

HOUSE BILL No. 4480

March 23, 2011, Introduced by Rep. Gilbert and referred to the Committee on Tax Policy.

A bill to amend 1943 PA 240, entitled "State employees' retirement act," by amending section 40 (MCL 38.40), as amended by 2002 PA 99.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 40. (1) ~~The~~ **EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION,**
2 **THE** right of a person to a pension, an annuity, a retirement
3 allowance, **AND** any optional benefit ~~—~~ **AND** any other right accrued
4 or accruing to any person under the provisions of this act, the
5 various funds created by this act, and all money and investments
6 and income of the funds ~~—~~ are exempt from any state, county,
7 municipal, or other local tax.

8 (2) **BEGINNING JANUARY 1, 2012, THE RIGHT OF A PERSON TO A**
9 **PENSION, AN ANNUITY, A RETIREMENT ALLOWANCE, AND ANY OPTIONAL**
10 **BENEFIT, AND ANY OTHER RIGHT ACCRUED OR ACCRUING TO ANY PERSON**
11 **UNDER THE PROVISIONS OF THIS ACT, IS SUBJECT TO STATE TAX UPON**

1 DISTRIBUTION TO THE PERSON FROM THE VARIOUS FUNDS CREATED BY THIS
2 ACT.

3 (3) The right of a person to a pension, an annuity, a
4 retirement allowance, any optional benefit, any other right accrued
5 or accruing to any person under the provisions of this act, the
6 various funds created by this act, and all money and investments
7 and income of the funds is subject to the public employee
8 retirement benefit protection act, 2002 PA 100, MCL 38.1681 TO
9 38.1689.