

Protecting MI Pension: Michigan Local Pension Grant Affidavit

LOCAL GOVERNMENT INFORMATION			
Local Unit Name		County	
Six-Digit Municipal Code	Chief Administrative Officer		Chief Administrative Officer Title
Telephone Number		Email Address	
PART 1: PROTECTING MI PENSION GRANT AFFIDAVIT			
<p>Pursuant to Section 979(a) (2) of Public Act 166 of 2022, the Protecting MI Pension: Michigan Local Pension Grant Program, for purposes of complying with the reporting requirements of the corrective action plan monitoring process, a qualified unit must certify and attest via an affidavit that it shall implement all of the following practices upon the receipt of a grant award (Must check all to confirm required implementation):</p> <ul style="list-style-type: none"> <li style="margin-bottom: 10px;"> <input type="checkbox"/> The qualified unit shall make, in full, all actuarially determined contributions. If a qualified unit's actual contribution is less than the actuarially determined contribution, the qualified unit shall remit an amount equal to the difference to the qualified retirement system within 12 months. If the qualified unit fails to remit this payment within 12 months, the department of treasury may intercept the qualified unit's revenue sharing payment. For a qualified unit that is a road commission, the department of transportation, in cooperation with the department of treasury, may intercept an available state revenue distribution. <li style="margin-bottom: 10px;"> <input type="checkbox"/> The qualified unit shall not provide contractual benefit enhancements unless the contractual benefit enhancement is 100% prefunded. Failure to meet the conditions of this subdivision requires repayment of the grant award that was received by the qualified unit. The qualified governmental unit shall notify the department of treasury in a form and manner prescribed of any contractual benefit enhancement under this subsection within 30 days. <li style="margin-bottom: 10px;"> <input type="checkbox"/> A qualified retirement system with a discount rate or assumed rate of return less than or equal to 7% must assume a discount rate or assumed rate of return of not more than the current rate. A qualified retirement system with a discount rate or assumed rate of return greater than 7% must lower its discount rate or assumed rate of a return to a rate at or below 7% within the immediately succeeding 5-year period. <li style="margin-bottom: 10px;"> <input type="checkbox"/> The qualified retirement system shall adopt, on the recommendation of the actuary and in accordance with all applicable actuarial standards of practice, the most current mortality tables that are most appropriate for the characteristics of the population, which may subsequently be adjusted based on an experience study of the qualified retirement system. <li style="margin-bottom: 10px;"> <input type="checkbox"/> The qualified unit shall be subject to corrective action plan monitoring by the municipal stability board for 5 years following receipt of any grant award. <p>Before completing corrective action plan monitoring in a 5-year period, the qualified unit shall comply with the uniform actuarial assumptions of retirement systems, except for the discount rate and assumed rate of return assumptions, published as of December 31, 2021 by the state treasurer under the protecting local government retirement and benefits act, 2017 PA 202, MCL 38.2801 to 38.2812, for the qualified retirement system. A qualified unit, if that unit has, previous to the enactment of this bill, had an amortization schedule approved by an accredited actuary in accordance with all actuarial standards of practice, and if that amortization schedule has been reviewed and approved by the state treasurer, is not subject to the uniform actuarial assumptions of retirement systems' assumption on amortization and may maintain its current amortization schedule.</p> <p>The implementation of actuarial assumptions required under the Protecting MI Pension Grant Program by local units are to be used for reporting purposes only during corrective action plan monitoring by the Municipal Stability Board. These assumptions are not required to be used to determine a local units underfunded status under PA 202 of 2017 as reported in the audited financial statements of a local government, nor shall it be used to calculate the actuarially determined contribution in any way.</p>			
PART 2: LOCAL GOVERNMENT'S ADMINISTRATIVE OFFICER CERTIFICATION OF ACCEPTANCE AND COMPLIANCE			
<p>I _____, as the government's administrative officer _____ (City/Township Manager, superintendent, Village President, Executive director, Mayor, etc.) certify the following:</p> <p><input type="checkbox"/> I agree to implement and comply with the requirements listed in section 1 of this form on behalf of _____ <insert local government name> as a condition of accepting a grant award under the <i>Protecting MI Pension: Michigan Local Pension Grant Program</i>.</p>			
Signature	Date	Notary Certification	

Initials _____

AFFIDAVIT AND ATTESTATION TO IMPLEMENT AND COMPLY WITH REQUIRED PRACTICES

As listed in Section 979(a) (2) of Public Act 166 of 2022: To qualify for a grant award under the Protecting MI Pension: Michigan Local Pension Grant Program, a qualified unit must certify and attest via an affidavit that it shall implement six required practices.

INSTRUCTIONS:

1. CONFIRMATION OF IMPLEMENTATION OF REQUIRED PRACTICES

Local governments that elect to receive grant awards under the Protecting MI Pension: Michigan Local Pension Grant Program for a qualified retirement system must certify that they understand and agree to implement the listed required practices

- Local governments must agree to and check the box for each of the listed requirements.
- It is recommended that these decisions be reviewed by legal counsel, your local government's governing body, pension system actuary(s), auditors, and other interested parties before certification
 - A certified board resolution authorizing the chief administrative officer to file a claim for a grant award and submit with the Protecting MI Pension Grant Application (Form 5886) is required.

2. LOCAL GOVERNMENT'S ADMINISTRATIVE OFFICER CERTIFICATION OF ACCEPTANCE AND COMPLIANCE

Must be signed by the local government's chief administrative officer on behalf of the local government and notarized by a public notary.

- Enter name of Chief Administrative Officer
 - MCL 141.422B defines CAO to mean any of the following:
 - The manager of a village or, if a village does not employ a manager, the president of the village.
 - The city manager of a city or, if a city does not employ a city manager, the mayor of the city.
 - The manager of a township or, if the township does not employ a manager, the supervisor of the township.
 - The elected county executive or appointed county manager of a county; or if the county has not adopted an optional unified form of county government, the controller of the county appointed pursuant to section 13b of 1851 PA 156, MCL 46.13b; or if the county has not appointed a controller, an individual designated by the county board of commissioners of the county.
 - The official granted general administrative control of an authority or organization of government established by law that may expend funds of the authority or organization.
- Enter title of Chief Administrative Officer
- Check box agreeing to implement and enter local government name
- Chief Administrative Officer must sign and date
- Notary Public must certify.