

IMPORTANT!

2020 Senior Freeze (Property Tax Reimbursement) Recipients. If you applied for and received a 2020 Senior Freeze, you should have received a personalized application (Form PTR-2) preprinted with information you provided last year. If you qualify for a 2021 Senior Freeze, use the personalized application. If you have not received your personalized application, call 1 (800) 882-6597.

Introduction

The Senior Freeze (Property Tax Reimbursement) program reimburses senior citizens and disabled persons for property tax increases. For applicants who met **all** the eligibility requirements for 2020, and again for 2021, the amount of the 2021 reimbursement will be the difference between the amount of property taxes that were due and paid by the applicant for 2020 and the amount of property taxes that were due and paid for 2021, as long as the amount paid for 2021 was greater than the amount paid for 2020. For mobile home owners, property tax means 18% of the annual site fees paid to the owner of a mobile home park.

Homeowners and mobile home owners who are receiving Homestead Benefits and/or Property Tax Credits or Deductions also can receive the Senior Freeze if they meet the eligibility requirements. However, the total of all property tax relief benefits that you receive for 2021 (Senior Freeze, Homestead Benefit, Property Tax Deduction for senior citizens/disabled persons, and Property Tax Deduction for veterans) cannot be more than the amount of your 2021 property taxes (or rent/site fees constituting property taxes).

Spouse/Civil Union Partner. Any reference in this booklet to a spouse also refers to a spouse who entered into a valid same-sex marriage in another state or foreign nation and a partner in a civil union (CU) recognized under New Jersey law.

Impact of State Budget

Eligibility requirements, including income limits, and benefits available under the Senior Freeze program are subject to change by the State Budget.

Any changes to the eligibility requirements and benefit amounts for 2021 will not be finalized until the completion of the State Budget that must be

adopted by July 1, 2022. This means that the requirements, including the income limits, that are listed under "Eligibility Requirements" in these instructions may be changed by the State Budget.

For updated information on any budgetary changes to this program, check the Division of Taxation's website at nj.gov/treasury/taxation/ptr/index.shtml or call 1 (800) 323-4400.

Eligibility Requirements

To qualify for the 2021 Senior Freeze, an applicant must meet all of the following requirements. (Also see "Impact of State Budget" above.)

- You must have been age 65 or older as of December 31, 2020, OR actually receiving federal Social Security disability benefit payments on or before December 31, 2020, and on or before December 31, 2021. You do **not** qualify if you (or your spouse) were receiving those benefits on behalf of someone else; **and**
- You must have lived in New Jersey continuously since December 31, 2010, or earlier as either a homeowner or a renter; **and**
- You must have owned and lived in your home (or have leased a site in a mobile home park on which you have placed a manufactured or mobile home that you own) since December 31, 2017, or earlier (and you still owned and lived in that home on December 31, 2021); **and**
- You must have paid the **full amount** of the property taxes due on your home:
For 2020: By June 1, 2021, **and**
For 2021: By June 1, 2022; **and**
- Your total annual income must have been:
For 2020: \$92,969 or less, **and**
For 2021: \$94,178 or less.

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These limits apply regardless of your marital/civil union status. However, if your status at line 1 and/or line 2, Form PTR-1, was married/CU couple, and you lived in the same household, you must combine your incomes for that year.

You **cannot** apply for a Senior Freeze for a:

- Vacation home or “second home”; **or**
- Property that you rent to someone else; **or**
- Property that consists of more than four units; **or**
- Property with four units or less that contains more than one commercial unit.

You also **cannot** apply if you:

- Received a 100% exemption from paying property taxes as a totally and permanently disabled veteran;
- Made P.I.L.O.T. (Payments-in-Lieu-of-Tax) payments to your municipality. These payments are not considered property taxes.

Life Estate (Life Tenancy). You are considered the owner of the property if you have life estate rights or hold a lease for 99 years or more. You must include with your application a copy of an official document (e.g., deed, lease) establishing your right to occupy the property.

If you moved to your current home between January 1, 2018, and December 31, 2019, AND you filed for and received a reimbursement for property taxes (or mobile home park site fees) paid for the last full tax year that you occupied your previous home, you may be eligible to file a Senior Freeze application for 2021 if you meet all the other eligibility requirements. Go to nj.gov/treasury/taxation/ptr/ptr2year.shtml to see if you qualify, then call the Senior Freeze Hotline at 1 (800) 882-6597 for assistance.

Reminder

The Homestead Benefit and Senior Freeze (Property Tax Reimbursement) programs are separate programs, and separate applications must be filed every year for each program.

Income Standards

With very few exceptions, **ALL INCOME** that you received during the year, including income that you are not required to report on your New Jersey Income Tax return, must be taken into account to determine eligibility for the Senior Freeze. Income limits for eligibility are subject to adjustment annually.

If you have a loss in one category of income, you can apply it against income in the same category. However, if you have a net loss in one category of income, you **cannot** apply it against income or gains in a different category. In the case of a net loss in any category, leave that line blank.

Examples of possible sources of income (gross amounts unless otherwise noted):

- Social Security Benefits (including Medicare Part B premiums) paid to or on behalf of the applicant;
- Pension and Retirement Benefits (including annuity or IRA distributions and benefit payments from foreign countries);
- Salaries, Wages, Bonuses, Commissions, and Fees;
- Unemployment Benefits;
- Disability Benefits, whether public or private (including veterans' and black lung benefits);
- Interest (taxable and exempt);
- Dividends;
- Capital Gains;
- Net Rental Income;
- Net Profits From Business;
- Net Distributive Share of Partnership Income;
- Net Pro Rata Share of S Corporation Income;
- Support Payments;
- Inheritances;
- Royalties;
- Fair Market Value of Prizes and Awards;
- Gambling and Lottery Winnings (including New Jersey Lottery);
- Bequests and Death Benefits;
- All Other Income.

Sources of income that should NOT be taken into account to determine eligibility:

- Middle-Class Tax Rebates
- Paycheck Protection Program (PPP) loan amounts forgiven through the federal CARES Act or federal Paycheck Protection Program
- Economic Impact Payments (stimulus payments)
- Reparation or restitution payments to victims of National Socialist (Nazi) persecution; returns of property (tangible or intangible) seized, lost, or misappropriated as a result of Nazi actions or policies and any cash values in replacement of such property; payments of insurance policies purchased by victims of Nazi persecution; and any accumulated or accrued interest on such;
- Benefit amounts received under the New Jersey State Lifeline Credit Program/Tenants Lifeline Assistance Program;
- Benefits received as either New Jersey Homestead, FAIR, or SAVER rebates;
- Senior Freeze (Property Tax Reimbursement) benefits;
- Capital gains on the sale of a principal residence (main home) of up to \$250,000 if single, and up to \$500,000 if married/CU couple. Capital gains in excess of the allowable exclusion must be included in income. (Capital gains and the exclusion of all or part of the gain on the sale of a main home are calculated in the same manner for both federal and State Income Tax purposes.);
- Stipends from the Volunteers in Service to America (VISTA), Foster Grandparents, and Workforce 55+ programs; and programs under Title V of the Older Americans Act of 1965;
- Proceeds received from a spouse's life insurance policy;
- Proceeds received by the beneficiary of a Special Needs Trust;
- Proceeds received from viatical settlements;
- Agent Orange payments;
- Reparation payments to Japanese Americans by the federal government pursuant to sections 105 and 106 of the Civil Liberties Act of 1988, P.L. 100-383 (50 U.S.C. App. 1989b-4 and 1989b-5);

- Rewards involving health care fraud or abuse that apply to N.J.A.C. 10:49-13.4;
- Rollovers from one financial instrument (pension, annuity, IRA, insurance contract or other retirement benefit) to another financial instrument;
- Tax-free exchanges of a policy or contract handled between two insurance companies;
- Insurance policyholder's original contributions if demutualization of the policy occurs;
- Income Tax refunds (New Jersey, federal, and other jurisdictions).

Filing Requirements

Due Date October 31, 2022

Eligible applicants must file the 2021 Senior Freeze application (Form PTR-1) on or before October 31, 2022. Applications postmarked on or before the due date are considered to be filed on time. Applications postmarked after the due date are considered to be filed late.

Proof of Age/Disability

Applicants age 65 or older must submit proof of age with their applications. Examples of acceptable documentation include copies of the following:

- Birth certificate;
- Driver's license;
- Church records.

Applicants who are not age 65 or older, but are receiving federal Social Security disability benefit payments, must submit a copy of the Social Security Award Letter indicating that the applicant was receiving benefit payments. An applicant does not qualify if receiving benefits on behalf of someone else.

Proof of Payment

Applicants are required to submit with their applications proof of the amount of property taxes that were due **and** paid. The Division of Taxation will accept copies of the following:

Homeowners

1. **Property tax bills** for both 2020 and 2021, **along with**

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2. **Proof of the amount of property taxes paid**, which can be either:
- Copies of cancelled checks or receipts for both 2020 and 2021 showing the amount of property taxes paid; or
 - Copies of Form 1098 for both 2020 and 2021 that you received from your mortgage company showing the amount of property taxes that were paid out of your escrow account.

Verification Form. We realize that you may not be able to locate your 2020 and 2021 property tax bills or proof of the amount of taxes paid. For your convenience, we have included a form in this booklet (Form PTR-1A) that you can submit as proof. Form PTR-1A also is available on the Division of Taxation's website at nj.gov/treasury/taxation/ptr/printform.shtml.

NOTE: If you use Form PTR-1A, you must have your local tax collector complete and certify Part II as to the amount of property taxes due and paid for both 2020 and 2021. Enclose the completed verification form with Form PTR-1.

Co-ops and continuing care retirement facilities. Residents of cooperative dwelling units and continuing care retirement facilities must get a statement from their management indicating their share of property taxes paid for the residential unit they occupy and submit the statement with Form PTR-1. Co-op residents can also use form PTR-1A Co-op to provide this information. The form is available on the Division's website at nj.gov/treasury/taxation/ptr/printform.shtml. Form PTR-1A Co-op must be certified by the co-op manager and submitted with Form PTR-1.

Multiple owners (if property is owned by more than one person, other than husband and wife or civil union partners). If title to the property is held by the eligible applicant with others as tenants in common or joint tenants (except in the case of a husband and wife or civil union partners), the applicant is only eligible for the proportionate share of the Senior Freeze that reflects their percentage of ownership. This is true even if the other owner(s) did not live there. The shares of ownership of the

property are considered to be held equally by all owners. If the shares of ownership are not equal, the applicant must provide documentation as to the percentage of ownership.

Multiple units (if property consists of more than one unit). If the property consists of more than one unit, the applicant is only eligible for the proportionate share of the Senior Freeze that reflects the percentage of the property used as their main home.

Mobile Home Owners

- A copy of the contract(s) or agreement(s)** for both 2020 and 2021 from the mobile home park showing the amount of your site fees, **along with**
- Proof of the amount of site fees paid**, which can be either:
 - Copies of cancelled checks or receipts for both 2020 and 2021 showing the amount of site fees paid; or
 - A signed statement from the mobile home park management showing the amount of site fees paid for both 2020 and 2021.

Verification Form. In place of 1 and 2 above, mobile home owners can provide a completed Form PTR-1B, which is included in this booklet. Form PTR-1B also is available on the Division of Taxation's website at nj.gov/treasury/taxation/ptr/printform.shtml.

NOTE: If you use Form PTR-1B, you must have the owner or manager of the mobile home park complete and certify Part II as to the amount of mobile home park site fees due and paid for both 2020 and 2021. Enclose the completed verification form with Form PTR-1.

Deceased Residents

If a person met all the eligibility requirements for 2020 and 2021, but died after 12:01 a.m. on December 31, 2021, and before filing an application, Form PTR-1 should be filed by the surviving spouse or personal representative (executor or administrator of an estate or anyone who is in charge of the decedent's personal property).

Marital/Civil Union Status

Indicate on line 1 the marital/civil union status of the applicant(s) on December 31, 2020, and indicate on line 2 the marital/civil union status of the applicant(s) on December 31, 2021. (See “Marital/Civil Union Status” on page 6.)

Name and Address

- *Married/CU Couple (joint application):* Write the name and address of the decedent and the surviving spouse in the name and address fields. Print “Deceased” and the date of death above the decedent’s name.
- *Single:* Write the decedent’s name in the name field and the personal representative’s name and address in the remaining fields. Print “Deceased” and the date of death above the decedent’s name.

Signatures

- *Personal representative:* If a personal representative has been appointed, that person must sign the application in their official capacity. The surviving spouse must also sign if it is a joint application.
- *No personal representative – joint application:* If no personal representative has been appointed, the surviving spouse signs the application and writes “Filing as Surviving Spouse” or “Filing as Surviving Civil Union Partner” in the signature section.
- *No personal representative – single application:* If no personal representative has been appointed and there is no surviving spouse, the person in charge of the decedent’s property must sign the application as “personal representative.”

When a spouse dies prior to December 31, the surviving spouse must meet all the eligibility requirements for 2021 themselves. The marital/civil union status of the survivor who does not remarry or enter into a new civil union during that year is “Single.”

Check the box above the signature line and enclose a copy of the decedent’s death certificate to have the check issued to the surviving spouse or estate.

Senior Freeze Checks

Checks will be mailed to qualified applicants as follows:

If you applied	Your check will be issued on or before
Before May 1, 2022	July 15, 2022
Between May 1 – June 1, 2022	Sept. 1, 2022
Between June 2 – Sept. 1, 2022	Nov. 1, 2022
Between Sept. 2 – Oct. 31, 2022	Dec. 1, 2022

NOTE: Eligibility requirements, including income limits, and benefits available under this program are subject to change by the State Budget. Check the Division of Taxation’s website at nj.gov/treasury/taxation/ptr/index.shtml or call 1-800-323-4400 for updated information. (See “Impact of State Budget” on page 1.)

Under New Jersey law, if you receive a Senior Freeze that is larger than the amount for which you are eligible, you must repay any excess you received. The amount you owe can be deducted from your Senior Freeze, Income Tax refund or credit, or Homestead Benefit before a payment is issued.

Privacy Act Notification

The federal Privacy Act of 1974 requires an agency requesting information from individuals to inform them why the request is being made and how the information is being used.

The Division of Taxation uses your Social Security number primarily to account for and give credit for tax payments. We also use Social Security numbers in the administration and enforcement of all tax laws for which we are responsible. In addition, the Division is required by law to forward an annual list to the Administrative Office of the Courts containing the names, addresses, and Social Security numbers of individuals who file a New Jersey tax return or property tax benefit application. This list will be used to avoid duplication of names on jury lists.

Completing the Application

Name and Address

Place the peel-off label in the name and address section at the top of the application. You will find your preprinted name and address label inside the insert at the front of this booklet. **Do not use the mailing label if any of the information is inaccurate.** If the information on the preprinted label is incorrect or if you did not receive a preprinted label, print or type your name (last name first), complete address, and ZIP Code in the spaces provided. Include your spouse's name if your marital/civil union status as of December 31, 2021, was married/CU couple. Your check and next year's application will be sent to the address you provide.

Social Security Number

If your marital/civil union status as of December 31, 2021, was single, you must enter your Social Security number in the space provided on the application, one digit in each box. To protect your privacy, your Social Security number is not printed on your name and address label. If your status as of December 31, 2021, was married/CU couple, you must report both applicants' numbers in the order in which the names are listed on the application. If you were married or in a civil union but living apart from your spouse, and you did not have access to or receive support from your spouse's income, you are considered "Single" for purposes of this program. Enter only your Social Security number on the application.

If you (or your spouse) do not have a Social Security number, file Form SS-5 with the Social Security Administration to apply for one. If you are not eligible for a Social Security number, you must file Form W-7 with the Internal Revenue Service to get an individual taxpayer identification number (ITIN). If you applied for but have not received an ITIN by the due date, enclose a copy of your federal Form W-7 application with Form PTR-1.

County/Municipality Code

Enter your four-digit county/municipality code, one digit in each box, from the table on page 14. This code identifies the county and municipality of your current residence. The county and municipality

codes in these instructions are for Division of Taxation purposes only.

NOTE: If the local name of the place where you live is not listed, enter the code for the municipality where the property taxes were paid on your home. (To get the name of your municipality, go to nj.gov/nj/gov/county/localities.html.)

Marital/Civil Union Status

(Lines 1 and 2)

Line 1. Indicate your marital/civil union status on December 31, 2020. Fill in only one oval (●). If you were married or in a civil union but living apart from your spouse, and you did not have access to or receive support from your spouse's income, you are considered "Single" for purposes of this program.

Line 2. Indicate your marital/civil union status on December 31, 2021. Fill in only one oval (●). If you were married or in a civil union but living apart from your spouse, and you did not have access to or receive support from your spouse's income, you are considered "Single" for purposes of this program.

Age/Disability Status

(Lines 3 and 4)

Fill in the oval (●) to indicate your status:

Line 3a. Indicate whether you were 65 or older on December 31, 2020. Fill in the appropriate oval to the right of "Yourself." If your marital/civil union status was married/CU couple, fill in the appropriate oval to the right of "Spouse/CU Partner."

Line 3b. Indicate whether you were actually receiving federal Social Security disability benefit payments on or before December 31, 2020. Fill in the appropriate oval to the right of "Yourself." If your marital/civil union status was married/CU couple, fill in the appropriate oval to the right of "Spouse/CU Partner."

Line 4a. Indicate whether you were 65 or older on December 31, 2021. Fill in the appropriate oval to the right of "Yourself." If your marital/civil union

status was married/CU couple, fill in the appropriate oval to the right of "Spouse/CU Partner."

Line 4b. Indicate whether you were actually receiving federal Social Security disability benefit payments on or before December 31, 2021. Fill in the appropriate oval to the right of "Yourself." If your marital/civil union status was married/CU couple, fill in the appropriate oval to the right of "Spouse/CU Partner."

Applicant(s) must meet the age or disability requirements for **both 2020 and 2021** to be eligible. File the application **only** if you or your spouse met the requirements.

Residency Requirements (Lines 5 and 6)

Line 5. Fill in the "Yes" oval (●) if you lived in New Jersey continuously since December 31, 2010, or earlier as either a homeowner or a renter. If "No," **you are not eligible, and you should not file this application.**

Line 6. Fill in the "Yes" oval (●) if you owned and lived in the same home for which you are claiming the Senior Freeze (or leased a site in a mobile home park in New Jersey on which you placed a manufactured or mobile home that you own) continuously since December 31, 2017, or earlier. If "No," **you are not eligible, and you should not file this application.**

Important

You must satisfy all the requirements at lines 3, 4, 5, and 6 for BOTH 2020 AND 2021 to be eligible. File the application only if you met the requirements.

Determining Total Income (Lines 7 and 8)

2020 Total Income*		2021 Total Income*	
If your total 2020 income was...	Then...	If your total 2021 income was...	Then...
\$92,969 or less	You meet the income eligibility requirement for 2020. Continue completing the application.	\$94,178 or less	You meet the income eligibility requirement for 2021. Continue completing the application.
Over \$92,969	You are not eligible and should not file this application.	Over \$94,178	You are not eligible and should not file this application.

* **These income limits apply regardless of your marital/civil union status.** If your status at line 1 and/or line 2, Form PTR-1, was married/CU couple, you must report the combined income of both spouses/CU partners for that year.

Determining Total Income (Lines 7 and 8)

Review "Income Categories" on page 8 before entering your income amounts for 2020 and 2021 on lines a through q. For a list of sources of income that you are not required to take into account to determine income eligibility, see page 3.

Line 7

Total 2020 Income. List all the income you received in 2020. Add the amounts on lines a through q and enter the result on line 7. If you were married or in a civil union as of December 31, 2020, and living in the same household, you must combine your income with your spouse's income. If your spouse died during 2020 and your status on December 31, 2020, was "Single," list

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only the income you yourself received (do not include your deceased spouse's income). Joint income must be apportioned to reflect the amount you received.

2020 Income Eligibility. If your total 2020 income on line 7 was \$92,969 or less, you meet the income eligibility requirement for 2020 (see chart on page 7). Continue to line 8 and check your income eligibility for 2021.

If the amount on line 7 is over \$92,969, STOP. **You are not eligible, and you should not file this application.**

Line 8

Total 2021 Income. List all the income you received in 2021. Add the amounts on lines a through q and enter the result on line 8. If you were married or in a civil union as of December 31, 2021, and living in the same household, you must combine your income with your spouse's income. If your spouse died during 2021 and your status on December 31, 2021, was "Single," list only the income you yourself received (do not include your deceased spouse's income). Joint income must be apportioned to reflect the amount you received.

2021 Income Eligibility. If your total 2021 income on line 8 was \$94,178 or less, you meet the income eligibility requirement for 2021. (See chart on page 7.) Continue completing the application with line 9.

If the amount on line 8 is over \$94,178, STOP. **You are not eligible, and you should not file this application.**

Income Categories

With very few exceptions, **ALL INCOME** that you received during the year, including income that you are not required to report on your New Jersey Income Tax return, must be taken into account to determine eligibility for the Senior Freeze. In most cases, you must report on your application the total (gross) amount of income you received, whether taxable or nontaxable.

If you have a loss in one category of income, you can apply it against income in the same category. However, if you have a net loss in one category

of income, you **cannot** apply it against income or gains in a different category. In the case of a net loss in any category, leave that line blank.

Enter dollars and cents in the fields as shown:

a. Social Security Benefits...

Line A

Enter the total amount of Social Security or Railroad Retirement benefits (including Medicare Part B premiums) from Box 5 of Form SSA-1099 or Form RRB-1099.

Line B

Enter the total amount (after adjustments below) of pension and annuity payments, including IRA withdrawals, that you reported as Pensions, Annuities, and IRA Withdrawals on your New Jersey resident Income Tax Return, Form NJ-1040 (line 20a). If you are required to file Form NJ-1040, you must complete that line before you complete your PTR-1 application.

If you are not required to file Form NJ-1040, you must calculate the amount you would have reported as Pensions, Annuities, and IRA Withdrawals if you did file the return. For your convenience, a copy of the instructions for completing that line of Form NJ-1040 has been included in this booklet as Appendix A. You can use those instructions to calculate the amount for both 2020 and 2021.

Adjustments. For purposes of this program, you **must** make adjustments as follows:

1. *Add* any amounts received as U.S. military pension or survivor's benefit payments.
2. *Add* any amounts received as a total and permanent disability pension **before you reached age 65. Note:** Once you reach age 65, you must include any payments you receive from a disability pension.
3. *Add* the portion of any distribution from a Roth IRA you received that you would have reported if it were a traditional IRA. (See Appendix A.)

Do not include income from a direct rollover to another financial instrument, a tax-free exchange of a policy or contract between two insurance companies, or a conversion from an existing traditional IRA to a Roth IRA.

Line C

Enter the total amount of wages, salaries, tips, and other compensation you received from all employment both inside and outside New Jersey as shown in Box 1 of Form W-2. Also include the total amount you received from fees, commissions, bonuses, and any other payments received for services performed both inside and outside New Jersey that are not already listed. Include all payments you received whether in cash, benefits, or property.

Line D

Enter the total amount of unemployment benefits you received as shown in Box 1 of Form 1099-G.

If you received family leave insurance benefits, enter the total amount shown in Box 1 of the Form 1099-G you received for those payments.

Line E

Enter the total amount of disability benefits you received, including veterans' and black lung benefits.

Do not include on this line Social Security disability benefits or payments from a disability pension. Enter Social Security disability benefits on line a, and payments from a disability pension on line b.

Line F

Enter the total amount of interest you received from sources both inside and outside New Jersey. All interest, whether taxable or tax-exempt, must be included. If you incurred a penalty by making a withdrawal from a certificate of deposit or other time-deposit account early, you can subtract this penalty from your total interest.

Line G

Enter the total amount of dividends you received from investments (e.g., from stocks, mutual funds) or other income-producing activities that do not constitute a trade or business. The total amount of dividends received, regardless of where earned, must be reported.

Line H

Enter the total amount of capital gains you received from the sale, exchange, or other disposition of property. This includes all gains or income derived from the sale of real property (e.g., house,

condominium unit, parcel of land) and personal property whether tangible (e.g., car, jewelry, furniture) or intangible (e.g., stocks, bonds, mutual funds). All gains, whether taxable or nontaxable, must be reported.

Capital gains on the sale of a main home of up to \$250,000 for a single person or up to \$500,000 for a married/civil union couple that are excluded from Income Tax for federal and New Jersey purposes can be excluded. Capital gains in excess of the allowable exclusion must be reported.

Line I

Enter the net amount (after expenses) of rental income you received.

Line J

Enter the net amount of income (profits) from your business, trade, or profession whether carried on inside or outside New Jersey.

Line K

Enter the net amount of your distributive share of partnership income, whether or not the income was actually distributed.

Line L

Enter the amount of your net pro rata share of S corporation income, whether or not the income was actually distributed.

Line M

Enter the court-ordered alimony and separate maintenance payments you received. Do not include payments received for child support.

Line N

Enter the total amount you received as an inheritance (whether received in the form of cash or property) except for transfers of property or assets from a deceased spouse to a surviving spouse. You must also report any income you received as a beneficiary of an estate or trust.

Also include on this line the total value of any property or assets you received as a gift or bequest and amounts paid as death benefits. In addition, you must report life insurance proceeds payable by reason of death, except for payments to the spouse of the deceased.

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Line O

Enter the total amount of income you received from royalties.

Line P

Enter the total amount of gambling and lottery winnings you received, including all New Jersey Lottery winnings.

Line Q

Enter the total amount of any other income you received for which a place has not been provided elsewhere on the application. Income from sources both legal and illegal must be included.

Principal Residence (Main Home) (Lines 9–12)

Line 9 – Status

Fill in the oval (●) to indicate whether you are a “Homeowner” or “Mobile Home Owner.” Fill in only one oval.

Line 10 – Block and Lot Numbers

Homeowners, enter the Block and Lot Numbers of your residence. Include qualifier if applicable (condominiums only). You can get this information from your current property tax bill or from your local tax collector.

Enter the Block and Lot Numbers in the boxes like this:

Example: Block 3105.62 Lot 14.3

Block

	3	1	0	5
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 .

6	2		
---	---	--	--

Lot

		1	4
--	--	---	---

 .

3			
---	--	--	--

Mobile Home Owners will not have a block or lot number.

Line 11a – Multiple Owners

Homeowners. Check “Yes” only if you owned the property that was your main home with someone who was not your spouse — even if the other owner(s) did not live there. For example, you and your sister owned the home you lived in. If you (and your spouse) were the sole owner(s), check “No.”

Mobile Home Owners. If you occupied your mobile home with someone who was not your spouse and shared site fees with them, check “Yes.” If

you (and your spouse) were the sole occupant(s), check “No.”

Line 11b – Percentage of Ownership

Homeowners. If you answered “Yes” at line 11a, enter the share (percentage) of the property you (and your spouse) owned.

Example: You and your spouse owned a home with your sister. Your sister did not live with you, and you and your spouse paid all the property taxes. You must enter 50% on line 11b of your application because you and your spouse owned only one-half (50%) of the property. If your sister also is eligible, she must file a separate application.

Mobile Home Owners. If you answered “Yes” at line 11a, enter the share (percentage) of site fees that you (and your spouse) paid.

Line 12a – Multi-Unit Properties

Check “Yes” if your main home was a unit in a multi-unit property that you owned. For example, you owned a property consisting of four residential units and you occupied one of the units as your main home. If the property is not a multi-unit property, check “No.”

“Unit of residential property” means a single, separate dwelling unit that includes complete, independent living facilities for one or more persons. This unit must contain permanent provisions for living, sleeping, eating, cooking, and sanitation along with separate kitchen and bathroom facilities.

NOTE: Residents of condominium complexes, co-ops, and continuing care retirement facilities are not considered to be living in multi-unit properties and should check “No.”

Line 12b – Percentage of Occupancy

If you answered “Yes” at line 12a, enter the share (percentage) of the property that you (and your spouse) used as your main home.

Example: You owned a four-unit property. The units are equal in size, and one of the units was your main home. You occupied one-fourth (25%) of the property as your main home. Enter 25% at line 12b.

NOTE:

- If the property you owned consists of more than four units, you do not qualify for the Senior Freeze, even if one of the units was your main home.
- If the property you owned contains more than one commercial unit, you do not qualify for the Senior Freeze, even if it also includes a residential unit you used as your main home.

2021 and 2020 Property Taxes (Lines 13 and 14)

Homeowners

Check the box if the property spans more than one lot or is located in more than one municipality, or if you paid property taxes on any other nearby unoccupied lots that you use for residential purposes (e.g., empty lot used as a yard, a lot with a garage or parking space). Include taxes assessed and paid on the additional lots on lines 13 and 14.

Enter your total property taxes due and paid on your main home in New Jersey for 2021 on line 13, and for 2020 on line 14. (If you received a senior citizen's deduction, veteran's deduction, Regional Efficiency Aid Program (REAP) credit, and/or Homestead Benefit credit(s) in 2020 or 2021, enter the amount of property taxes actually due and paid before the deduction(s) and/or credit(s) were subtracted.)

If you enclose Form PTR-1A, you must enter on lines 13 and 14 the property tax amounts for 2020 and 2021 from the boxes at line 5 in Part II.

Enter dollars and cents, one digit in each box. Do not use dollar signs or dashes. You must have paid the full amount of 2021 property taxes due by June 1, 2022, and the full amount of 2020 property taxes due by June 1, 2021, to be eligible.

NOTE:

- If you (or your spouse) are a totally and permanently disabled veteran who received a 100% exemption from local property taxes in 2020 or 2021, you are not eligible for a Senior Freeze, even if a portion of the property was rented to a tenant and property taxes were paid on the rented portion.

- If you made P.I.L.O.T. (Payments-in-Lieu-of-Tax) payments to your municipality during 2020 or 2021, these payments are not considered property taxes for purposes of this program.

Residents of cooperative dwelling units and continuing care retirement facilities must get a statement from their management indicating their share of property taxes paid for the residential unit they occupy, or submit Form PTR-1A Co-op that has been certified by the co-op manager.

Multiple Owners. If you owned your home with someone who was not your spouse, enter for each year the proportionate share of the property taxes for your percentage of ownership listed at line 11b. The shares of ownership of the property are considered to be held equally by all owners. If the shares of ownership are not equal, enclose a copy of your deed or other documentation with your application showing your percentage of ownership.

Example: You and your sister (who lives in another state) are co-owners of a home on which you pay all the property taxes. If the 2021 property taxes totaled \$6,000 and the 2020 property taxes totaled \$5,000, you must indicate at line 11b that you owned 50% of the property, and you must enter \$3,000 ($\$6,000 \times 50\%$) on line 13 and \$2,500 ($\$5,000 \times 50\%$) on line 14. You are only eligible for a proportionate share of the Senior Freeze based on your percentage of ownership in the property. Your sister is not eligible for the Senior Freeze for this home because she does not live there.

Multiple Units. If your main home was a unit in a multi-unit property that you owned, enter for each year the proportionate share of the property taxes for the unit you occupied as your main home.

Example: You own a four-unit property. If the 2021 property taxes for the entire property totaled \$4,000 and the 2020 property taxes totaled \$3,800 and you indicated at line 12b that you occupied 25% of the property (one unit), you must enter \$1,000 ($\$4,000 \times 25\%$) on line 13 and \$950 ($\$3,800 \times 25\%$) on line 14. You are only eligible for a proportionate share of the Senior Freeze based on the portion of the property that you occupied as

2021 Form PTR-1 Instructions

your main home, even if you paid all of the property taxes.

Multi-Unit Property With Multiple Owners. If you answered “Yes” at both lines 11a and 12a for 2020 or 2021, use the percentage of occupancy on line 12b to calculate your proportionate share of property taxes.

Mobile Home Owners

Enter your property taxes due and paid on your main home in New Jersey for 2021 on line 13, and for 2020 on line 14. (For mobile home owners, property taxes are 18% of the annual site fees due and paid to the owner of the mobile home park.) If you lived with someone who was not your spouse and shared the site fees with them, use the percentage entered on line 11b to calculate the proportionate share of the site fees paid by you (and your spouse). Multiply the amount of site fees for each year by 18% (0.18) and enter the result in the boxes at lines 13 and 14.

If you enclose Form PTR-1B, you must enter on lines 13 and 14 the property tax amounts for 2020 and 2021 from the boxes at line 6 in Part III.

Enter dollars and cents, one digit in each box. Do not use dollar signs or dashes. You must have paid the full amount of site fees due for 2021 by December 31, 2021, and the full amount of site fees due for 2020 by December 31, 2020, to be eligible for the Senior Freeze.

Important

You must enclose verification of 2020 and 2021 property taxes (or mobile home park site fees) due and paid with Form PTR-1. See page 3 for acceptable forms of proof.

Reimbursement Amount (Line 15)

Subtract line 14 from line 13 and enter the result on line 15. Enter dollars and cents, one digit in each box. Do not use dollar signs or dashes. This is the amount of your 2021 Senior Freeze. If the amount on line 15 is zero or less, **you are not eligible, and you should not file this application.**

The total amount of all property tax relief benefits you receive for 2021 (Senior Freeze, Homestead Benefit, Property Tax Deduction for senior citizens/disabled persons, and Property Tax Deduction for veterans) cannot be more than the total amount of property taxes or rent/site fees constituting property taxes paid for 2021 on your main home in New Jersey. (For this purpose, 18% of rent/site fees paid during the year is considered property taxes.) This limitation may affect the amount of your Senior Freeze.

NOTE: Eligibility requirements, including income limits, and benefits available under this program are subject to change by the State Budget. Check the Division of Taxation’s website at nj.gov/treasury/taxation/ptr/index.shtml or call 1-800-323-4400 for updated information. (See “Impact of State Budget” on page 1.)

Under New Jersey law, if you receive a Senior Freeze that is larger than the amount for which you are eligible, you must repay any excess you received. The amount you owe can be deducted from your Senior Freeze, Income Tax refund or credit, or Homestead Benefit before a payment is issued.

Signatures

Sign and date your application in blue or black ink. If your 2021 marital/civil union status is married/CU couple, both of you must sign the application. The signatures on the application you file must be original; photocopied signatures are not acceptable. We cannot process an application without the proper signature(s) and will return it to you. This can delay your check.

Daytime Telephone Number and/or Email Address. Providing your daytime phone number and/or email address may help us process your application if we have questions. If you are filing a joint application, you can enter either your or your spouse’s daytime phone number and/or email address.

Tax Preparers. Anyone who prepares an application for a fee must sign the application as a “Paid Preparer” and enter their Social Security

number or federal preparer tax identification number. Include the company or corporation name and federal identification number if applicable. A tax preparer who fails to sign the application or provide a tax identification number may incur a \$25 penalty for each omission. Someone who prepares your application but does not charge you should not sign your application.

Where to Send Your Application

When you have completed and signed your application, use the envelope provided in the booklet to

mail the application and supporting documentation to:

NJ Division of Taxation
Revenue Processing Center
Senior Freeze (PTR)
PO Box 635
Trenton, NJ 08646-0635

For information or help in completing your application, call the Senior Freeze Hotline at 1 (800) 882-6597 to speak to a Division of Taxation representative.

Important Points to Remember

1. Complete the entire application. Provide full information for both **2020** and **2021**.
2. You must meet the eligibility requirements for both **2020** and **2021** (see page 1).
3. Enclose proof of age or disability for **2020** and **2021**.
4. Homeowners, enclose copies of your **2020** and **2021** property tax bills and proof of payment **or** Form PTR-1A. Mobile home owners, enclose proof of **2020** and **2021** site fees due and paid **or** Form PTR-1B.
5. File your application on or before **October 31, 2022**.
6. If you meet the eligibility requirements for both **2020** and **2021**, you **must** file this application to use the amount of your **2020** property taxes to calculate your Senior Freeze in future years.
7. Eligibility requirements, including income limits, and benefits available under this program are subject to change by the State Budget. (See "Impact of State Budget" on page 1.)

Caution!!!

This is not an application for a Homestead Benefit. You must file a separate application to apply for a Homestead Benefit.

2021 County/Municipality Codes

Enter the appropriate four-digit number in the boxes below the Social Security number boxes on Form PTR-1. These codes are for Division of Taxation purposes only. If the place where you live is not listed, see instructions on page 6.

Municipality	Code	Municipality	Code	Municipality	Code
ATLANTIC COUNTY					
Absecon City	0101	Hasbrouck Heights Bor.	0225	Bordentown Township	0304
Atlantic City	0102	Haworth Borough	0226	Burlington City	0305
Brigantine City	0103	Hillsdale Borough	0227	Burlington Township	0306
Buena Borough	0104	Ho Ho Kus Borough	0228	Chesterfield Township	0307
Buena Vista Township	0105	Leonia Borough	0229	Cinnaminson Township	0308
Corbin City	0106	Little Ferry Borough	0230	Delanco Township	0309
Egg Harbor City	0107	Lodi Borough	0231	Delran Township	0310
Egg Harbor Township	0108	Lyndhurst Township	0232	Eastampton Township	0311
Estell Manor City	0109	Mahwah Township	0233	Edgewater Park Township	0312
Folsom Borough	0110	Maywood Borough	0234	Evesham Township	0313
Galloway Township	0111	Midland Park Borough	0235	Fieldsboro Borough	0314
Hamilton Township	0112	Montvale Borough	0236	Florence Township	0315
Hammonton Town	0113	Moonachie Borough	0237	Hainesport Township	0316
Linwood City	0114	New Milford Borough	0238	Lumberton Township	0317
Longport Borough	0115	North Arlington Borough	0239	Mansfield Township	0318
Margate City	0116	Northvale Borough	0240	Maple Shade Township	0319
Mullica Township	0117	Norwood Borough	0241	Medford Township	0320
Northfield City	0118	Oakland Borough	0242	Medford Lakes Borough	0321
Pleasantville City	0119	Old Tappan Borough	0243	Moorestown Township	0322
Port Republic City	0120	Oradell Borough	0244	Mount Holly Township	0323
Somers Point City	0121	Palisades Park Borough	0245	Mount Laurel Township	0324
Ventnor City	0122	Paramus Borough	0246	New Hanover Township	0325
Weymouth Township	0123	Park Ridge Borough	0247	North Hanover Township	0326
BERGEN COUNTY					
Allendale Borough	0201	Ramsey Borough	0248	Palmyra Borough	0327
Alpine Borough	0202	Ridgefield Borough	0249	Pemberton Borough	0328
Bergenfield Borough	0203	Ridgefield Park Village	0250	Pemberton Township	0329
Bogota Borough	0204	Ridgewood Village	0251	Riverside Township	0330
Carlstadt Borough	0205	River Edge Borough	0252	Riverton Borough	0331
Cliffside Park Borough	0206	River Vale Township	0253	Shamong Township	0332
Closter Borough	0207	Rochelle Park Township	0254	Southampton Township	0333
Cresskill Borough	0208	Rockleigh Borough	0255	Springfield Township	0334
Demarest Borough	0209	Rutherford Borough	0256	Tabernacle Township	0335
Dumont Borough	0210	Saddle Brook Township	0257	Washington Township	0336
East Rutherford Borough	0212	Saddle River Borough	0258	Westampton Township	0337
Edgewater Borough	0213	South Hackensack Twp.	0259	Willingboro Township	0338
Elmwood Park Borough	0211	Teaneck Township	0260	Woodland Township	0339
Emerson Borough	0214	Tenaflly Borough	0261	Wrightstown Borough	0340
Englewood City	0215	Teterboro Borough	0262	CAMDEN COUNTY	
Englewood Cliffs Borough	0216	Upper Saddle River Bor.	0263	Audubon Borough	0401
Fair Lawn Borough	0217	Waldwick Borough	0264	Audubon Park Borough	0402
Fairview Borough	0218	Wallington Borough	0265	Barrington Borough	0403
Fort Lee Borough	0219	Washington Township	0266	Bellmawr Borough	0404
Franklin Lakes Borough	0220	Westwood Borough	0267	Berlin Borough	0405
Garfield City	0221	Woodcliff Lake Borough	0268	Berlin Township	0406
Glen Rock Borough	0222	Wood-Ridge Borough	0269	Brooklawn Borough	0407
Hackensack City	0223	Wyckoff Township	0270	Camden City	0408
Harrington Park Borough	0224	BURLINGTON COUNTY		Cherry Hill Township	0409
		Bass River Township	0301	Chesilhurst Borough	0410
		Beverly City	0302		
		Bordentown City	0303		

2021 County/Municipality Codes

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Municipality	Code	Municipality	Code	Municipality	Code
MERCER COUNTY					
East Windsor Township	1101	Colts Neck Township	1310	Chester Borough	1406
Ewing Township	1102	Deal Borough	1311	Chester Township	1407
Hamilton Township	1103	Eatontown Borough	1312	Denville Township	1408
Hightstown Borough	1104	Englishtown Borough	1313	Dover Town	1409
Hopewell Borough	1105	Fair Haven Borough	1314	East Hanover Township	1410
Hopewell Township	1106	Farmingdale Borough	1315	Florham Park Borough	1411
Lawrence Township	1107	Freehold Borough	1316	Hanover Township	1412
Pennington Borough	1108	Freehold Township	1317	Harding Township	1413
Princeton	1114	Hazlet Township	1318	Jefferson Township	1414
Robbinsville Township	1112	Highlands Borough	1319	Kinnelon Borough	1415
Trenton City	1111	Holmdel Township	1320	Lincoln Park Borough	1416
West Windsor Township	1113	Howell Township	1321	Long Hill Township	1430
MIDDLESEX COUNTY					
Carteret Borough	1201	Interlaken Borough	1322	Madison Borough	1417
Cranbury Township	1202	Keansburg Borough	1323	Mendham Borough	1418
Dunellen Borough	1203	Keyport Borough	1324	Mendham Township	1419
East Brunswick Township	1204	Lake Como Borough	1346	Mine Hill Township	1420
Edison Township	1205	Little Silver Borough	1325	Montville Township	1421
Helmetta Borough	1206	Loch Arbour Village	1326	Morris Plains Borough	1423
Highland Park Borough	1207	Long Branch City	1327	Morris Township	1422
Jamesburg Borough	1208	Manalapan Township	1328	Morristown Town	1424
Metuchen Borough	1209	Manasquan Borough	1329	Mountain Lakes Borough	1425
Middlesex Borough	1210	Marlboro Township	1330	Mt. Arlington Borough	1426
Milltown Borough	1211	Matawan Borough	1331	Mt. Olive Township	1427
Monroe Township	1212	Middletown Township	1332	Netcong Borough	1428
New Brunswick City	1213	Millstone Township	1333	Parsippany-Troy Hills Twp.	1429
North Brunswick Township	1214	Monmouth Beach Borough	1334	Pequannock Township	1431
Old Bridge Township	1215	Neptune City Borough	1336	Randolph Township	1432
Perth Amboy City	1216	Neptune Township	1335	Riverdale Borough	1433
Piscataway Township	1217	Ocean Township	1337	Rockaway Borough	1434
Plainsboro Township	1218	Oceanport Borough	1338	Rockaway Township	1435
Sayreville Borough	1219	Red Bank Borough	1339	Roxbury Township	1436
South Amboy City	1220	Roosevelt Borough	1340	Victory Gardens Borough	1437
South Brunswick Township	1221	Rumson Borough	1341	Washington Township	1438
South Plainfield Borough	1222	Sea Bright Borough	1342	Wharton Borough	1439
South River Borough	1223	Sea Girt Borough	1343	OCEAN COUNTY	
Spotswood Borough	1224	Shrewsbury Borough	1344	Barneget Township	1501
Woodbridge Township	1225	Shrewsbury Township	1345	Barneget Light Borough	1502
MONMOUTH COUNTY					
Aberdeen Township	1301	Spring Lake Borough	1347	Bay Head Borough	1503
Allenhurst Borough	1302	Spring Lake Heights Bor.	1348	Beach Haven Borough	1504
Allentown Borough	1303	Tinton Falls Borough	1349	Beachwood Borough	1505
Asbury Park City	1304	Union Beach Borough	1350	Berkeley Township	1506
Atlantic Highlands Borough	1305	Upper Freehold Township	1351	Brick Township	1507
Avon-by-the-Sea Borough	1306	Wall Township	1352	Eagleswood Township	1509
Belmar Borough	1307	West Long Branch Borough	1353	Harvey Cedars Borough	1510
Bradley Beach Borough	1308	MORRIS COUNTY		Island Heights Borough	1511
Brielle Borough	1309	Boonton Town	1401	Jackson Township	1512
		Boonton Township	1402	Lacey Township	1513
		Butler Borough	1403	Lakehurst Borough	1514
		Chatham Borough	1404	Lakewood Township	1515
		Chatham Township	1405	Lavallette Borough	1516

2021 County/Municipality Codes

Enter the appropriate four-digit number in the boxes below the Social Security number boxes on Form PTR-1. These codes are for Division of Taxation purposes only. If the place where you live is not listed, see instructions on page 6.

Municipality	Code	Municipality	Code	Municipality	Code
Little Egg Harbor Township	1517	Salem City	1713	Walpack Township	1923
Long Beach Township	1518	Upper Pittsgrove Township	1714	Wantage Township	1924
Manchester Township	1519	Woodstown Borough	1715		
Mantoloking Borough	1520			UNION COUNTY	
Ocean Gate Borough	1522	SOMERSET COUNTY		Berkeley Heights Township	2001
Ocean Township	1521	Bedminster Township	1801	Clark Township	2002
Pine Beach Borough	1523	Bernards Township	1802	Cranford Township	2003
Plumsted Township	1524	Bernardsville Borough	1803	Elizabeth City	2004
Point Pleasant Borough	1525	Bound Brook Borough	1804	Fanwood Borough	2005
Pt. Pleasant Beach Borough	1526	Branchburg Township	1805	Garwood Borough	2006
Seaside Heights Borough	1527	Bridgewater Township	1806	Hillside Township	2007
Seaside Park Borough	1528	Far Hills Borough	1807	Kenilworth Borough	2008
Ship Bottom Borough	1529	Franklin Township	1808	Linden City	2009
South Toms River Borough	1530	Green Brook Township	1809	Mountainside Borough	2010
Stafford Township	1531	Hillsborough Township	1810	New Providence Borough	2011
Surf City Borough	1532	Manville Borough	1811	Plainfield City	2012
Toms River Township	1508	Millstone Borough	1812	Rahway City	2013
Tuckerton Borough	1533	Montgomery Township	1813	Roselle Borough	2014
		North Plainfield Borough	1814	Roselle Park Borough	2015
PASSAIC COUNTY		Peapack & Gladstone Bor.	1815	Scotch Plains Township	2016
Bloomington Borough	1601	Raritan Borough	1816	Springfield Township	2017
Clifton City	1602	Rocky Hill Borough	1817	Summit City	2018
Haledon Borough	1603	Somerville Borough	1818	Union Township	2019
Hawthorne Borough	1604	South Bound Brook Bor.	1819	Westfield Town	2020
Little Falls Township	1605	Warren Township	1820	Winfield Township	2021
North Haledon Borough	1606	Watchung Borough	1821		
Passaic City	1607			WARREN COUNTY	
Paterson City	1608	SUSSEX COUNTY		Allamuchy Township	2101
Pompton Lakes Borough	1609	Andover Borough	1901	Alpha Borough	2102
Prospect Park Borough	1610	Andover Township	1902	Belvidere Town	2103
Ringwood Borough	1611	Branchville Borough	1903	Blairstown Township	2104
Totowa Borough	1612	Byram Township	1904	Franklin Township	2105
Wanaque Borough	1613	Frankford Township	1905	Frelinghuysen Township	2106
Wayne Township	1614	Franklin Borough	1906	Greenwich Township	2107
West Milford Township	1615	Fredon Township	1907	Hackettstown Town	2108
Woodland Park Borough	1616	Green Township	1908	Hardwick Township	2109
		Hamburg Borough	1909	Harmony Township	2110
SALEM COUNTY		Hampton Township	1910	Hope Township	2111
Alloway Township	1701	Hardyston Township	1911	Independence Township	2112
Carneys Point Township	1702	Hopatcong Borough	1912	Knowlton Township	2113
Elmer Borough	1703	Lafayette Township	1913	Liberty Township	2114
Elsinboro Township	1704	Montague Township	1914	Lopatcong Township	2115
Lower Alloways Creek Twp.	1705	Newton Town	1915	Mansfield Township	2116
Mannington Township	1706	Ogdensburg Borough	1916	Oxford Township	2117
Oldmans Township	1707	Sandyston Township	1917	Phillipsburg Town	2119
Penns Grove Borough	1708	Sparta Township	1918	Pohatcong Township	2120
Pennsville Township	1709	Stanhope Borough	1919	Washington Borough	2121
Pilesgrove Township	1710	Stillwater Township	1920	Washington Township	2122
Pittsgrove Township	1711	Sussex Borough	1921	White Township	2123
Quinton Township	1712	Vernon Township	1922		

Appendix A
2021 Form NJ-1040 Instructions

Line 20a – Taxable pension, annuity, and IRA distributions/withdrawals

Retirement income such as pensions, annuities, and certain IRA withdrawals is taxable in New Jersey. The New Jersey taxable amount may be different from the federal amount. Enter the taxable portion on line 20a.

Common types of taxable retirement income:

- Pensions from the private sector;
- Federal, state, and local government, and teachers' pensions;
- Keogh plan distributions;
- 401(k) plan distributions;
- Early retirement benefits;
- Amounts reported as pension on Schedule NJK-1, Partnership Return Form NJ-1065;
- Civil Service pensions and annuities, even if based on credit for military service. These are received from the U.S. Office of Personnel Management.

Common types of nontaxable retirement income (do not report on this return):

- Social Security benefits;
- Railroad Retirement benefits;
- Public or private disability pension benefits until the year you turn 65. Beginning with the year you turn 65, the benefits are treated as ordinary pension income;
- U.S. Military pensions and survivor's benefit payments (Most are received from the U.S. Department of Finance and Accounting Service.)

Part-Year Residents. Include only the taxable amounts you received while you were a resident of New Jersey.

Types of Retirement Plans

Retirement plans are either noncontributory or contributory.

Noncontributory. You made no contributions to your plan. Amounts you receive from these plans are fully taxable. Enter the amount from your 1099-R on line 20a.

Contributory (Other Than IRAs). You made contributions to your plan. Contributions are usually made through payroll

deductions and, in general, are taxed when they are made. Contributions made to a retirement plan (other than a 401(k) plan) prior to moving to New Jersey are considered to have been previously taxed. These plans also may include employer contributions and earnings, which have not been taxed.

Since you have already been taxed on your contributions, you must determine which portion of your distribution is taxable and which is excludable. There are two methods of calculating the taxable and excludable amounts: Three-Year Rule Method and General Rule Method. To determine which method to use, complete Worksheet A the year you begin receiving pension and annuity payments.

Note: If you received a distribution from a 401(k) plan, do not complete Worksheet A. See the section on 401(k) plans. If you made a withdrawal from an IRA, do not complete Worksheet A or B. Instead, complete Worksheet C. See the section on IRAs.

Three-Year Rule Method. Use this method if you will recover all your contributions within 36 months from the date you receive your first payment from the plan, and both you and your employer contributed to the plan.

Do not report pension and annuity payments as income on line 20a until you have recovered all of your contributions. Instead, report these amounts on line 20b. Once you have recovered your contributions, the payments you receive are fully taxable and must be reported on line 20a.

General Rule Method. You must use this method if you will not recover your contributions within 36 months from the date you receive your first payment from the plan *or* if your employer did not contribute to the plan. Part of your pension is excludable and part is taxable every year. The excludable amount represents your contributions. Complete Worksheet B in the year you receive your first payment from the plan and keep it for your records. You will need it for calculations in future years. Recalculate the percentage on line 3 of Worksheet B only if your annual pension payments decrease.

Lump-Sum Distributions and Rollovers

When you receive a lump-sum distribution of the entire balance from a qualified employee pension, annuity, profit-sharing, or

Worksheet A
Which Pension Method to Use

1. Amount of pension you will receive during the first three years (36 months) from the date of the first payment 1. _____
2. Your contributions to the plan 2. _____
3. Subtract line 2 from line 1 3. _____
(a) If line 3 is "0" or more, *and* both you and your employer contributed to the plan, you can use the **Three-Year Rule Method**.
(b) If line 3 is less than "0," or your employer did not contribute to the plan, you must use the **General Rule Method**.

(Keep for your records)

Worksheet B
General Rule Method

- | | |
|--|------------|
| 1. Your previously taxed contributions to the plan | 1. _____ |
| 2. Expected return on contract* | 2. _____ |
| 3. Percentage excludable (Divide line 1 by line 2) | 3. _____ % |
| 4. Amount received this year | 4. _____ |
| 5. Amount excludable (Multiply line 4 by line 3)
Enter here and on line 20b, Form NJ-1040 | 5. _____ |
| 6. Taxable amount (Subtract line 5 from line 4.
Enter here and on line 20a, Form NJ-1040) | 6. _____ |

*The expected return on the contract is the amount receivable. If life expectancy is a factor under your plan, you must use federal actuarial tables to calculate the expected return. The federal actuarial tables are contained in the Internal Revenue Service's Publication 939, *General Rule for Pensions and Annuities*. Contact the IRS for this publication. If life expectancy is not a factor under your plan, the expected return is found by totaling the amounts to be received.

(Keep for your records)

other plan, any amount that exceeds your previously taxed contributions must be included in your income in the year received. New Jersey has no provision for income averaging of lump-sum distributions. Report the taxable amount on line 20a and the excludable amount on line 20b.

If you roll over a lump-sum distribution from an IRA or a qualified employee pension or annuity plan into an IRA or other eligible plan, do not report the rollover on line 20a or 20b if it qualifies for deferral for federal tax purposes. The amount rolled over (minus previously taxed contributions) will be taxable when it is withdrawn.

401(k) Plans

1. Contributions made on or after January 1, 1984, were not taxed when they were made. If all of your contributions were made on or after that date, your distributions are fully taxable unless your contributions exceed the federal limit. If your contributions exceed the federal limit, you must calculate the taxable and excludable portions of your distributions using one of the methods described under contributory plans.
2. Contributions made before January 1, 1984, were taxed when they were made. If you made contributions before that date, you must calculate the taxable and excludable portions of your distributions using one of the methods described under contributory plans.

For more information on pension and annuity income, see GIT-1 & 2, *Retirement Income*.

IRAs

Your IRA consists of contributions, earnings, and certain amounts rolled over from pension plans. In general, your contributions were taxed when they were made and are not taxable when you make a withdrawal. All the earnings and any amounts rolled over tax-free are taxable when withdrawn.

Use Worksheet C to calculate the taxable and excludable portions of your IRA withdrawal. If you made withdrawals from multiple IRAs, you can use a separate worksheet for each or combine all IRAs on one worksheet.

Lump-Sum Withdrawal. If you withdraw the total amount from an IRA, all the earnings and any amounts rolled over tax-free are taxable. You must report these amounts in the year you make the withdrawal.

Periodic Withdrawals. If you make withdrawals over a period of years, the part of the annual distribution that represents earnings is taxable. The amount taxable for New Jersey purposes may be different from the amount you report on your federal return.

For more information on IRA withdrawals, see GIT-1 & 2, *Retirement Income*.

Roth IRAs

Your contributions to a Roth IRA were taxed by New Jersey when they were made. Distributions from a Roth IRA that meet the requirements of a qualified distribution are excludable. Do not include qualified distributions on Form NJ-1040. If you received a nonqualified distribution, you must report the earnings on line 20a, and report the excludable portion on line 20b. A distribution that is considered nonqualified for federal purposes is also considered nonqualified for New Jersey purposes.

If you converted an existing IRA to a rollover Roth IRA during Tax Year 2021, any amount from the existing IRA that would be taxable if withdrawn must be included on line 20a.

For more information on Roth IRAs, see Technical Bulletin TB-44.

Appendix A
2021 Form NJ-1040 Instructions

Worksheet C – IRA Withdrawals

Part I – Calculating Taxable and Excludable Amounts

1. **Value of IRA on 12/31/21.**
Include contributions made for the tax year from 1/1/22 – 4/15/22..... 1. _____
 2. **Total distributions from IRA during the tax year.** Do not include tax-free rollovers..... 2. _____
 3. **Total Value of IRA.** Add lines 1 and 2..... 3. _____
- Unrecovered Contributions:**
Complete **either** line 4a or 4b. Then continue with line 5.
- 4a. **First year of withdrawal from IRA:**
Enter the total of IRA contributions that were previously taxed..... 4a. _____
 - 4b. **After first year of withdrawal from IRA:**
Complete Part II. Enter amount of unrecovered contributions from line 15. 4b. _____
 5. **Accumulated earnings in IRA on 12/31/21.**
Subtract either line 4a or 4b from line 3. 5. _____
 6. Divide line 5 by line 3. (Enter the result as a decimal.) 6. _____
 7. **Taxable portion of this year’s withdrawal.** Multiply line 2 by decimal amount on line 6. Enter here and on line 20a, Form NJ-1040. 7. _____
 8. **Excludable portion of this year’s withdrawal.** Subtract line 7 from line 2. Enter here and on line 20b, Form NJ-1040..... 8. _____

Part II – Unrecovered Contributions (For Second and Later Years)

See Part III if you **did not** complete Worksheet C in prior years.

9. **Last year’s unrecovered contributions.** From line 4 of last year’s Worksheet C 9. _____
10. **Amount withdrawn last year.** From line 2 of last year’s Worksheet C 10. _____
11. **Taxable portion of last year’s withdrawal.** From line 7 of last year’s Worksheet C..... 11. _____
12. **Contributions recovered last year.** Subtract line 11 from line 10. 12. _____
13. **This year’s unrecovered contributions.** Subtract line 12 from line 9..... 13. _____
14. **Contributions to IRA during current tax year.** Do not include tax-free rollovers..... 14. _____
15. **Total unrecovered contributions.** Add lines 13 and 14. Enter here and **on line 4b.** 15. _____

Part III – Unrecovered Contributions (For Second and Later Years)

Complete this section only if you did not complete Worksheet C in prior years.

Calculate the amount of unrecovered contributions as follows:

16. Total amount of **withdrawals** made from the IRA in previous years. 16. _____
17. Total of previous year withdrawal(s) already reported as income on prior New Jersey tax returns. 17. _____
18. Contributions already recovered. Subtract line 17 from line 16 18. _____
19. **Unrecovered contributions.** Subtract line 18 from the total amount of contributions made to the IRA. Enter here and **on line 4b.** 19. _____

(Keep for your records)