

Honor Our Service: Treat All Government Retirees Equally

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.

In North Carolina, government retirement income is not taxed if you had five or more years of service as of August 1989. For many, this is a welcome and hard-earned benefit for their years of service. But for most – even someone with 30 years of military service that began in 1985 – they literally pay the price for simply having started their career later.

Not only does this impact many thousands of retirees in our state, but it also impacts FUTURE retirees; current military, federal, state and local government employees whose service is every bit as valuable as that of folks who got their five years in before August 1989. Taxing retirement income has a serious impact on the quality of life for many retirees.

This unequal tax policy puts our state at a disadvantage, too. As military and other federal retirees look to move away from high-cost regions like Washington, D.C., a key factor is relocating to a state whose tax policies honor their service. Neighboring states like Tennessee and South Carolina already give tax breaks to government retirees. Meanwhile North Carolina only does so for a minority of our government retirees.

Lastly, there's the economic argument. Retirees moving to or staying in our state spend money, build homes and contribute to the state and local economies. When projecting results 10 years, the ratio of benefits to costs is 2.5 to 1, a significant offset to the diminished income tax revenue.

If you are a government retiree who this issue impacts, or simply a citizen who believes we should honor their service and treat all government retirees equitably, there's something you can do. The 4th Branch is a coalition of individuals and groups representing these military, federal, state and local public-service retirees. And the 4th Branch is fighting to get our state legislature to right this inequity.

You too can help right this wrong. Honor the government retirees who are part of your community for their years of service. Write to your legislative representatives or visit the 4th Branch website (engage.4thbranchnc.org) for more information and to get involved.