

MICHIGAN STATE INCOME TAX CHANGES FOR RETIREMENT BENEFITS EFFECTIVE FOR TAX YEAR 2012 (FOR RETURNS FILED IN 2013)

Types of distributions subject to withholding are pension and retirement benefits and include payments made from a pension, individual retirement account, annuity, profit-sharing, stock bonus or other deferred compensation plan. Also included are annuity payments or endowment or life insurance contract payments issued by a life insurance company.

Additional information is available on the State of Michigan website www.michigan.gov/withholding, the 2012 Pension withholding Guide is very beneficial and the Webcast Presentation explains in detail the changes.

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| <p>What are the changes for recipients born before 1946?</p> <p>There are <u>no changes</u> for those born before 1946.</p> <p>For recipients born before 1946, all benefits from public sources are exempt and benefits from private sources may be deducted up to \$45,842 for a single filer or married filer filing separately or \$91,684 for married filing a joint return for the 2012 tax year. Any private pension payment in excess of the limits above is taxable.</p> | <p>What are the changes for recipients born during the period 1946 through 1952?</p> <p>For recipients born during the period 1946 through 1952, the first \$20,000 for single filers or \$40,000 for joint filers of all private and public pension and annuity benefits may be deducted from Michigan taxable income. Benefits in excess of these limits are taxable.</p> | <p>What are the changes for recipients born after 1952?</p> <p>For recipients born after 1952, all private and public pension and annuity benefits are fully taxable and may not be deducted from Michigan taxable income.</p> |
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