

PUBLIC EMPLOYEE RETIREMENT SYSTEM INVESTMENT ACT (EXCERPT)
Act 314 of 1965

38.1133g Investment committee; establishment by large sponsored system; duties; recommendation; definitions.

Sec. 13g. (1) Subject to a plan for adjustment, each large sponsored system shall establish an investment committee.

(2) The investment committee shall recommend to the governing board of the large sponsored system investment management decisions, including, but not limited to, all of the following:

(a) The development of investment goals and objectives, investment assumptions, and performance measurement standards consistent with the needs of the large sponsored system.

(b) The selection, monitoring, evaluation, and removal of custodians, investment managers, or any investment service providers.

(c) Asset allocation.

(d) Subject to a plan for adjustment, all calculations, actuarial assumptions, or assessments used by an actuary, including, but not limited to, those underlying the restoration of pension benefits, funding levels, and amortization of the restoration of pension benefits, and those underlying the determination of annual funding levels and amortization of annual funding levels, and recommended contributions to the large sponsored system in accordance with applicable law.

(e) Performing or ordering asset liability valuation studies for the qualified system not less frequently than every 2 years.

(f) Review and approval, before final issuance of all annual audits and actuarial and financial reports before finalization.

(g) Interpretation of the large sponsored system's governing documents, applicable laws, plans of adjustment approved by United States bankruptcy courts, and other financial determinations affecting the large sponsored system's funding or benefit levels.

(h) Based on annual actuarial valuation reports and any other projections or reports, as applicable from an actuary or other professional advisors, the determination of the extent of restoration of pension benefits all in conformance with a plan for adjustment.

(3) The investment committee shall do all of the following:

(a) Select, set compensation for and terms of employment of, and evaluate the qualified system's chief financial officer.

(b) Notwithstanding section 20h(6), approve a qualified system's summary annual report created under section 13 before the summary annual report is made public.

(4) The investment committee shall submit its recommendation under subsection (2) to the board. The board shall have not more than 45 days from the date of the submission, or 10 business days if the committee determines in good faith that emergency action is required, to approve or disapprove the recommendation. If the board does not act within 45 days or 10 days, as applicable, the recommendation is considered approved by the board and the chief financial officer shall implement the recommendation.

(5) If the board disapproves the investment committee's recommendation within 45 days or 10 days, as applicable, the decision shall be implemented under the plan for adjustment.

(6) As used in this section:

(a) "Board" means the governing board of a large sponsored system.

(b) "Chief financial officer" means the chief financial officer of a qualified system.

(c) "Investment committee" or "committee" means an investment committee established under subsection (1).

(d) "Plan for adjustment" means a plan for the adjustment of debts entered and approved by a federal bankruptcy court for a city that has established a large sponsored system.

History: Add. 2014, Act 185, Imd. Eff. June 20, 2014.