

THE JUDGES RETIREMENT ACT OF 1992 (EXCERPT)
Act 234 of 1992

38.2670 Distributions; exemption from tax; subject to taxation beginning January 1, 2012; right of setoff to recover overpayments; satisfaction of claims arising from embezzlement or fraud; correction of errors.

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.

History: Add. 1996, Act 523, Eff. Mar. 31, 1997 ;-- Am. 2002, Act 95, Imd. Eff. Mar. 27, 2002 ;-- Am. 2011, Act 45, Imd. Eff. May 25, 2011