

# Michigan Pension Changes

** Born before 1946	** Born between Jan 1, 1946 and Dec 31, 1952	** Born after 1952
<ul style="list-style-type: none"> <li>Income taxed at 4.35 percent (4.25 percent starting Jan 1, 2013)</li> <li>Private pensions will <b>NOT</b> be taxed if under the current exemption threshold of \$45,120* for single filers and \$90,240* for joint filers*. Public pensions will not be taxed.</li> <li>401(k)s and IRAs will be treated the same as under current law.</li> <li>Social Security will <b>NOT</b> be taxed</li> <li>Personal exemption of \$3,700 per person*</li> <li>Military pensions will <b>NOT</b> be taxed</li> </ul>	<ul style="list-style-type: none"> <li>Income taxed at 4.35 percent (4.25 percent starting Jan 1, 2013)</li> <li>Retirement income up to \$20,000 for single filers and \$40,000 for joint filers will <b>NOT</b> be taxed. "Retirement income" includes public pensions, private pensions, 401(k)s and IRAs.</li> <li>Retirement income above these exemption levels will be taxed at 4.35 percent (4.25 starting Jan 1, 2013)</li> <li>Social Security will <b>NOT</b> be taxed</li> <li>Personal exemption of \$3,700 per person*</li> <li>Military pensions will <b>NOT</b> be taxed</li> <li>***When people born between Jan 1, 1946 and Dec. 31, 1952 turn 67, they qualify for a <b>senior income exemption</b> of \$20,000 for a single filer and \$40,000 for joint filers, regardless of income source.</li> <li>This is ON TOP OF the exemption for Social Security and personal exemption</li> </ul>	<ul style="list-style-type: none"> <li>Income taxed at 4.35 percent (4.25 percent starting Jan 1, 2013)</li> <li>Retirement income will be taxed at 4.35 percent (4.25 starting Jan 1, 2013). "Retirement income" includes public pensions, private pensions, 401(k)s and IRAs.</li> <li>Social Security will <b>NOT</b> be taxed</li> <li>Personal exemption of \$3,700 per person*</li> <li>Military pensions will <b>NOT</b> be taxed</li> <li>***When people born after 1952 turn 67, they qualify for a <b>senior income exemption</b> of \$20,000 for single filers and \$40,000 for joint, regardless of income source including Social Security.</li> <li>IF the Social Security exemption plus the personal exemption is more than the senior income exemption, the filer takes the better of the two options.</li> </ul>
<p>* Indexed for Inflation  ** Joint return based on age of older spouse  ***\$75,000 single and \$150,000 joint income eliminates the \$20,000/\$40,000 exemption</p>		