

Withholding Table Applying to Retirement Benefits due to Employment with a Governmental Entity That was Exempt from the Social Security Act for Recipients Born After 1952 and Who Have Reached Age 62

The attached tables incorporate the deductions enacted under Public Act 597 of 2012 and allowed for individuals receiving pension and retirement benefits due to employment with a government entity that was exempt under the federal Social Security Act when the recipient was born after 1952 and has attained age 62. Almost all employment is covered by the federal Social Security Act. The most common instances of pension and retirement benefits from employment that is not covered by Social Security are police and firefighter retirees, some federal retirees covered under the Civil Service Retirement System hired prior to 1984, and a small number of other state and local government retirees. Federal retirees hired since 1984 and those covered by the Federal Employees' Retirement System were covered under the Social Security Act.

The deduction applies to taxpayers who were born after 1952 and who are age 62 through 66. For a joint return, the birth date of the older spouse determines the age range for the return. For 2015, taxpayers born in 1953 with retirement benefits due to employment exempt from the Social Security Act are eligible for the deduction for the first time since they will reach age 62 during 2015. The deduction is equal to the lesser of the total amount of retirement and pension benefits or \$15,000 per worker receiving qualifying retirement benefits from exempt employment. The attached withholding table incorporates this deduction for each worker separately and will apply to single and married recipients. The deduction should only affect any pension withholding on the retirement benefits due to employment exempt from the Social Security Act. Private retirement benefits and benefits from employment with a governmental entity that were covered by the Social Security Act are generally subject to tax and the withholding due on those benefits should not be calculated using this table.

The table incorporates the current income tax rate of 4.25 percent and a personal exemption amount of \$4,000. Pension administrators can also program the appropriate withholding amount using the formulas below for benefit recipients born after 1952, who are between age 62 and age 66, and receive retirement benefits due to employment exempt from the Social Security Act.

Withholding = [Pension subject to tax – monthly pension deduction – (allowance per exemption x number of exemptions)] x 4.25%

For 2015 the monthly pension deductions and personal exemption amounts are

Pension deduction per month = $\$15,000/12 = \$1,250.00$

Personal exemption allowance = $\$4,000/12 = \333.33 per exemption

Michigan Income Tax Withholding Tables
 Monthly Pension and Retirement Payments for Recipients **Aged 62 and Older and Born After 1952**
 with Pension from Governmental Agency Where Employment was Not Covered Under Social Security
 Effective Beginning January 1, 2015

If payment is		and the number of withholding exemptions claimed is							
at least	but less than	0	1	2	3	4	5	6	
		the amount of income tax withheld is							
	\$1,250	\$0.00							
\$1,250	\$1,300	\$1.06							
\$1,300	\$1,350	\$3.19							
\$1,350	\$1,400	\$5.31							
\$1,400	\$1,450	\$7.44							
\$1,450	\$1,500	\$9.56							
\$1,500	\$1,550	\$11.69							
\$1,550	\$1,600	\$13.81	\$0.00						
\$1,600	\$1,650	\$15.94	\$1.79						
\$1,650	\$1,700	\$18.06	\$3.91						
\$1,700	\$1,750	\$20.19	\$6.04						
\$1,750	\$1,800	\$22.31	\$8.16						
\$1,800	\$1,850	\$24.44	\$10.29						
\$1,850	\$1,900	\$26.56	\$12.41	\$0.00					
\$1,900	\$1,950	\$28.69	\$14.54	\$0.34					
\$1,950	\$2,000	\$30.81	\$16.66	\$2.47					
\$2,000	\$2,050	\$32.94	\$18.79	\$4.59					
\$2,050	\$2,100	\$35.06	\$20.91	\$6.72					
\$2,100	\$2,150	\$37.19	\$23.04	\$8.84					
\$2,150	\$2,200	\$39.31	\$25.16	\$10.97					
\$2,200	\$2,250	\$41.44	\$27.29	\$13.09	\$0.00				
\$2,250	\$2,300	\$43.56	\$29.41	\$15.22	\$1.06				
\$2,300	\$2,350	\$45.69	\$31.54	\$17.34	\$3.19				
\$2,350	\$2,400	\$47.81	\$33.66	\$19.47	\$5.31				
\$2,400	\$2,450	\$49.94	\$35.79	\$21.59	\$7.44				
\$2,450	\$2,500	\$52.06	\$37.91	\$23.72	\$9.56				
\$2,500	\$2,550	\$54.19	\$40.04	\$25.84	\$11.69				
\$2,550	\$2,600	\$56.31	\$42.16	\$27.97	\$13.81	\$0.00			
\$2,600	\$2,650	\$58.44	\$44.29	\$30.09	\$15.94	\$1.79			
\$2,650	\$2,700	\$60.56	\$46.41	\$32.22	\$18.06	\$3.91			
\$2,700	\$2,750	\$62.69	\$48.54	\$34.34	\$20.19	\$6.04			
\$2,750	\$2,800	\$64.81	\$50.66	\$36.47	\$22.31	\$8.16			
\$2,800	\$2,850	\$66.94	\$52.79	\$38.59	\$24.44	\$10.29			
\$2,850	\$2,900	\$69.06	\$54.91	\$40.72	\$26.56	\$12.41	\$0.00		
\$2,900	\$2,950	\$71.19	\$57.04	\$42.84	\$28.69	\$14.54	\$0.34		
\$2,950	\$3,000	\$73.31	\$59.16	\$44.97	\$30.81	\$16.66	\$2.47		
\$3,000	\$3,050	\$75.44	\$61.29	\$47.09	\$32.94	\$18.79	\$4.59		
\$3,050	\$3,100	\$77.56	\$63.41	\$49.22	\$35.06	\$20.91	\$6.72		
\$3,100	\$3,150	\$79.69	\$65.54	\$51.34	\$37.19	\$23.04	\$8.84		
\$3,150	\$3,200	\$81.81	\$67.66	\$53.47	\$39.31	\$25.16	\$10.97		
\$3,200	\$3,250	\$83.94	\$69.79	\$55.59	\$41.44	\$27.29	\$13.09	\$0.00	
\$3,250	\$3,300	\$86.06	\$71.91	\$57.72	\$43.56	\$29.41	\$15.22	\$1.06	
\$3,300	\$3,350	\$88.19	\$74.04	\$59.84	\$45.69	\$31.54	\$17.34	\$3.19	
\$3,350	\$3,400	\$90.31	\$76.16	\$61.97	\$47.81	\$33.66	\$19.47	\$5.31	
\$3,400	\$3,450	\$92.44	\$78.29	\$64.09	\$49.94	\$35.79	\$21.59	\$7.44	
\$3,450	\$3,500	\$94.56	\$80.41	\$66.22	\$52.06	\$37.91	\$23.72	\$9.56	
\$3,500	\$3,550	\$96.69	\$82.54	\$68.34	\$54.19	\$40.04	\$25.84	\$11.69	
\$3,550	\$3,600	\$98.81	\$84.66	\$70.47	\$56.31	\$42.16	\$27.97	\$13.81	
\$3,600	\$3,650	\$100.94	\$86.79	\$72.59	\$58.44	\$44.29	\$30.09	\$15.94	
\$3,650	\$3,700	\$103.06	\$88.91	\$74.72	\$60.56	\$46.41	\$32.22	\$18.06	
\$3,700	\$3,750	\$105.19	\$91.04	\$76.84	\$62.69	\$48.54	\$34.34	\$20.19	
				4.25% of excess over \$3,750 plus					
	\$3,750 and over	\$106.25	\$92.10	\$77.90	\$63.75	\$49.60	\$35.40	\$21.25	