

Military Retirement Benefits: \$10,000 Exemption

Senate Committee on Finance

Patrick Titterton

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\$10,000 Military Pension Benefit Exemption Tax Expenditures

- Fiscal Impact of exempting \$10,000 in Military Pension Benefits:
 - Approximately \$900,000 annually
 - \$370,000 annually from officer pension pay exemption
 - \$530,000 annually from enlisted pension pay exemption



Military Retirees in Vermont

- Approximately:
 - 3,900 military retirees¹
 - 950 officers
 - 2,950 enlisted
 - 750 survivors receiving benefits
 - Not included in this estimate, but are included in the governor's proposal.

¹ Figures provided by the Vermont National Guard and Department of Defense



Distribution of Benefits

- Would effectively receive a full exemption of benefits:
 - 1,026 or 26% of total retirees receive \$10,000 or less in military pension benefits and would effectively receive a full exemption of benefits
 - 26 or 3% of officers would effectively receive a full exemption
 - 1,000 or 34% of enlisted would effectively receive a full exemption
- Average Tax Benefits:
 - \$230 average tax benefit to all military retirees
 - \$388 average tax benefit to officer retirees
 - \$180 average tax benefit to enlisted retirees

