

**HANDOUT FOR KEY STATE-LEVEL ISSUES REGARDING SENIORS:
COMMUNICATIONS TO CT LEGISLATORS, WITH "TALKING POINTS"**

1. RELIEF FROM CT INCOME TAX ON SOCIAL SECURITY AND PENSION INCOME

- History: for 2 decades prior to 2017, CT exempted senior citizens whose income was less than \$50,000 (Single) / \$60,000 (Joint). Above that level, CT applied ~25% of seniors' Soc. Sec. income to CT income tax. For Pensions and Annuities, all income has been subject to tax.
- **Social Security:**
 - ✓ In 2017, both political parties included "no tax on Soc. Security" income in their election platforms. In addition, there were over 50 Bills submitted to provide *full* tax relief. In the Fall of 2017, compromise *bipartisan* legislation was passed to raise the income eligibility for no tax to be less than \$75,000/\$100,000, effective *this year*, on January 1, 2019.
 - ✓ **NEW NEWS:** Gov. Lamont's proposed 2020/21 budget cancels this already released program, including making it retroactive to January 1, 2019!

Pensions/Annuities:

- ✓ As part of the same bipartisan agreement in 2017, 14% of pension income would be exempt from State income tax, for those taxpayers at or below the same eligibility levels as the Soc. Sec. exemption (see above). The effective date was also Jan. 1, 2019, with an additional 14% of exemption to be added each following year until 100% reached.
- ✓ **NEW NEWS:** Gov. Lamont's proposed budget also cancels this program, including making it retroactive to Jan. 1, 2019.
- **e-mail leaders of Finance, Revenue, & Bonding Committee** (one email for *all*):

Sen. John Fonfara	John.fonfara@cga.ct.gov
Rep. Jason Rojas	Jason.Rojas@cga.ct.gov
Sen. Kevin Witkos	Kevin.Witkos@cga.ct.gov
Rep. Christopher Davis	Christopher.Davis@housegop.ct.gov
Sen. Steve Cassano	cassano@senatedems.ct.gov
Sen. Carlo Leone	Leone@senatedems.ct.gov
Rep. Julio Concepcion	julio.concepcion@cga.ct.gov
Rep. Stephen Meskers	Stephen.Meskers@cga.ct.gov

Bcc: our State representatives:

Laura.devlin@housegop.ct.gov Brenda.Kupchick@housegop.ct.gov

Cristin.McCarthyVahey@cga.ct.gov Tony.Hwang@cga.ct.gov

(...and myself, to keep track) → GordonCMackenzieJr@gmail.com

Subject: SB 0877 *Tax relief for seniors on Social Security and Pension incomes*

Give your name and address.

Here are some "talking points" you can use, or add your own!:

--"CT is one of only 13 states that tax Social Security income".

--"Neighboring states with *no* tax on S.S. at all: Mass., New Jersey, New York"

--"Many seniors have had monthly deductions taken from their payroll for Soc. Sec. for decades and feel that they are being taxed on a tax".

--"For income tax on pensions, 12 other states completely exempt this income; 23 partially exempt; and 15 fully tax it. With our neighboring states, New York provides a \$20,000 exemption; New Jersey has no tax if income is <\$45K/\$60K, rising to <\$75K /\$100K by 2020; R.I. has \$15K exemption if income is <\$80K/\$100K".

--"How can our state announce these tax relief programs, and then only a few months later after implementation, eliminate them while they are already in effect?? Lower income

- seniors plan their budgets carefully, and now our state has disrupted this process. It is unethical to do this—you made a commitment; now you want to change it after the fact.”
- “Gov. Lamont’s proposed budget will impose significant new expenses on seniors—new sales taxes on services; tolls; and higher local property taxes from adding state pension costs to towns and redirecting property tax revenue items. At the same time, you are withdrawing one of the very few programs directed at financial relief for seniors”.
- “Even with your proposal to reset the Teachers Pension tax relief program back to 25% tax exemption vs. the planned 50%(!!) for this year, they have no income eligibility limitation that you impose on regular senior citizens. This is not fair treatment.”

2. MEDICARE SAVINGS PLAN (MSP)

- Pays for monthly Medicare Part B premium (and some deductions and copays) for lower and middle income residents
- Program costs funded 50-50 by Federal Gov. and CT State
- Eligibility: ~\$30K /yr. Single; ~\$40K Joint
- About 18,000 CT seniors and disabled are currently under MSP
- In 2017, income *eligibility* levels were to be reduced almost by half, but reaction was so strong, existing program was refunded by bilateral vote
- **NEW NEWS:** —GOVERNOR’S PROPOSED BUDGET for 2020/21:
 - ✓ Keeps acceptable eligibility levels, but adds *Asset Test*:
 - \$7,560 Single; \$11,340 Joint (!!)(Federal Poverty Level)
 - Does not include home, car, personal possessions, savings for funeral
 - ✓ Effective July 1, 2020
 - ✓ **e-mail:** the Bill’s Legislative Sponsors:

Rep. Joe Aresimowicz	Joe.Aresimowica@cga.ct.gov
Rep. Mat Ritter	Matthew.Ritter@cga.ct.gov
Sen. Martin Looney	looney@senatedems.ct.gov
Sen. Bob Duff	bob.duff@cga.ct.gov
 - ✓ **bcc:** (*same* as in Item 1 on previous page: **Hwang;Devlin;Kupchick;Vahey;Mackenzie**)
 - ✓ **Subject:** Bill HB 7164: Gov’s Budget Recommendations-Human Services; “Asset Test for Medicare Savings Program”
 - ✓ **Give your name and address.**
 - ✓ Some “talking points” :
 - “Adding an asset test at such low, unrealistic levels for a state like CT with its high cost of living is going to hurt vulnerable seniors”
 - "If many seniors already on the MSP program no longer qualify and then can’t afford to pay for Medicare Part B coverage, they will neglect their medical treatments or prescriptions, or erode what little savings they have and move on to Medicaid, a costlier taxpayer solution.”
 - "This proposal will add a complicated and expensive administrative process.”
 - “Another burden on CT seniors which, with all the other existing and proposed tax and expense items, will continue to make them simply give up and migrate to a more affordable state”.

3. ESTATE TAX EXEMPTIONS (for now, FSA feels it is not necessary to email legislators on this)

4. CT. INCOME TAX WITHHOLDING ON PENSION/ANNUITY INCOME

- In 2017, CT passed a law requiring Pension and Annuity *distributors* to withhold CT income taxes on payments unless the recipient uses new Form CT-W4P, starting in 2018.
- Bill HB 5699 would eliminate this requirement. Contact me (GM) if you want to send an email supporting this Bill.