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Older Vermonters will significantly benefit from the Governor's comprehensive tax relief package

This commentary is by Monica White, Commissioner of the [Department of Disabilities, Aging and Independent Living \(DAIL\)](#).

Governor Scott has a plan to return over \$50 million to Vermonters by expanding existing tax credits, and offering new ones, to make Vermont more affordable for those that already live here, and to help us to be more competitive in attracting new residents. Many of these changes are reflected in his affordability package ([H.527](#)), and one of the most important proposals [increases the income thresholds for the Vermont Social Security income tax exemption](#). This change directly impacts Vermonters served by the Department of Disabilities, Aging and Independent Living (DAIL).

DAIL's mission is to make Vermont the best state in which to grow old or to live with a disability – with dignity, respect, and independence. Additional tax relief will help older Vermonters further enjoy their well-deserved retirements and enhance their financial security – directly contributing to our mission. I care deeply about this from both a professional and personal perspective.

I am extraordinarily fortunate that three of my grandparents, all in their 80s, live near me here in Vermont (my husband's grandfather too, in his 90s). Grammy and Grampy enjoy camping, travel, and spending time with their six children and dozens of grandchildren and great grandchildren. Memmere is a social butterfly who loves kayaking and dancing, and enjoying lunches with her friends. Grandpa still runs the tractor on the family farm, haying in the summer, woodworking in the winter, and giving me hunting tips in the fall. All of them have worked incredibly hard throughout their lives, and they all deserve less of a tax liability in their retirement years. This proposal, to increase the income threshold for the Vermont Social Security income tax exemption, will directly and positively impact all of my grandparents, and thousands of other Vermonters, too, in providing greater financial stability.

Vermont's population is one of the oldest in our nation and expanding the income threshold that qualifies for the Social Security income tax exemption will help to improve the quality of life for older Vermonters. This demographic is one of Vermont's biggest consumers of services, and this proposal will help to put money back into Vermont's economy. Also, in planning for retirement, savvy potential retirees understand what various states have to offer them in terms of affordability, and [most states have more](#)

[generous treatment than Vermont](#), including full exemptions in Massachusetts, Maine, and New York.

This proposal is in alignment with the [Older Vermonters Act of 2020](#), specifically: Financial security. Older Vermonters should be able to receive an adequate income and have the opportunity to maintain assets for a reasonable quality of life as they age. If older Vermonters want to work, they should be able to seek and maintain employment without fear of discrimination and with any needed accommodations. Older Vermonters should also be able to retire after a lifetime of work, if they so choose, without fear of poverty and isolation.

In the needs assessment conducted for the current [Vermont State Plan on Aging](#) (FFY2019-22), older Vermont respondents reported that:

Their top three most identified concerns for the future were financial security (57%), health care (57%), and maintaining independence and dignity (55%).

Our most recent [State Plan on Aging needs assessment](#) (conducted in 2020), provides detailed insight into the importance of financial stability for older Vermonters, including that more than three-quarters of Vermonters age sixty and over rely on Social Security as a source of income.

Taxing Social Security income makes it more challenging for older Vermonters to enjoy the retirements they have earned, along with making it increasingly difficult to pay for basic living expenses such as food, housing costs, and medications. AARP, the Community of Vermont Elders, and Vermont's five Area Agencies on Aging are in full support of a reduction to the tax liability on older Vermonters' Social Security benefits.

In conclusion, we all want to make Vermont the best state in which to grow old or to live with a disability, with dignity, respect, and independence; reducing the tax liability on Social Security income, if the Legislature supports the Governor's proposal, is a great step we can take toward achieving this mission.