

# **PUBLIC EMPLOYEE RETIREMENT HEALTH CARE FUNDING ACT**

## **Act 77 of 2010**

AN ACT to authorize and create irrevocable trusts and individual accounts within the trusts for the purpose of holding, investing, and distributing assets to be used for certain postemployment health care benefits and reimbursement of medical expenses; to set forth certain rights that public employees have in retirement health care benefits and reimbursement of medical expenses under certain circumstances; to provide for the establishment and amendment of certain irrevocable trust agreements; and to prescribe certain powers and duties of certain retirement systems, state departments, public officials, and public employees.

*The People of the State of Michigan enact:*

**38.2731 Short title; meanings of words and phrases.**

**38.2732 Definitions; D to H.**

**38.2732a Definitions; M to P.**

**38.2732b Definitions; R to V.**

**38.2733 Irrevocable trust; authorization; creation; establishment; governing board of each retirement system as grantor; members of retirement system board as trustees; deposits; distributions; funding account; preparation of annual financial statements; establishment and maintenance of health reimbursement accounts; separate prefunding account.**

**38.2734 Assets as irrevocable.**

**38.2735 Assets; use; limitation.**

**38.2736 Assets not subject to certain processes of law.**

**38.2737 Assets; diversion for other purposes prohibited.**

**38.2738 Remaining trust assets; dissolution; distribution; remaining health reimbursement account assets.**

**38.2739 Written trust agreement; contents.**

**38.2740 Retirement health care benefits; prefunding; credit to funding account; contribution or credit to health reimbursement account.**

**38.2740a Health reimbursement account; vesting; rights.**

**38.2741 Written plan document; terms and conditions of payments of retirement health care benefits and reimbursements of medical expenses.**

**38.2742 Severability.**

**38.2743 Trusts; validity.**

**38.2744 Taxation of assets and income; exemption.**

**38.2745 Trustee; exception from certain responsibilities; indemnification.**

**38.2747 Correction of error by trustees.**