

# Einhorn Barbarito Attorney Matthew Rheingold Responds To NJ.Com Query, “Tax Savings? Rules For The Pension Exclusion.”

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Q. I have a question about what constitutes the hard limit of \$100,000 of income for the retiree pension exclusion. If my wife and I have a combined income of \$120,000 before deductions, but can legitimately deduct \$28,000 due to large medical bills and health insurance premiums paid out of pocket, would we qualify for being below the \$100,000 income limitation after the medical deduction is claimed. I'm thinking our taxable income would be \$92,000, so do we qualify?

A. The retirement income tax exclusion was increased as part of the Transportation Trust Fund and Tax Relief Bill of 2016, said [Matthew S. Rheingold](#), an Associate with the [Tax Law Department](#) of Einhorn Barbarito. As part of the tax package, state legislators increased the state retirement income tax break for New Jersey residents who are age 62 and over.

Read the NJ.Com ‘Biz Brain’ article [here](#) in it’s entirety.