

Act No. 45
Public Acts of 2011
Approved by the Governor
May 25, 2011
Filed with the Secretary of State
May 25, 2011
EFFECTIVE DATE: May 25, 2011

**STATE OF MICHIGAN
96TH LEGISLATURE
REGULAR SESSION OF 2011**

Introduced by Rep. Gilbert

ENROLLED HOUSE BILL No. 4484

AN ACT to amend 1992 PA 234, entitled "An act to establish a judges retirement system; to provide for the administration and maintenance of the retirement system; to create a retirement board; to prescribe the powers and duties of the retirement board; to establish certain reserves for the retirement system; to establish certain funds; to prescribe the powers and duties of certain state departments and certain state and local officials and employees; to provide for certain disqualifications; to prescribe penalties and provide remedies; and to repeal acts and parts of acts," by amending section 720 (MCL 38.2670), as amended by 2002 PA 95.

The People of the State of Michigan enact:

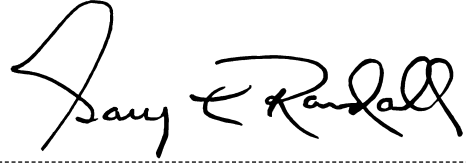
Sec. 720. (1) Except as otherwise provided in this section, distributions under Tier 1 or Tier 2 from employer contributions and earnings on those employer contributions, and distributions under Tier 1 or Tier 2 from employee contributions and earnings on those employee contributions, are exempt from any state, county, municipal, or other local tax.

(2) Beginning January 1, 2012, distributions under Tier 1 or Tier 2 from employer contributions and earnings on those employer contributions, and distributions under Tier 1 or Tier 2 from employee contributions and earnings on those employee contributions, are subject to state tax.

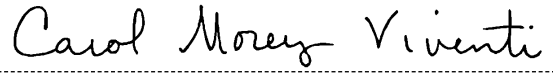
(3) The state treasurer has the right of setoff to recover overpayments made under this act and to satisfy any claims arising from embezzlement or fraud committed by a qualified participant, former qualified participant, refund beneficiary, or other person who has a claim to a distribution or any other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

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

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved

Governor