



**House  
Legislative  
Analysis  
Section**

Olds Plaza Building, 10th Floor  
Lansing, Michigan 48909  
Phone: 517/373-6466

**UNEMPLOYMENT ELIGIBILITY:  
EXEMPT IRA AS INCOME**

**House Bill 4101**

**Sponsor: Rep. James McNutt**

**Committee: Human Resources and Labor**

**Complete to 3-6-95**

**A SUMMARY OF HOUSE BILL 4101 AS INTRODUCED 1-17-95**

Currently, under Section 27 of the Michigan Employment Security Act, the weekly benefit rate of a claimant for unemployment benefits is reduced by a certain amount if the claimant receives (or will receive) a retirement benefit from an employer who contributed to the claimant's retirement plan and who is chargeable for unemployment benefits.

The bill would amend the act to say that the distribution of money from an individual's IRA (or other tax qualified retirement account) to another IRA (or other tax qualified retirement account in accordance with the federal Internal Revenue Code) would not be "income to that individual" for purposes of determining his or her eligibility for unemployment compensation (or in the calculation of unemployment compensation to which he or she was entitled). "IRA or other tax qualified retirement account" would mean an individual retirement account as defined in the federal Internal Revenue Code, or any other retirement account qualified for tax deferral until account money became taxable income to the account beneficiary under federal law.

**MCL 421.27**

**House Bill 4101 (3-6-95)**