



309 N. Washington Square, #110 | Lansing, MI 48933
1-866-227-7448 | Fax: 517-482-2794 | TTY: 1-877-434-7598
aarp.org.mi | miaarp@aarp.org | twitter: @aarpmichigan
facebook.com/aarp.michigan

February 27, 2019

The Honorable Lynn Afendoulis, Chair, *and*
Members of the House Tax Policy Committee
Room 521, House Office Building
Lansing, MI 48933

Re: AARP support for House Bill 4006

Dear Chairman Afendoulis and Members of the Committee,

We are writing on behalf of AARP Michigan to express our support for House Bill 4006, which would eliminate the Michigan pension tax.

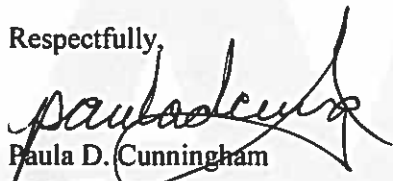
AARP is the nation’s largest nonprofit, nonpartisan organization dedicated to empowering Americans 50 and over to choose how they live as they age. With approximately 1.4 million members in Michigan, AARP advocates on issues that matter the most to people age 50 and over and their families, such as health care, financial security, support for family caregivers, retirement planning and affordable utilities.

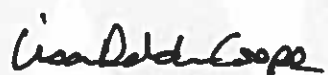
When the Michigan pension tax was created in 2011, AARP fought against it. For nearly 50 years, Michigan workers planned for retirement based on the promise that their pensions would not be impaired or diminished by the state. Public Act 38 of 2011 reduced the effective value of workers’ pension benefits even as Michigan residents were facing an erosion of their retirement security in other ways, with threats to Social Security and less confidence that other benefits promised to them as workers will still be honored.

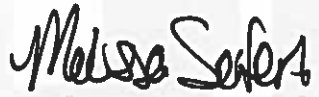
The state of retirement security in Michigan doesn’t just matter to individual retirees, but to our state’s economy as a whole. Americans age 65 and over spend a higher proportion of their income than other age groups, and older adults also tend to spend a larger share of their income locally, purchasing goods and services - particularly medical services - that are produced locally. Nevertheless, according to AARP research there is a high level of financial insecurity among Michigan’s 50+ population, with more than two-thirds of Michigan voters age 50 and over reporting that their income is falling behind the cost of living.

We appreciate this opportunity to share our support for House Bill 4006. If you have questions or if there is further information we can provide, please feel free to contact Melissa Seifert at 517.267.8934 or MSeifert@AARP.org. Thank you for your consideration.

Respectfully,


Paula D. Cunningham
State Director


Lisa Dedden Cooper
Manager of Advocacy


Melissa Seifert
Associate State Director/Government Affairs