

PUBLIC EMPLOYEE HEALTH CARE FUND INVESTMENT ACT
Act 149 of 1999

AN ACT to provide for the creation of public employee health care funds; to provide for the administration of the funds; to authorize the investment of the assets of the funds or trusts; and to prescribe the powers and duties of investment fiduciaries and certain public officers and employees.

History: 1999, Act 149, Imd. Eff. Nov. 1, 1999.

The People of the State of Michigan enact:

38.1211 Short title.

Sec. 1. This act shall be known and may be cited as the “public employee health care fund investment act”.

History: 1999, Act 149, Imd. Eff. Nov. 1, 1999.

38.1212 Definitions.

Sec. 2. As used in this act:

(a) “Fund” means a public employee health care fund created pursuant to this act and used for the accumulation and investment of funds for the purpose of funding health care for retired employees of the public corporation.

(b) “Investment fiduciary” means a person or persons who do any of the following:

(i) Exercises any discretionary authority or control in the investment of the fund's or trust's assets.

(ii) Renders investment advice to a fund or trust for a fee or other direct or indirect compensation.

(c) “Public corporation” means any county, city, village, township, authority, district, board, or commission in this state.

(d) “Qualified person” means a person or group of persons who are eligible to receive health care benefits and who are designated as a qualified person by the public corporation.

(e) “Trust” means a trust created under the authority of a state or federal law for the purpose of funding retiree health care benefits.

History: 1999, Act 149, Imd. Eff. Nov. 1, 1999.

38.1213 Establishment of public employee health care fund; resolution.

Sec. 3. The legislative body of a public corporation may adopt a resolution establishing a public employee health care fund for the purpose of accumulating funds to provide for the funding of health care benefits to retirants and beneficiaries of retirants of the public corporation. Money for the payment of health care benefits for retired employees of the public corporation may, at the discretion of the public corporation, be provided from this fund or any other fund or trust. The resolution shall include all of the following:

(a) The designation of a person or persons who shall act as the fund's investment fiduciary.

(b) A restriction of withdrawals from the fund solely for the payment of health care benefits on behalf of qualified persons and the payment of the expenses of administration of the fund.

(c) The designation of who is a qualified person for purposes of payment of health care benefits from the fund.

(d) A determination of whether the fund will be established on an actuarial basis.

History: 1999, Act 149, Imd. Eff. Nov. 1, 1999.

38.1214 Investment fiduciary; duties.

Sec. 4. An investment fiduciary shall invest the assets of the fund in accordance with an investment policy adopted by the governing body of a public corporation and that complies with section 13 of the public employee retirement system investment act, 1965 PA 314, MCL 38.1133. However, the investment fiduciary shall discharge his or her duties solely in the interest of the public corporation. The public corporation may invest the fund's assets in the investment instruments and subject to the investment limitations governing the investment of assets of public employee retirement systems under the public employee retirement system investment act, 1965 PA 314, MCL 38.1132 to 38.1140.

History: 1999, Act 149, Imd. Eff. Nov. 1, 1999.

38.1215 Investment of trust assets; resolution.

Sec. 5. The legislative body of a public corporation may, by resolution, allow a trust to invest the assets of the trust in accordance with the public employee retirement system investment act, 1965 PA 314, MCL 38.1132 to 38.1140. The resolution shall include the following:

(a) A statement of the authority under which the trust is established.

(b) Approval to invest the assets of the trust in accordance with the public employee retirement system investment act, 1965 PA 314, MCL 38.1132 to 38.1140.

History: 1999, Act 149, Imd. Eff. Nov. 1, 1999.

38.1216 Actuarial review; report.

Sec. 6. The investment fiduciary shall have an actuarial review of the fund or trust prepared at least every 5 years with assets valued on a market related basis. The investment fiduciary shall prepare and issue a summary annual report to the legislative body of the public corporation that established the fund or trust.

History: 1999, Act 149, Imd. Eff. Nov. 1, 1999.