

SUBSTITUTE FOR
HOUSE BILL NO. 4484

A bill to amend 1992 PA 234, entitled
"The judges retirement act of 1992,"
by amending section 720 (MCL 38.2670), as amended by 2002 PA 95.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 720. (1) ~~Distributions~~**EXCEPT AS OTHERWISE PROVIDED IN**
2 **THIS SECTION, DISTRIBUTIONS UNDER TIER 1 OR TIER 2** from employer
3 contributions ~~made pursuant to section 714(2) and (3)~~and earnings
4 on those employer contributions, and distributions **UNDER TIER 1 OR**
5 **TIER 2** from employee contributions ~~made pursuant to section 714(3)~~
6 and earnings on those employee contributions, are exempt from any
7 state, county, municipal, or other local tax.

8 (2) **BEGINNING JANUARY 1, 2012, DISTRIBUTIONS UNDER TIER 1 OR**

1 TIER 2 FROM EMPLOYER CONTRIBUTIONS AND EARNINGS ON THOSE EMPLOYER
2 CONTRIBUTIONS, AND DISTRIBUTIONS UNDER TIER 1 OR TIER 2 FROM
3 EMPLOYEE CONTRIBUTIONS AND EARNINGS ON THOSE EMPLOYEE
4 CONTRIBUTIONS, ARE SUBJECT TO STATE TAX.

5 (3) ~~(2)~~—The state treasurer has the right of setoff to recover
6 overpayments made under this act and to satisfy any claims arising
7 from embezzlement or fraud committed by a qualified participant,
8 former qualified participant, refund beneficiary, or other person
9 who has a claim to a distribution or any other benefit from Tier 2.

10 (4) ~~(3)~~—The state treasurer shall correct errors in the
11 records and actions in Tier 2 under this act, and shall seek to
12 recover overpayments and shall make up underpayments.