

Disability Income Exclusion
 (Applies Only to Disabled Retirees Under Age 65)
 ▶ Attach to Form 1040. ▶ See Instructions on back.

Name(s) as shown on Form 1040 _____ Social security number _____

See Instruction B for Income Limits on Exclusion

Date you retired (if after December 31, 1976, also enter this date in the space after box (2) on physician's statement below).		Employer's name (also give payer's name, if other than employer)
Yourselves		
Spouse		

Note: To take the disability income exclusion, you must complete lines 1 through 9.

Joint return filers use column (a) for wife and column (b) for husband. All other filers use column (b) only.

	(a)	(b)
1 Enter total disability pay you got during 1981		
2 (i) Multiply \$100 by the number of weeks for which your disability payments were at least \$100. Enter total		
(ii) If you received disability payments of less than \$100 for any week, enter the total amount you received for all such weeks		
(iii) If you received disability payments for less than a week, enter the smaller amount of either the amount you received or the highest exclusion allowable for the period (see Instruction D)		
(iv) Add lines (i), (ii), and (iii). Enter total		
3 Add amounts on line 2(iv). Enter total		
4 Enter total income from Form 1040, line 21		
5 Add amounts on Form 1040, lines 22 through 27 and line 29. Enter total		
6 Subtract line 5 from line 4		
7 Amount used to figure any exclusion decrease (see Instruction B)	\$15,000.00	
8 Subtract line 7 from line 6 (if line 7 is more than line 6, enter zero)		
9 Subtract line 8 from line 3. This is your disability income exclusion. Enter here and on Form 1040, line 28		
10 If you filed a physician's statement for this disability in an earlier year, please check this box. (You do not have to file another statement.)		<input type="checkbox"/>

For Paperwork Reduction Act Notice, see instructions on back. Form **2440** (1981)

Physician's Statement of Permanent and Total Disability

▶ Please complete and return to taxpayer.

Name of disabled taxpayer _____ Social security number _____

I certify that the taxpayer named above was (check only one box—please see instructions below):

- (1) Permanently and totally disabled on January 1, 1976, or January 1, 1977.
- (2) Permanently and totally disabled on the date he or she retired. Date retired ▶ _____

Physician's name _____

Physician's address _____

Physician's signature _____ Date _____

Instructions for Statement

Taxpayer
 Please enter your name and social security number. If you retired after December 31, 1976, enter your retirement date in the space after box (2).

Physician
 Box (1) applies to taxpayers who retired before January 1, 1977.
 Box (2) applies to taxpayers who retired after December 31, 1976.
What is Permanent and Total Disability?
 A person is permanently and totally disabled when—

- He or she is unable to engage in any substantial gainful activity because of a physical or mental condition; and
- A physician determines that the disability (a) has lasted or can be expected to last continuously for at least a year; or (b) can be expected to lead to death.

Paperwork Reduction Act Notice

The Paperwork Reduction Act of 1980 says we must tell you why we are collecting this information, how we will use it, and whether you have to give it to us. We ask for the information to carry out the Internal

C. What is Permanent and Total Disability?—A person is permanently and totally disabled when:

- He or she cannot engage in any substantial gainful activity because of a physical or mental condition; and

Disability pay might be received for part of a week. If so, use a daily rate to figure the exclusion for that week. Payments for part of a week are made when one of the following happens after the first day of the taxpayer's normal workweek:

- (1) The disability retirement begins.