



### **What is the purpose of Form D-2440?**

Form D-2440 is used to determine the amount of disability income you may exclude from the federal adjusted gross income you report on DC Form D-40. Enter the amount from Line 10 of this form on Line 2 of Calculation B of Schedule I. The maximum annual exclusion per disabled person is \$5,200.

### **Who may file a Form D-2440?**

You must meet **all** of the following requirements:

- You are not filing a Form D-40EZ;
- If you are married or registered domestic partners, you are filing a joint return;
- You received disability payments during 2014;
- You were under the age of 65 on December 31, 2014;
- You retired on disability and were permanently and totally disabled when you retired;
- On January 1, 2014, you had not reached the age required to retire under your employer's retirement program; and
- You have not notified the Office of Tax and Revenue that you have chosen to treat the disability income as a pension.

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### **Personal information**

If you are filing a joint return, please provide the information requested for you and your spouse/domestic partner, even if your spouse/domestic partner is not disabled and is not claiming a disability exclusion.

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### **Income and Limitation on Exclusion**

**Line 1** Total amount of disability payments received in 2014  
Enter the total amount of disability payments you received in 2014. Do not include any lump-sum payment received for accrued annual leave when you retired on disability. (The annual leave payment is included in your gross income for the year of receipt.) Payments from a retirement plan or profit-sharing plan that does not have a provision for disability retirement do not qualify for the exclusion.

#### **Line 2**

If you received disability payments for part of a week, follow the example below to determine the exclusion for that portion:

Divide \$100 by the number of days in a week you normally worked before you retired and multiply the result by the number of days you were paid for the partial week.

Example: \$100 divided by 5 days (number of days in typical work week) = \$20. \$20 x 3 (number of days you were paid for partial week) = \$60. Add this amount to the total amount you were paid for the full weeks.

#### **Line 8 Amount used to reduce disability income**

\$15,000 is the amount DC uses to reduce the disability income you can exclude.

#### **Line 10 Disability income exclusion**

This is the amount you may use to reduce your DC taxable income. \$5,200 is the maximum annual amount per disabled person that may be excluded.

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### **Physician's certification**

To claim an exclusion, your physician must certify that you are, according to the definition below, permanently disabled. If both you and your spouse/domestic partner are claiming the exclusion, each must file a certification. You do not have to file another certification if you have filed one in a previous year. Attach the certification(s) to your Form D-40.

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## **Instructions for the Physician**

### **Date taxpayer retired**

Please certify that the taxpayer ceased active employment because of his or her permanent disability and retired on the date that he or she became disabled.

### **Definition of permanent and total disability**

Permanent and total disability means that the taxpayer is unable to engage in any substantial gainful activity because of a physical or mental condition **and** this condition has lasted continuously for at least a year, will last continuously for at least a year, or is fatal.