

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

**38.1132d Definitions; N to P.**

Sec. 12d.

(1) "National rating services" means Moody's investors service, inc.; Standard & Poor's ratings group; Fitch investors service inc.; Duff & Phelps credit rating corp.; or any other nationally recognized statistical rating organization as determined by the state treasurer.

(2) "Net earnings available for fixed charges" means net income after deducting operating and maintenance expenses, taxes other than federal and state income taxes, depreciation, and depletion, but excluding extraordinary expenses appearing in the regular financial statements of the system.

(3) "Obligations" means bonds, notes, collateral trust certificates, convertible bonds, debentures, equipment trust certificates, conditional sales agreements, guaranteed mortgage certificates, pass-through certificates, participation certificates, mortgages, trust deeds, general obligation bonds, revenue bonds, or other similar interest bearing instruments of debt. Obligations may be secured or unsecured and may be publicly offered or privately placed.

(4) "Party in interest" means, as it relates to a system, any of the following:

(a) An investment fiduciary, counsel, or employee of the system.

(b) A person providing services to the system.

(c) The political subdivision sponsoring the system.

(d) An organization, any of whose members are covered by the system.

(e) A spouse, ancestor, lineal descendant, or spouse of a lineal descendant of an individual described in subdivision (a) or (b).

(f) An entity controlled by an individual or organization described in subdivisions (a) to (e).

(5) "Plan for adjustment" means a plan for the adjustment of debts entered and approved by a federal bankruptcy court for a city that has established a large sponsored system.

(6) "Portfolio company" means an entity in which the investment fiduciary has invested or has considered investing system assets.

(7) "Private equity" means an asset class consisting of equity or debt securities in entities that are not publicly traded, that may include, but are not limited to, investments in leveraged buyouts, venture capital, growth capital, distressed or special situations, mezzanine capital, and secondary investments in equity or debt interests.

**History:** Add. 1996, Act 485, Imd. Eff. Dec. 27, 1996 ;-- Am. 2000, Act 307, Imd. Eff. Oct. 16, 2000 ;-- Am. 2008, Act 425, Imd. Eff. Jan. 6, 2009 ;-- Am. 2014, Act 545, Imd. Eff. Jan. 15, 2015

**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.