

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

**38.2804 Retirement health benefit offered by local unit of government; requirements; "summary retiree health care report" defined.**

Sec. 4.

(1) Beginning July 1, 2018, if a local unit of government offers or provides an employee of the local unit of government, or a former employee first employed by the local unit of government before the effective date of this act, with a retirement health benefit, all of the following apply to the local unit of government:

(a) The local unit of government must pay at least both of the following:

(i) Normal costs for employees first hired after June 30, 2018.

(ii) Any retiree premiums that are due for retirants in the retirement system.

(b) The local unit of government shall electronically submit a summary retiree health care 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 department of treasury shall post on its website an executive summary of each summary retiree health care report submitted to the department of treasury under this subdivision. The executive summary must include the applicable system's unfunded actuarial accrued liability. The department of treasury shall submit each executive summary required under this subdivision to the senate and the house of representatives appropriations committees and the senate and house fiscal agencies not less than 30 days after posting.

(c) At least every 5 years, the local unit of government shall have an actuarial experience study conducted by the plan actuary for each retirement system of the local unit of government.

(d) At least every 8 years, the local unit of government shall do at least 1 of the following:

(i) Have a peer actuarial audit conducted by an actuary that is not the plan actuary.

(ii) Replace the plan actuary.

(e) A local unit of government that is eligible to use a specified alternative measurement method under Governmental Accounting Standards Board standards is exempt from the requirements under subdivisions (c) and (d).

(2) As used in this section, "summary retiree health care report" means a report that includes all of the following for each retirement system of the local unit of government that provides retirement health benefits:

(a) The name of the retirement system.

(b) The names of the retirement system's investment fiduciaries.

(c) The names of the retirement system's service providers.

(d) The retirement system's assets and liabilities and changes in net plan assets on a plan-year basis.

(e) The retirement system's funded ratio based on the ratio of valuation assets to actuarial accrued liabilities on a plan-year basis.

(f) The assumed rate of return of the retirement system.

(g) The actual rate of return of the retirement system for the previous 1-year period, the previous 5-year period, and the previous 10-year period.

(h) The discount rate used by the retirement system.

(i) The retirement system's amortization method for unfunded liability, indicating whether it is open or closed.

(j) The retirement system's amortization method, indicating whether it is level percent or level dollar, and the assumed payroll growth rate.

(k) The retirement system's remaining amortization time period.

(l) The annual required contribution for the retirement system, indicating the normal cost and the amortization payment toward the unfunded actuarial accrued liability.

(m) The retirement system's health care inflation assumptions.

(n) The number of active employees and retirants in the retirement system.

(o) The amount of premiums paid on behalf of retirants in the retirement system.

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