



INDIVIDUAL RETIREMENT ACCOUNT PROTECTION

House Bill 5612

Sponsor: Rep. Samuel Buzz Thomas, III
Committee: Commerce

Complete to 3-5-98

A REVISED SUMMARY OF HOUSE BILL 5612 AS INTRODUCED 2-25-98

House Bill 5612 would amend those provisions of the Revised Judicature Act that list the kinds of property that are protected from creditors executing a judgment. Specifically, with regard to individual retirement accounts, the bill would expand their definition by referring to two sections of the Internal Revenue Code, rather than one. Under the bill, the protected accounts (that is to say, those exempt from levy and sale under any execution) would include "an individual retirement account or individual retirement annuity as defined in either section 408 or 408a of the Internal Revenue Code of 1986." Currently, the law makes reference only to "section 408 of the Internal Revenue Code." Under the bill, references to the Internal Revenue Code would be changed to read "the Internal Revenue Code of 1986." (Section 408a of the Internal Revenue Code was added as part of the Taxpayer Relief Act of 1997, and provides for a new type of individual retirement account, known as the "Roth IRA".)

MCL 600.6023

House Bill 5612 (3-5-98)

Analyst: J. Hunault

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.