

## **MiARA President Jim Pedersen February Memo: On the Verge of Repeal**

The Michigan Legislature has passed bills to repeal the dreaded state income tax on pension income! Thank God for groups like the Michigan Alliance for Retired Americans, and our affiliated unions that have fought for this, ever since that dreadful day in 2012 when Republican Rick Snyder signed the bills. I said "bills", because it's plural, and the final language has to be sorted out. Which reminds me of one of my favorite jokes.

A man is going to the store. "Hey, do you need anything from the store?" he says to his wife. "Yes", she says, "Get a gallon of milk, and if avocados are on sale, get ten." He comes home with an avocado and ten gallons of milk.

The Senate passed SB 1, an immediate repeal of the Michigan state income tax on pension income, essentially winding us back to 2011. The House passed a bill which would phase in a reduction of taxed public and private retirement pensions beginning in 2023. Essentially, there would be a four year phase-in of deductions of pension income beginning in 2023, and then beginning in the 2026 tax year, retirement pensions would no longer be taxed, and all taxpayers would be able to elect to claim the maximum deduction of retirement and pension benefits.

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Public and private pensions would be treated identically, with equal thresholds for deductions. While 401k mandated contributions and employer mandated contributions will be exempt up to the first \$113,000 of income, elective contributions and 457 plans will not be exempt whatsoever. Police and fire retirees would see an immediate and total deductibility for their pensions. Both Chambers expand the Working Taxpayers credit by nearly sixfold, and the House send \$180 in additional rebates to all Michigan taxpayers.

The Senate was supposed to vote on the House bill on Tuesday, Feb. 14, after some shenanigans by Republicans delayed the vote, but there was a mass shooting event at nearby Michigan State University, so the Legislature adjourned. As of this writing, there is no reconciled version. There is nearly universal Democrat support for the repeal in both Chambers, only one "No" from a Democrat voicing disapproval for the corporate money in the bills.

Watch your union's web pages and open those email alerts. It's coming. And join us April 12 in Lansing for our second 2023 Quarterly Meeting, where we will get some face time with our elected state representatives and senators. There will still be plenty to talk about, and a big "thank you" for righting this wrong, making Michigan the best place to retire, again.

## **Mark Your Calendar**

**MiARA General Membership  
Meeting/Lobby Day  
Wed. April 12, 2023  
10:00 AM – 1:00 PM  
Lansing, MI  
Further Details to Come!**

## **President Biden's Statement on the Shootings at MSU**

In the wake of yet another horrendous mass shooting spree taking place on the campus of Michigan State University this month, President Joseph Biden issued the following statement:

Jill and I are praying for the three students killed and the five students fighting for their lives after the shootings at Michigan State University. Our hearts are with these young victims and their families, the broader East Lansing and Lansing Communities, and all Americans across the country grieving as a result of gun violence.

Last night I spoke to Governor Whitmer and directed the deployment of all necessary federal law enforcement to support local and state response efforts. I assured her that we would continue to provide the resources and support needed in the weeks ahead.

Too many American communities have been devastated by gun violence. I have taken action to control this epidemic in America, including a historic number of executive orders and the first significant gun safety law in nearly 30 years, but we must do more.

The fact that this shooting took place the night before this country marks five years since the deadly shootings at Marjory Stoneman Douglas High School in Parkland, Florida, should cause every American to exclaim 'enough' and demand that Congress take action.

As I said in my State of the Union address, Congress must do something and enact commonsense gun law reforms, including requiring background checks on all gun sales, banning assault weapons and high-capacity magazines, closing loopholes in our background check systems, requiring safe storage of guns, and eliminating immunity for gun manufacturers who knowingly put weapons of war on our streets. Action is what we owe to those grieving today in Michigan and across America.

## **MiARA February Meeting Righting Republican Wrongs**

The MiARA met at UAW Region 1A in Taylor, Michigan on Feb. 8. MiARA Officers and about fifty retirees from our five affiliate unions were on hand to hear from our distinguished guest speakers. The theme chosen for the meeting was "Righting Republican Wrongs." Speakers explained the myriad ways past legislatures and governors have made collective bargaining and servicing members increasingly difficult, especially for educator and public employees.

AFT MI President David Hecker spoke of his experiences at the bargaining table, about bans on dues deduction and voluntary PAC deductions and the rigid rules governing health care and out-of-pocket payments. Doug Pratt, the Public Affairs Director of the MEA talked about the particular and specific targeted ugliness aimed at teachers, things like banning paid representation time for stewards, a ban on grieving discipline and discharge, and no bargaining over the workday or work calendar.

AFSCME Political Director and Mayor of Trenton, Steve Rzeppa talked about public sector pensions, enlightening us to the fact that billions of dollars in the American Recovery Act cannot be used to fund pensions that are seriously underfunded from the pandemic and the last budget crisis. Recently, the hard-hit Flint pension system got an emergency boost to bring it up to 60% (!! ) funded, and that's just one example.

Suffice to say, many of the UAW and USW members who work in the private sector got an eye opener. Things are still pretty tough for unions, but definitely for some more than others.

Please join us at our next Quarterly MiARA Meeting in Lansing, April 12, 2023, starting at 10:00 am with coffee and a briefing on current legislation, then a trip over to the Capital to see our elected State Representatives and Senators. Face time with our elected officials is important. The bosses are always there, we need to be there too. Stay tuned for more information.

## **Governor Whitmer Makes a Strong Statement in Her State of The Union Address**

*On January 25, 2023, Governor Gretchen Whitmer gave her State of the Union Address in which she laid out the plans for Michigan's future. Here is a statement she put forth in a memo issued the following day.*

Last night I laid out my plans for Michigan's future. If you missed my State of the Union Address, here is a recap of what my proposals for our state are:

**First**, my *Lowering MI Costs Plan* would repeal the retirement tax, boost the Working Families' Tax Credit, and deliver pre-K for all, so every kid gets a great start. It includes:

- Repealing the retirement tax which would save 500,000 households an average of \$1,000 a year. That's money for prescriptions, groceries, gas, or gifts for grandkids.
- Boosting the Working Families' Tax Credit would deliver a combined refund of at least \$3,000 to 700,000 working families. This increase will directly benefit almost one million kids-45% of the kids in Michigan.
- Delivering pre-K for all would save families \$10,000 a year. It will put all 110,00 4-year-olds in Michigan on a path to a brighter future while helping their parents go back to work knowing their kids are safe and cared for.

Together, these proposals will save millions of Michiganders thousands of dollars and help us fight inflation head on.

**Second**, My *Kids Back on Track*, which I first introduced last year, is a plan to get every kid what they need to meet their goals by expanding

tutoring, after school programs, and extra instructional time in the classroom.

**Third**, I am proposing an additional comprehensive investment in law enforcement, including better training, oversight, and access to mental health resources. To reduce gun violence, I am proposing common-sense reforms, universal background checks, safe storage laws, and extreme risk protection orders so we can make sure guns are kept out of the hands of those who might represent a danger to themselves or others and stored safely at home.

**Fourth**, My *Make it in Michigan Package* proposes establishing a sustainable funding source for the state's bipartisan economic development efforts while growing talent, making our communities better places where anyone can thrive. That means competing to bring more jobs for you and your family here in Michigan. Together, we can move faster to compete for companies on the cutting edge of manufacturing and bring more supply chains home.

**Finally**, my plan to protect fundamental freedoms proposes repealing the state's 1931 abortion ban and other outdated laws restricting people's ability to control their own bodies and restricting who they can marry.

I am also calling for an expansion of the *Elliott-Larsen Civil Rights* Act to include legal protections for the LGBTQ-community. Shoring up these fundamental freedoms will also improve talent recruitment and retention, as young people want to live in states where their rights are respected.

These proposals will make Michigan a better place and bring us into the future. I know together, we can get it done.

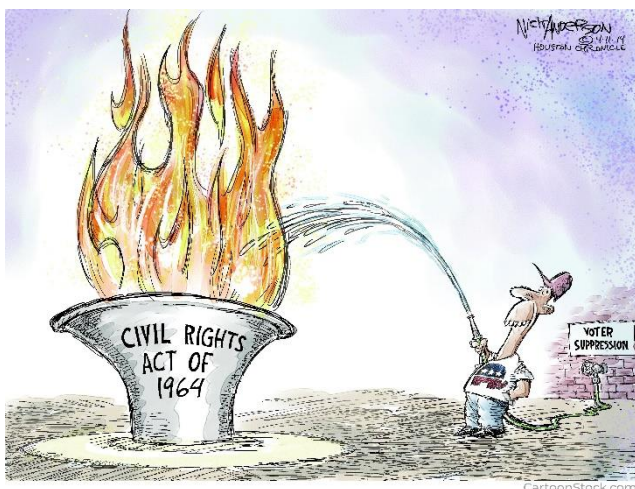
Editor's note: since the governor's speech, the new Democratically controlled legislature has already taken up the governor's proposal to roll back the retirement tax.

## Alliance Celebrates Black History Month

As the nation marks Black History Month throughout the month of February, national Alliance for Retired Americans President Robert Roach, Jr. said this week that we must build on the achievements of the Reverend Marten Luther King, Jr. and his work with President Lyndon Johnson during the 1960's. Dr King's activism led to passage of the Civil Rights Act of 1964 and the Voting Rights Act in 1965.

"Black History Month is an opportunity to celebrate our heroes and our victories," said President Roach. "Dr King put the rules in place that allowed Barack Obama to be elected our first Black President. While we have made tremendous strides in the fight for civil rights, the struggle for equality and justice continues -- particularly in areas like voting rights, fair housing, and education."

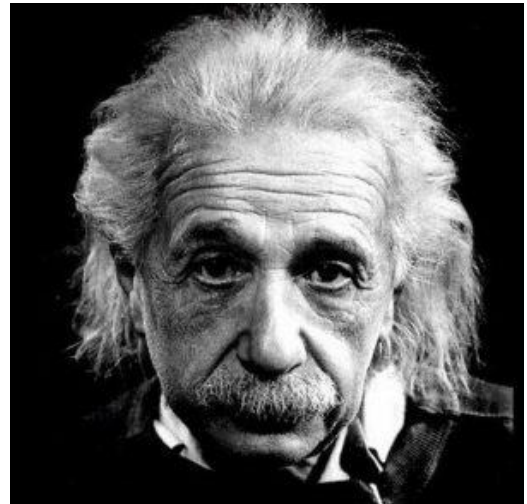
Across the nation voters, particularly voters of color are facing a wave of new restrictions and redistricting abuses. The John R. Lewis Voting Rights Advancement Act would go far in protecting voters. Yet, the legislation is being held up by Republicans in Congress. The law's protections are no less important now than they were in 2006, when similar legislation was reauthorized with overwhelming bipartisan support.



## Quote of the Month

*"Life is like riding a bicycle.  
To Keep your balance, you  
must keep moving."*

-Albert Einstein



*Albert Einstein was a charter member of the American Federation of Teachers Local 552 at Princeton University.*

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