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Mr. Chairman, members of the committee, I want to thank you for taking up this legislation, and for the opportunity to address you on this important issue,

Senate Bill 368 provides a Social Security exemption to Michigan's pension tax for public safety retirees not receiving Social Security who were born after 1952 and were retired when SB 409 of 2011 went into effect January 1, 2013.

As you know in 2011 the Senate passed SB 409 and as originally passed included a total exemption from the state pension tax for pensions of all public safety officers that retired from municipalities that did not participate in Social Security. Once SB 409 was moved on to the House the Senate version was amended and the final version left behind those retired public safety officers that were born after 1952. Senate Bill 368 would afford this age group equal treatment with those listed under age group two born between 1946 and 1952.

Because of the nature of their jobs and the physical requirements, Police officers and fire fighters are among the few exempt from the Federal Age Discrimination Act, allowing for municipalities to establish mandatory retirement age for public safety officers. This puts these retirees at a disadvantage under the current Michigan pension tax policy. Most of the tax deductions allowed are not triggered until the retiree reaches age 67. So between the allowable Federal age discrimination and delayed tax deductions of Michigan's pension tax code, many of our retirees do not receive the same tax benefits as their civilian counterparts.

This pension tax age group that was left out of SB 409 situation has been made more difficult by the City of Detroit Bankruptcy. They not only saw an increase in their pension tax, but a reduction in their pension benefits, and a loss of 90% of the value of their healthcare coverage.

We believe treating this age group like the age group born between 1946 and 1952 is only fair and will help them at a time other circumstances have made retirement more difficult.

I respectfully ask for your support of Senate Bill 368

A handwritten signature in black ink, appearing to read "Don Taylor".

Don Taylor

President Retired Detroit Police and Fire Fighters Association