

Instructions for Schedule R

2023

Credit for the Elderly or the Disabled



Department of the Treasury
Internal Revenue Service

Instruction for Form 1040 Schedule R (Rev 2023) Catalog Number 47693F
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Use Schedule R (Form 1040) to figure the credit for the elderly or the disabled.

Future developments. For the latest information about developments related to Schedule R (Form 1040) and its instructions, such as legislation enacted after they were published, go to [IRS.gov/ScheduleR](https://www.irs.gov/ScheduleR).

Additional information. See Pub. 524 for more details.

Who Can Take the Credit

The credit is based on your filing status, age, and income. If you are married and filing a joint return, it is also based on your spouse's

age and income. You may be able to take this credit if either of the following applies.

1. You were age 65 or older at the end of 2023.
2. You were under age 65 at the end of 2023 and you meet all of the following.
 - a. You were permanently and totally disabled on the date you retired. If you retired before 1977, you must have been permanently and totally disabled on January 1, 1976, or January 1, 1977.
 - b. You received taxable disability income for 2023.
 - c. On January 1, 2023, you hadn't reached mandatory retirement age (the age when your employer's retirement program would have required you to retire).

For the definition of permanent and total disability, see *What Is Permanent and Total Disability*, later. Also, see the instructions for *Part II. Statement of Permanent and Total Disability*, later.

Age 65

You are considered age 65 on the day before your 65th birthday. As a result, if you were born on January 1, 1959, you are considered to be age 65 at the end of 2023.

Death of taxpayer. If you are preparing a return for someone who died in 2023, consider the taxpayer to be age 65 at the end of 2023 if they were age 65 or older on the day before their death. For example, if the taxpayer was born on February 14, 1958, and died on February 13, 2023, the taxpayer is considered age 65 at the time of death. However, if the taxpayer died on February 12, 2023, the taxpayer isn't considered age 65 at the time of death.

Married Persons Filing Separate Returns

If your filing status is married filing separately and you lived with your spouse at any time during 2023, you can't take the credit.

Nonresident Aliens

If you were a nonresident alien at any time during 2023, you may be able to take the credit only if your filing status is married filing jointly.

Income Limits

See Income Limits for the Credit for the Elderly or the Disabled, later.

Want the IRS To Figure Your Credit?

If you can take the credit and you want us to figure it for you, check the box in Part I of Schedule R (Form 1040) for your filing status and age. Fill in Part II and lines 11 and 13 of

Part III if they apply to you. Then, enter "CFE" on the dotted line next to Schedule 3 (Form 1040), line 6d. Be sure to attach both Schedule 3 and Schedule R to your return.

Disability Income

Generally, disability income is the total amount you were paid under your employer's accident and health plan or pension plan that is included in your income as wages or payments instead of wages for the time you were absent from work because of permanent and total disability. However, any payment you received from a plan that doesn't provide for disability retirement isn't disability income.

In figuring the credit, disability income doesn't include any amount you received from your employer's pension plan after you have reached mandatory retirement age.

For more details on disability income, see Pub. 525.

Income Limits for the Credit for the Elderly or the Disabled

IF you are . . .	THEN you generally can't take the credit if:	
	The amount on Form 1040 or 1040-SR, line 11, is . . .	Or you received . . .
single, head of household, or qualifying surviving spouse	\$17,500 or more	\$5,000 or more of nontaxable social security or other nontaxable pensions, annuities, or disability income.
married filing jointly and only one spouse is eligible for the credit	\$20,000 or more	\$5,000 or more of nontaxable social security or other nontaxable pensions, annuities, or disability income.
married filing jointly and both spouses are eligible for the credit	\$25,000 or more	\$7,500 or more of nontaxable social security or other nontaxable pensions, annuities, or disability income.
married filing separately and you lived apart from your spouse for all of 2023	\$12,500 or more	\$3,750 or more of nontaxable social security or other nontaxable pensions, annuities, or disability income.

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What Is Permanent and Total Disability?

A person is permanently and totally disabled if both 1 and 2 below apply.

1. They can't engage in any substantial gainful activity because of a physical or mental condition.
2. A qualified physician determines that the condition has lasted or can be expected to last continuously for at least a year or can be expected to result in death.

Examples 1 and 2 show situations in which the individuals are considered engaged in a substantial gainful activity. Example 3 shows a person who might not be considered engaged in a substantial gainful activity. In each example, the person was under age 65 at the end of the year.

Example 1. Alex retired on disability as a sales clerk, and now works as a full-time babysitter earning minimum wage. Although different work is performed, Alex babysits on ordinary terms for the minimum wage. Alex can't take the credit because Alex is engaged in a substantial gainful activity.

Example 2. Blake, the president of XYZ Corporation, retired on disability because of a terminal illness. On the doctor's advice, Blake works part-time as a manager and is paid more than the minimum wage. The employer sets the days and hours for Blake. Although Blake's illness is terminal, and the work is performed part-time, the work is done at the employer's convenience. Blake is considered engaged in a substantial gainful activity and can't take the credit.

Example 3. Cameron, who retired on disability, took a job with a former employer on a trial basis. The purpose of the job was to see if Cameron could do the work. The trial

period lasted for some time during which Cameron was paid at a rate equal to the minimum wage. But because of Cameron's disability, only light duties of a non-productive, make-work nature was given. Unless the activity is both substantial and gainful, Cameron isn't engaged in a substantial gainful activity. The activity was gainful because Cameron was paid at a rate at or above the minimum wage. However, the activity wasn't substantial because the duties were of a nonproductive, make-work nature. More facts are needed to determine if Cameron is able to engage in a substantial gainful activity.

Part II. Statement of Permanent and Total Disability

If you checked box 2, 4, 5, 6, or 9 in Part I and you didn't file a physician's statement for 1983 or an earlier year, or you filed or got a statement for tax years after 1983 and your physician signed on line A of the statement,

you must have your physician complete a statement certifying that:

- You were permanently and totally disabled on the date you retired; or
- If you retired before 1977, you were permanently and totally disabled on January 1, 1976, or January 1, 1977.

You don't have to file this statement with your tax re-turn. But you must keep it for your records. You can use the physician's statement later in these instructions for this purpose. Your physician should show on the statement if the disability has lasted or can be expected to last continuously for at least a year, or if there is no reasonable probability that the disabled condition will ever improve. If you file a joint return and you checked box 5 in Part I, you and your spouse must each get a statement.

If you filed a physician's statement for 1983 or an earlier year, or you filed or got a statement for tax years after 1983 and your

physician signed on line B of the statement, you don't have to get another statement for 2023. But you must check the box on line 2 in Part II to certify all three of the following.

1. You filed or got a physician's statement in an earlier year.
2. You were permanently and totally disabled during 2023.
3. You were unable to engage in any substantial gainful activity during 2023 because of your physical or mental condition.

If you checked box 4, 5, or 6 in Part I, enter in the space above the box on line 2 in Part II the first name(s) of the spouse(s) for whom the box is checked.

If the Department of Veterans Affairs (VA) certifies that you are permanently and totally disabled, you can use VA Form 21-0172 instead of the physician's statement. VA Form 21-0172 must be signed by a person

authorized by the VA to do so. You can get this form from your local VA regional office.

Part III. Figure Your Credit

Line 11

If you checked box 2, 4, 5, 6, or 9 in Part I, use the following table to complete line 11.

IF you checked	THEN enter on line 11 .
box 6	the total of \$5,000 plus the disability income you reported on your tax return for the spouse who was under age 65.
box 2, 4, or 9	the total amount of disability income you reported on your tax return.
box 5	the total amount of disability income you reported on your tax return for both you and your spouse.

Credit Limit Worksheet—Line 21

Keep for Your Records 

Use this worksheet to figure your credit limit.

- | | | |
|---|----|----------------------|
| 1. Enter the amount from Form 1040 or 1040-SR, line 18 | 1. | <input type="text"/> |
| 2. Enter the amount from Schedule 3 (Form 1040), lines 1, 2, and 61 | 2. | <input type="text"/> |
| 3. Subtract line 2 from line 1. Enter this amount on Schedule R (Form 1040), line 21. But if zero or less, STOP ; you can't take this credit | 3. | <input type="text"/> |

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Example 1. You are 63 and retired on permanent and total disability in 2023. You received \$4,000 of taxable disability income and will report the income on Form 1040, line 1a. You are filing jointly with your spouse, who was age 67 in 2023, and will check box 6 in Part I. On line 11, you will enter \$9,000 (\$5,000 plus the \$4,000 of disability income you will report on Form 1040, line 1a).

Example 2. You checked box 2 in Part I and entered \$5,000 on line 10. You received \$3,000 of taxable disability income, which is entered on line 11. You also entered \$3,000 on line 12 (the smaller of line 10 or line 11). The largest amount that can be used to figure the credit is \$3,000.

Lines 13a Through 18

The amount on which you figure your credit can be reduced if you received certain types of nontaxable pensions, annuities, or disability income. The amount can also be

reduced if your adjusted gross income is over a certain amount, depending on which box you checked in Part I.

Line 13a. Enter any social security benefits (before de-duction of Medicare premiums) you (and your spouse if filing jointly) received for 2023 that aren't taxable. Also, enter any tier 1 railroad retirement benefits treated as social security that aren't taxable.

If any of your social security or equivalent railroad retirement benefits are taxable, the amount to enter on this line is generally the difference between the amounts entered on Form 1040 or 1040-SR, line 6a and line 6b.



If your social security or equivalent railroad retirement benefits are reduced because of workers' compensation benefits, treat the workers' compensation benefits as social security benefits when completing Schedule R (Form 1040), line 13a.

Line 13b. Enter the total of the following types of in-come that you (and your spouse if filing jointly) received for 2023.

- Veterans' pensions (but not military disability pensions).
- Any other pension, annuity, or disability benefit that is excluded from income under any provision of federal law other than the Internal Revenue Code. Don't include amounts that are treated as a return of your cost of a pension or annuity.

Don't include on line 13b any pension, annuity, or similar allowance for personal injuries or sickness resulting from active service in the armed forces of any country, or in the National Oceanic and Atmospheric Administration or the Public Health Service. Also, don't include a disability annuity payable under section 808 of the Foreign Service Act of 1980.

Instructions for Physician's Statement

Taxpayer

If you retired after 1976, enter the date you retired in the space provided on the statement below.

Physician

A person is permanently and totally disabled if both of the following apply.

1. They can't engage in any substantial gainful activity because of a physical or mental condition.
2. A physician determines that the disability has lasted or can be expected to last continuously for at least a year or can lead to death.

Physician's Statement

Keep for Your Records 

I certify that _____

Name of disabled person

was permanently and totally disabled on January 1, 1976, or January 1, 1977, or was permanently and totally disabled on the date they retired. If retired after 1976, enter the date retired: _____

Physician: Sign your name on either line A or B below.

A The disability has lasted or can be expected to last continuously for at least a year _____

Physician's signature

Date

B There is no reasonable probability that the disabled condition will ever improve _____

Physician's signature

Date

Physician's name

Physician's address

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