

Sec. 76. Retirement Board as Trustees of Money and Other Assets; Investments; Investments Counsel; Purpose of Investments; Discretionary Authority. [MCL 38.1539].

- (1) The Retirement Board shall be the trustees of the money and other assets of the Retirement System, except as otherwise provided in Article IV and Article V. The Board shall have full power and authority to invest and reinvest the money and other assets of the Retirement System subject to all terms, conditions, limitations, and restrictions imposed on the investment of assets of public employee retirement systems by Act No. 314 of the Public Acts of 1965, being sections 38.1132 et seq. of the Michigan Compiled Laws as amended. The Retirement Board may employ outside investment counsel to advise the Board in the making and disposition of investments.
- (2) All money and other assets of the Retirement System shall be held and invested for the sole purpose of meeting disbursements authorized under this Act and shall be used for no other purpose. In exercising its discretionary authority with respect to the management of the money and other assets of the Retirement System, the Retirement Board shall exercise the care, skill, prudence and diligence under the circumstances then prevailing, that a person of prudence, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of like character with like aims.
- (3) To the extent that the Retirement Board invests any money or assets of the Retirement System in a group trust as authorized by Act No. 314 of the Public Acts of 1965, being Section 38.1140c, said group trust must.
 - (a) expressly prohibit any part of the Retirement System's corpus or income from being used for, or diverted to, any purpose other than for the exclusive benefit of the participants and beneficiaries of the Retirement System,
 - (b) be operated or maintained exclusively for the comingling and collective investment of funds from other trusts that it holds,
 - (c) be intended to qualify as a group trust under Internal Revenue Code Sections 401(a) and 501(a), and
 - (d) satisfy the requirements of Internal Revenue Code Section 401(a)(24) and the requirements for a group trust as established by Revenue Ruling 81-100, 1981-1 C.B. 326, as amended by Revenue Ruling 2004-67, 2004-2 C.B. 28, and as modified by Revenue Ruling 2011-1, 2011-2 I.R.B. 251.

In this regard, the Retirement Board will only invest in group trusts which also are maintained to reflect the interest(s) of each participating retiree benefit plan, including separate accounting for contributions to the group trust by each such plan, disbursements made from each such plan's account, and the investment experience of the group trust as allocable to that account. To the extent necessary, the Retirement Board is authorized to adopt the terms of the group trust as additional terms of this Plan Document.