
Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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Senate Bill 856 (as introduced 1-28-98)
Sponsor: Senator Ken DeBeaussiaert
Committee: Finance

Date Completed: 2-13-98

CONTENT

The bill would amend the Revised Judicature Act to provide that a debtor's Roth individual retirement account (IRA) would be exempt from levy and sale under any execution to enforce a court judgment.

Under the Act, whenever a judgment is issued in any court, an execution to collect the judgment also may be issued. The Act contains a list of the types of property that are exempt from levy and sale under any execution; the list includes certain qualified pension plans and IRAs.

The Federal Taxpayer Relief Act of 1997 created a new type of IRA, the Roth IRA. Under a Roth IRA, individuals may make annual nondeductible contributions to their Roth IRA of up to \$2,000 (\$4,000 per couple). After age 59½, or under certain circumstances prescribed in the Internal Revenue Code, the individual may make tax-free withdrawals.

MCL 600.6023

Legislative Analyst: G. Towne

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: B. Bowerman

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