

### **Sec. 89. Authorization and Establishment.**

The Board is authorized by MCL 38.1536(2)(a) to establish additional programs within MERS, including ancillary benefits, health and welfare benefits, and other post-employment benefits. A 401(h) Account shall be established for each MERS Participating Employer that adopts a 401(h) Account Uniform Resolution and a 401(h) Account Participation Agreement specifying optional terms of the 401(h) Account. Each 401(h) Account shall be a separate account within the Trust Fund and shall be established pursuant to IRC section 401(h). The assets held in each 401(h) Account shall be accounted for separately from all assets of the Trust Fund not held in any 401(h) Account. However, 401(h) Account assets may be commingled with other assets of the Trust Fund for investment purposes. Investment earnings and expenses will be allocated on a reasonable basis. The purpose of each such 401(h) Account shall be to provide a funding structure for the payment of certain Medical Care costs as provided in the applicable 401(h) Account Participation Agreement.