

**SCHEDULE R
(Form 1040)**

Department of the Treasury
Internal Revenue Service

Retirement Income Credit

1969

▶ See instructions on R-1.

▶ If you use this schedule, attach it to Form 1040.

Name as shown on Form 1040 _____ Social Security Number _____

A. General Rule.—If separate return, use column **B** only.
If joint return, use column **A** for wife and column **B** for husband.

Did you receive earned income in excess of \$600 in each of any 10 calendar years before 1969?
(Widows or widowers see instructions on R-1) Yes No

If answer above is "Yes" in either column, furnish all information below in that column.

	A	B
	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
1 Retirement income for taxable year:		
(a) For taxpayers under 65 years of age:		
Enter only income received from pensions and annuities under public retirement systems (e.g. Fed., State Govts., etc.) included on Form 1040, line 15c		
(b) For taxpayers 65 years of age or older:		
Enter total of pensions and annuities, interest and dividends included on Form 1040, line 15c, and gross rents from Part II, column 2 of Schedule E		
2 Maximum amount of retirement income for credit computation	\$1,524 00	\$1,524 00
3 Deduct:		
(a) Amounts received as pensions or annuities under the Social Security Act, the Railroad Retirement Acts (but not supplemental annuities), and certain other exclusions from gross income		
(b) Earned income received (Does not apply to persons 72 years of age or over):		
(1) Taxpayers under 62 years of age, enter amount in excess of \$900		
(2) Taxpayers 62 or over but under 72, enter amount determined as follows:		
if \$1,200 or less, enter zero		
if over \$1,200 but not over \$1,700, enter 1/2 of amount over \$1,200;		
or if, over \$1,700, enter excess over \$1,450		
4 Total of lines 3(a) and 3(b)		
5 Balance (subtract line 4 from line 2)		
6 Line 5 or line 1, whichever is smaller		
7 (a) Total (add amounts on line 6, columns A and B)		
If line 7(a) is less than \$2,286 and this is a joint return and both husband and wife are age 65 or over, complete the Alternative Computation in B below which may result in a larger credit.		
(b) Amount from line 7 of part B below, if applicable		
8 Tentative credit. Enter 15% of line 7(a) or 15% of line 7(b), whichever is greater		
9 Amount of tax shown on Schedule T, line 6		
10 Credit claimed for foreign taxes or tax-free covenant bonds		
11 Subtract line 10 from line 9 (if less than zero, enter zero)		
12 Enter here and on Schedule T, line 7, the amount on line 11 or line 8, whichever is smaller		
13 Enter here the Tax Surcharge From Schedule T, line 9		
14 Add lines 12 and 13		
15 If line 10 is greater than line 9, enter excess here		
16 Subtract line 15 from line 14 (if less than zero, enter zero)		
17 Credit. Enter here and on Schedule T, line 11, the amount shown on line 16 or line 8, whichever is smaller		

B. Alternative Computation (after completing lines 1 through 7(a) above)

This method available if:

- a. You are married and filing a joint return;
- b. Both husband and wife are 65 or over, AND
- c. Either one, or both received earned income in excess of \$600 in each of any 10 calendar years before 1969.

Furnish the information called for below for both husband and wife even if only one answered "Yes" in column A or B above.

1 Retirement income of both husband and wife from pensions and annuities, interest, and dividends included on Form 1040, line 15c, and gross rents from Part II, column 2 of Schedule E			
2 Maximum amount of retirement income for credit computation			\$2,286 00
3 Deduct:			
(a) Amounts received as pensions or annuities under the Social Security Act, the Railroad Retirement Acts (but not supplemental annuities), and certain other exclusions from gross income	A—WIFE	B—HUSBAND	
(b) Earned income received (Does not apply to persons 72 or over):			
if \$1,200 or less, enter zero			
if over \$1,200 but not over \$1,700 enter 1/2 of amount over \$1,200; or			
if over \$1,700, enter excess over \$1,450			
4 Total of lines 3(a) and 3(b)			
5 Total (add amounts on line 4, columns A and B)			
6 Balance (subtract line 5 from line 2)			
7 Enter here and on line 7(b) of part A above, the amount on line 6 or line 1, whichever is smaller			

Instructions for Schedule R (Form 1040)—1969

Retirement Income Credit

You may qualify for this credit, which is generally 15 percent of retirement income, if you received earned income in excess of \$600 in each of any 10 calendar years—not necessarily consecutive—before the beginning of your taxable year.

The maximum amount allowed any one individual as a credit against his income tax is \$228.60 (15% × \$1,524). The maximum allowable credit on a joint return where both husband and wife show \$1,524 on part A, line 6, columns A and B, is \$457.20.

The term “earned income” means wages, salaries, professional fees, etc., received as compensation for personal services actually rendered. It does not include any amount received as an annuity or pension. If you were engaged in a trade or business in which both personal services and capital were material income-producing factors, a reasonable allowance as compensation for the personal services you rendered, not in excess of 30 percent of your share of the net profits of such business, shall be considered as earned income.

Both husband and wife may take the retirement income credit if both qualify and both have retirement income. If you are a surviving widow

(widower) and have not remarried, you may use the earned income of your deceased husband (wife), or you may combine his (her) earned income with yours to determine if you qualify for the credit.

Retirement income for the purpose of the credit means—

(a) In the case of a person who is not 65 before the end of his taxable year, only income received from pensions and annuities under a public retirement system (one established by the Federal government, a State, county, city, etc.) which is included in income in his return.

Disability annuities received by Federal employees prior to normal retirement age that exceed the sick pay exclusion do not qualify as retirement income.

(b) In the case of a person who is 65 or over before the end of his taxable year, income from pensions, annuities, interest, rents and dividends that are included in gross income in his return. (Gross income from rents for this purpose means gross receipts from rents without reduction for depreciation or any other expenses. Royalties are not considered rents for this purpose.)

Except as provided in the “Alternative computation,” the amount

of the retirement income used for the credit computation may not exceed \$1,524 reduced by (a) Any amount received and excluded from income as a pension or annuity under the Social Security Act and Railroad Retirement Acts (but not supplemental annuities) and other tax-exempt pensions or annuities. Line 3(a), General Rule and Alternative Computation, must reflect the gross amount of social security benefits before deduction of any amounts withheld to pay medicare insurance premiums. This reduction does not include (1) that part of a pension or annuity which is excluded from income because it represents, in effect, a return of capital or tax-free proceeds of a like nature, or (2) amounts excluded from income received as compensation for injury or sickness or under accident or health plans. (b) Certain adjustments for earned income.

Alternative Computation. — The maximum amount of retirement income to be used in figuring the credit for retirement income is \$2,286 for taxpayers who file joint returns (both 65 years of age or over) but who would otherwise be limited to \$1,524 because either the husband or wife did not have earned income in excess of \$600 in each of any 10 prior calendar years.

If you meet these requirements, also complete the Alternative Computation to determine which computation results in the larger credit.

R-1

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