

GOVERNOR WHITMER'S PLAN TO REPEAL THE RETIREMENT TAX



In Michigan today, retirement income for people born after 1946 is taxed. Governor Whitmer believes that's wrong. After working for a lifetime, Michiganders should be able to retire and keep their hard-earned dollars. In 2011, Michigan's tax code was rewritten to slap a retirement tax on hundreds of thousands of Michiganders. At the time, Governor Whitmer was serving in the legislature and fought against this new tax on retirees.

PUTTING MICHIGANDERS FIRST

Tim worked for 30 years as a corrections officer—a difficult and dangerous line of work—before retiring in 2006. Susan and Dick were both teachers for over 30 years—educating and empowering thousands of students in Branch and Hillsdale County—before retiring in 2005 and 2006. Just a few years after they retired, their pensions were taxed. Tim, Susan, and Dick are still working to pay the bills. Today, Tim is painting and working odd jobs, while Dick is approaching year 15 as a Drivers Ed instructor. Susan worked for over a decade at a hair salon. After a lifetime of work, they are still worried about affording the essentials.

THE PLAN

Governor Whitmer is proposing a repeal of the retirement tax, which would save half a million households with pensions an average of \$1,000 a year. By the end of 2024, Governor Whitmer's proposal would again exempt public pensions and restore deductions for private retirement income, including private-sector pensions, withdrawals from individual retirement accounts (IRAs), and the portion of a 401k account that is subject to an employer match.

THE OPPORTUNITY

Putting hard-earned dollars back in the pockets of Michigan's retirees is good for them and good for the economy. Repealing the retirement tax can save 500,000 households an average of \$1,000 a year. That's hundreds for prescriptions, rent, utilities, car payments, or gifts for grandkids.