

**PUBLIC EMPLOYEE RETIREMENT SYSTEM INVESTMENT ACT (EXCERPT)**  
**Act 314 of 1965**

**38.1132c Definitions; I to L.**

Sec. 12c.

(1) "Investment fiduciary" means a person other than a participant directing the investment of the assets of his or her individual account in a defined contribution plan who does any of the following:

(a) Exercises any discretionary authority or control in the investment of a system's assets. Investment fiduciary under this subdivision includes the state treasurer and his or her investment personnel for the systems described in section 13(4).

(b) Renders investment advice for a system for a fee or other direct or indirect compensation.

(2) "Invest" or "investment" means the utilization of money in the expectation of future returns in the form of income or capital gain. Investments initially purchased in accordance with this act that subsequently do not qualify for purchase for any reason shall be considered to continue to meet the requirements of this act. Investment includes a guarantee by an investment fiduciary but does not include, as a sole investment, a pledge of the system's assets as collateral to guarantee the repayment of obligations made by a third party to a borrower.

(3) "Investment grade" means graded in the top 4 major grades as determined by 2 national rating services.

(4) "Large sponsored system" means a system created and established by a city that is subject to a plan for adjustment and that meets 1 or more of the following conditions:

(a) The city has a population of more than 600,000.

(b) The system has discharged at least \$1,000,000,000.00 of pension liabilities in bankruptcy.

**History:** Add. 1996, Act 485, Imd. Eff. Dec. 27, 1996 ;-- Am. 2000, Act 307, Imd. Eff. Oct. 16, 2000 ;-- Am. 2012, Act 347, Eff. Mar. 28, 2013 ;-- Am. 2014, Act 185, Imd. Eff. June 20, 2014

**Compiler's Notes:** For transfer of powers and duties of state treasurer created under public employee retirement system investment act or authorizing statutes to Michigan investment board and transfer of powers and duties of investment advisory committee created under MCL 16.191 to Michigan investment board, see E.R.O. No. 2018-5, compiled at MCL 38.1176.