefits the entire household received. If the first two digits of any member's Human Services case number are the same as any of those in the following list, you must include the total amount of any of these benefits on Line e.

- 01 aged
- 02 blind
- 03 disabled
- 04 temporary assistance to needy families
- 06 temporary assistance to needy families
- 07 general assistance

To determine the total amount of household benefits multiply the monthly amount each person received by 12. You must adjust your figures accordingly if anyone in the household did not receive 12 equal checks during the period.

Food stamps, medical assistance and Circuit Breaker benefits the total household may have received are not considered income and should not be added to your total income.

## Line F — Wages, salaries, and tips from work

Write the total amount of wages, salaries, and tips, from work for every household member. (Shown in box 1 of Form W-2)

## Line G — Interest and dividends received

Write the total amount of all interest and dividends the entire household received from all sources, including any government sources. You must include both taxable and nontaxable amounts.

## Line H — Net rental, farm and business income or (loss)

Write the total amount of any net income or loss from rental, farm, business sources, etc., the entire household received, as allowed on U.S. 1040, Lines 12, 17, and 18. You **cannot** use any net operating loss (NOL) carryover in figuring income.

## Line I — Net capital gain or (loss)

Write the total amount of any taxable capital gain or loss the entire household received in 2007, as allowed on U.S. 1040, Lines 13 and 14, or U.S. 1040A, Line 10. You **cannot** use any net capital loss carryover in figuring income.

## Line J — Other income or (loss)

Write the total amount of any other income or loss not included in Lines A through I, that is included in federal adjusted gross income, such as alimony received, unemployment compensation, taxes withheld from oil or gas well royalties. You **cannot** use any net operating loss (NOL) carryover in figuring income.

## Line K — Add Lines A through J

## Line L — Subtractions

You may **only** subtract the following adjustments to income totaled on U.S. 1040, Line 36 or U.S. 1040A, Line 20.

- educator expenses
- IRA deductions
- student loan interest deduction
- Archer MSA deduction
- moving expenses
- one half of self-employment tax
- self-employed health insurance deduction
- self-employed SEP, SIMPLE, and qualified plans
- penalty on early withdrawal of savings
- alimony paid

## Line M — Total household income

Subtract Line L from Line K. If this amount is greater than **\$55,000**, you do not qualify for this exemption, however, you may still qualify for the Senior Citizen Exemption.

# 2008 Senior Freeze Exemption — General Information

**Please review before completing Senior Freeze Exemption application.**

## Who is eligible?

To qualify for the 2008 Senior Freeze Exemption you must:

- be 65 years of age or older in 2008;
- have a total **household** income of no more than **\$55,000** for **2007**;
- have used the property as your principal place of residence on January 1, 2007 **and** January 1, 2008;
- own the property, or have legal, equitable or leasehold interest in the property on January 1, 2007 **and** January 1, 2008, and
- be liable for the payment of 2007 **and** 2008 property taxes

If your spouse died in 2008 and would have qualified for the exemption in 2008, and you meet all of the above requirements except the age requirement, you are eligible for this exemption in 2008 and possibly 2007. Please contact our office for further information.

If you previously received this exemption and now reside in a nursing home **and** if your property is unoccupied, or is occupied by your spouse, you may be eligible if the other requirements are met.

Residents of cooperative apartment buildings or cooperative life-care facilities may qualify for this exemption if they are liable for the payment of property taxes on their residence and meet the other requirements.

## What is a household?

A household means all persons, including the applicant's spouse, who used the residence of the applicant as their principal residence on January 1, 2008.

## When must I file?

This form must be filed **each year** in order to continue to receive this exemption. The eligibility requirements listed under "Who is eligible" must be met **each year**.

**Note:** Additional documentation (*i.e.*, birth certificates, tax returns, *etc.*) may be required to verify the information in this application.

## What is included in household income?

Income that must be included in your household income:

- alimony received
- annuity benefits
- Black Lung benefits
- business income
- capital gains
- cash assistance from Public Aid
- cash winnings from raffles, lottery, etc.
- Civil Service benefits
- damages awarded in a lawsuit for nonphysical injury
- dividends
- farm income
- interest
- interest received on life insurance policies
- lump sum Social Security payments
- military retirement pay
- monthly insurance benefits
- pension and IRA benefits
- railroad benefits
- rental income
- Social Security income (including Medicare deductions)
- Supplemental Security Income (SSI) benefits
- unemployment compensation
- wages, salaries, and tips
- Workers' Compensation Act income
- Workers' Occupational Diseases Act income

## What is not included in household income?

Income you should not include in your household income:

- alimony paid
- cash gifts
- child support payments
- Circuit Breaker grants
- damages awarded from a lawsuit for a physical personal injury
- Energy Assistance payments
- federal income tax refunds
- I.R.A.s rolled over into other retirement accounts
- lump sums from inheritances
- lump sums from insurance policies
- money borrowed against a life insurance policy
- money borrowed from any financial institution
- spousal impoverishment payments
- stipends from the Foster Parent and Foster Grandparent programs
- veteran's benefits