

PROTECTING LOCAL GOVERNMENT RETIREMENT AND BENEFITS ACT (EXCERPT)
Act 202 of 2017

38.2805 State treasurer; establishment of uniform actuarial assumptions of retirement systems; evaluation system; review and oversight of underfunded local unit of government; determination; calculation of funded ratios by local governmental unit; report; posting on website.

Sec. 5. (1) For purposes of reporting under this section, the state treasurer shall annually establish uniform actuarial assumptions of retirement systems that include, but are not limited to, investment returns, salary increase rates, mortality tables, discount rates, and health care inflation.

(2) The state treasurer shall create an evaluation system and provide for review and oversight under this act of an underfunded local unit of government beginning on the effective date of the determination by the state treasurer that the local unit of government is in underfunded status.

(3) Each year beginning after December 31, 2017, the state treasurer shall determine the underfunded status of each local unit of government.

(4) The state treasurer shall determine that a local unit of government is in underfunded status if any of the following apply:

(a) The actuarial accrued liability of a retirement health system of the local unit of government is less than 40% funded, according to the most recent annual report, and, if the local unit of government is a city, village, township, or county, the annual required contribution for all of the retirement health systems of the local unit of government is greater than 12% of the local unit of government's annual general fund operating revenues, based on the most recent fiscal year.

(b) The actuarial accrued liability of a retirement pension system of the local unit of government is less than 60% funded, according to the most recent annual report, and, if the local unit of government is a city, village, township, or county, the annual required contribution for all of the retirement pension systems of the local unit of government is greater than 10% of the local unit of government's annual general fund operating revenues, based on the most recent fiscal year.

(c) The local unit of government has not submitted reports as required under this section.

(d) The local unit of government fails to make the payments as described under section 4(1).

(5) For purposes of the report under subsection (6), a local unit of government shall annually calculate the funded ratios of each retirement system of the local unit of government using the uniform actuarial assumptions established under subsection (1).

(6) A local unit of government shall electronically submit a report in a form prescribed by the department of treasury on an annual basis to the governing body of the local unit of government and the department of treasury no later than 6 months after the end of the local unit of government's fiscal year. The report under this subsection must include at least all of the following:

(a) The funded ratios of each retirement system of the local unit of government.

(b) Annual required contributions for each retirement system of the local unit of government.

(c) The local unit of government's annual general fund operating revenues, if any.

(7) The state treasurer shall post publicly on the department of treasury website all of the following:

(a) The uniform actuarial assumptions under subsection (1).

(b) A summary report of the local unit of government reports submitted under subsection (6).

(c) The underfunded status of local units of government as determined under subsection (3).

(d) The current waiver status of local units of government provided under section 6.

(e) Any corrective action plan approved under section 10.

(8) A local unit of government shall post publicly on its website, or in a public place if it does not have a website, the information as provided in subsection (7) that is applicable to that local unit of government.

History: 2017, Act 202, Imd. Eff. Dec. 20, 2017.