



Equal Tax Treatment for **ALL** Government Retirees

About the 4th Branch

The 4th Branch is a coalition of government employee and retiree organizations committed to leveling the playing field in North Carolina for **ALL** government retirees through fair taxation. Currently only retirees that were vested in a qualifying retirement system by August 12, 1989 are not taxed on their pensions.

Who We Are

We are part of your community. We served in the military, federal, state or local government. We are retired teachers, firefighters, police, veterans and others you see daily. And when it comes to taxation, we are treated very differently.

Why it Matters

Government employees' service should be honored - **equitably**. Retirement benefits should not be taxed differently based on when they retired. North Carolina should honor and welcome these retirees and encourage them to make, or keep, our state as their home.

Good Economics

For every \$1 a government retiree saves in state income tax, North Carolina accrues \$2.5 in economic benefits. Allowing **ALL** government retirees to deduct state, local or federal retirement benefits from their adjusted gross income is good policy.

- Without the need to save for retirement, government retirees direct most of their income **BACK** into the local economy which equals more sales tax revenue.
- New retirees would be attracted to North Carolina with no taxation of government benefits. Most buy homes - and about 20 percent are new housing which generates jobs directly and spending.
- Retirees use fewer public services. Without their own children in school, property taxes from just two retiree households can support one school child in their community.
- Most government retirees are motivated to volunteer in their communities. Based on our recent study, volunteer activities and skill contributions were worth nearly \$150 million per year to the state.

Honor Our Service

Tax ALL government retirees the same - regardless of when they were vested. Honor the service of current and future retirees and encourage them to make North Carolina their retirement destination.