Income Tax - Pension Annuity Subtraction

Will pension income received by a beneficiary due to the death of the person who earned the pension qualify for the pension/annuity subtraction? Does the beneficiary have to be related to the decedent to qualify for the subtraction?

Colorado allows a \$20,000 pension/annuity subtraction (the first \$20,000 is not taxed by Colorado) for beneficiaries (such as a widowed spouse or orphan child) who are receiving a pension or annuity because of the death of the person who earned the pension. The beneficiary does not have to be related to the decedent to qualify for the subtraction.