



*Michigan Department of*  
**TREASURY**

**Bureau of Local Government and School Services**

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**Protecting MI Pension Grant Program**

Thursday, April 6, 2023

2:00pm

# Agenda

- BLGSS – Trusted Partner Model
- Overview of Protecting MI Pension Grant Program
- Eligibility Requirements
- Grant Application Process
- Program Award Distribution Process
- Key Dates and Timeline
- Next Steps
- Questions and Answers

**Treasury  
Foundation  
– Trusted  
Partner  
Model**



# Trusted Partner Model

- Outreach
- Treasury Resources for Protecting MI Pension Grant Program
  - Grant Program Webinar Recordings
  - Frequently Asked Questions
  - Grant Program Checklist
  - Grant Program Timeline
  - Grant Application Packet Documents
  - Grant Template Submission System
- Email Update Subscription

# Program Website

- Program Description
- Preliminary List of Qualified Retirement Systems
- Grant Qualifications
- Grant Timeline
- Forms and Applications
- Payment Distribution Process
- Reporting Requirements
- Guidance
- Contact Information

# Overview of Protecting MI Pension Grant Program

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# Protecting MI Pension Grant Program

- The Protecting MI Pension Grant Program was created to help Michigan's underfunded municipal pension systems. Under the [Fiscal Year 2022-23 budget](#), the Michigan Department of Treasury (Treasury) was appropriated \$750 million to establish and operate a local unit municipal pension principal payment grant program for qualified retirement systems with a funded ratio below 60%, as defined in the Protecting Local Government Retirement and Benefits Act, [Public Act 202 of 2017](#).

# Key Terms and Definitions

- **Qualified retirement system:** means a retirement pension benefit within a retirement system, as defined in section 3 of the protecting local government retirement and benefits act, [2017 PA 202, MCL 38.2803](#), of a qualified unit, with a funded ratio below 60 based on the last report filed as required by section 5 of the protecting local government retirement and benefits act, [2017 PA 202, MCL 38.2805](#), as of December 31, 2021.
- **Qualified unit:** means a city, county, township, village, or road commission that operates a qualified retirement system.



**Protecting  
MI Pension  
Grant  
Program  
Eligibility**



# Eligibility

- **Qualified retirement system:** means a retirement pension benefit within a retirement system, as defined in section 3 of the protecting local government retirement and benefits act, [2017 PA 202, MCL 38.2803](#), of a qualified unit, with a funded ratio below 60 based on the last report filed as required by section 5 of the protecting local government retirement and benefits act, [2017 PA 202, MCL 38.2805](#), as of December 31, 2021.
- **Qualified unit:** means a city, county, township, village, or road commission that operates a qualified retirement system.

# Preliminary List of Qualified Retirement Systems

## Preliminary List of Qualified Retirement Systems

- Most Recent Data Reported to Department of Treasury on Retirement System Annual Report (Form 5572) as of December 31, 2021
  - Date Submitted
  - Fiscal Year of Submission
  - Retirement System Name(s)
  - Reported Funded Ratio
  - Funded Ratio as Reviewed by Treasury Compared to Audit

# Pension Data Discrepancy Reporting

## Pension System Discrepancy Reporting

- Qualified Pension System Name
- Published Funded Ratio listed in Preliminary List of Qualified Retirement Systems Document (%)
  - This is the published number that is being disputed
- Funded Ratio from Local Unit Records (%)
  - This is the corrected number
- Value of Estimated Discrepancy (%)
  - How much do the two numbers differ?
- Provide a Written Description and Attach Supporting Documentation for Listed Discrepancy(s)

# Pension Data Discrepancy Reporting

- Local governments must submit Pension Data Discrepancy Form (Form 5877) to report inaccurate or missing data
- Pension Data Discrepancy Forms (Form 5877) must be approved and signed by Chief Administrative Officer
- Submit to Treasury no later than March 31, 2023

# Grant Application Process



# Grant Application Submission Process

- Submission System – Michigan eSignature Solution
  - Qualified local units will complete a data request to begin application and be emailed submission link
  - The application landing page, instructions, and supporting documents will be linked from Protecting MI Pension Grant Program website

# eSignature Solution

- **What is eSignature?**

- Electronic Signature

- Establishes intent to sign

- Captures consent to sign electronically

- Metadata about the transaction

- Audit trail of signing events

- Cryptographically sealed to ensure authenticity, nonrepudiation, integrity

- Including signer names, email addresses, identity proofing, authentication steps



# eSignature Solution

- **Legality of eSignature**

- eSignatures are Legal

- US Law: Electronic Signatures in Global and National Commerce Act (ESIGN 2000, 15 U.S.C. ch. 96)

- SOM law: Michigan Uniform Electronic Transactions Act (UETA 2000, MCL 450.831-849)

- SOM Policies:

- I340.00.080.02 Electronic Signatures Standard

- I340.00.080.02.01 Electronic Signature Procedure

# eSignature Solution

- **eSignature Security**

- FedRAMP-Moderate and NIST-High secured hosting
  - Encrypted at rest and in transit
  - Should not be used for restricted data

- **Signer Authentication Options**

- Email only
- Email with SMS code sent via text message
- Email with sender-generated questions for the signer to answer

- **Evidence Summary**

- Generated for each transaction (can be downloaded)
- PDF can validate signature and display a singer certificate

# Grant Application Packet

- Grant Application (submitted via online form)
- Notarized affidavit signed by Chief Administrative Officer (Attached)
- Copy of approved local government governing body resolution authorizing the chief administrative officer to file a claim for a grant payment for the Protecting MI Pension Grant Program (Attached)
- Actuarial valuation for reporting as of December 31, 2021 (Attached)
- Most recent actuarial valuation as of December 31, 2022 (Attached)
- Copy of court ordered judgement levying a millage to cover local government pension costs (Attached If Applicable)

# Grant Application Submission Process

 Michigan eSignature Solution

Transaction: Protecting MI Pension Application

Role: Chief Financial Officer

First Name\*

John

Last Name\*

Doe

Email\*

doej@localgov.gov

Title

City Manager

Company

City of Michigan

Submit

# Grant Application Submission Process



**State of Michigan eSignature** <NoReply-eSignature@michigan.gov>

to me ▾



Department of Treasury added you as a Signer to "Protecting MI Pension Grant Application".

Please review and complete "Protecting MI Pension Grant Application".

[GO TO DOCUMENTS](#)

Thank you,  
The State of Michigan eSignature Team  
email: [RecordsCenter@Michigan.gov](mailto:RecordsCenter@Michigan.gov)

# Grant Application Submission Process

 Michigan eSignature Solution



Read & accept this document



I have read and agree to the terms of the eSign Disclosure Document.

Accept

**Agreement to Electronically Sign State of Michigan Documents**

## Protecting MI Pension: Michigan Local Pension Grant Program - Application Instructions [FORM XXXX]

### GRANT PROGRAM OVERVIEW

The Michigan Local Pension Grant Program was created to help Michigan's most underfunded municipal pension systems. Under the [Fiscal Year 2022-23 budget](#), the Michigan Department of Treasury (Treasury) was appropriated \$750 million to establish and operate a local unit municipal pension principal payment grant program for qualified retirement systems with a funded ratio below 60%, as defined in the Protecting Local Government Retirement and Benefits Act, [Public Act 2020 of 2017, Section 3, MCL 38.2803](#).

**APPLICATION TIMELINE:** To file a claim, qualified units must submit the Protecting MI Pension Program Application, Affidavit, and other supporting documentation, using the Michigan eSignature Solution to Treasury as soon as April 17, 2023, but no later than June 15, 2023. Details on the claim submission process can be found at [www.michigan.gov/MI Pension Grant](#).

Continue to the next document

Next

# Grant Application Submission Process

Michigan Department of Treasury  
xxxx (04/23)

## Protecting MI Pension Grant Application

Pursuant to Section 979(a) (2) of Public Act 166 of 2022, the Protecting MI Pension: Michigan Local Pension Grant Program was created to help Michigan's most underfunded municipal pension systems provide enrolled local government employees retirement benefits. Under the Fiscal Year 2022-23 budget, the Michigan Department of Treasury (Treasury) was appropriated \$750 million to establish and operate a local unit municipal pension principal payment grant program for qualified retirement systems with a funded ratio below 60%, as defined in the Protecting Local Government Retirement and Benefits Act, Public Act 2020 of 2017, Section 3, MCL 38.2803.

PART 1: REQUESTING LOCAL GOVERNMENT INFORMATION				
Requesting Local Unit Name Enter Text		Requesting Local Unit County Name Enter Text		
Requesting Local Unit Municipal Code Enter Text		Requesting Local Unit Type Enter Text		
Contact Name Enter Text		Contact Email Address Enter Text		
Mailing Address Enter Text		City Enter Text	State Enter Text	Zip Enter Text
Contact Title Enter Text		Contact Telephone Number Enter Text		Extension Enter Text

## PART 2: PROTECTING MI PENSION: MICHIGAN LOCAL PENSION GRANT PROGRAM ELIGIBILITY

Eligibility for the *Protecting MI Pension Program: Michigan Local Pension Grant Program* will be determined by using the unfunded ratio reported to Treasury as of December 31, 2021, pursuant to [Public Act 202 of 2017, MCL 38.2805](#).

Are you a city, village, township, county or road commission with a qualified retirement system with a funded ratio less than 60% based upon the last report filed as of December 31, 2021, pursuant to requirements listed in *Public Act 202 of 2017*?

- Yes:** The requesting local government certifies that it meets the eligibility criteria listed in *Protecting MI Pension: Michigan Local Pension Grant Program*.
- No:** The requesting local government certifies that it does not meet the eligibility criteria listed in *Protecting MI Pension: Michigan Local Pension Grant Program*.

If you answered yes to this question, please complete Part 3

## PART 3: PENSION SYSTEM GRANT AWARD REQUESTED AMOUNT(S)

Indicate below the requested qualified retirement pension system(s) data. [Qualified local governments](#) should provide the name and type of each qualified pension system for which a grant is being requested, the funded ratio of each qualified pension

## PART 3: PENSION SYSTEM GRANT AWARD REQUESTED AMOUNT(S)

Indicate below the requested qualified retirement pension system(s) data. [Qualified local governments](#) should provide the name and type of each qualified pension system for which a grant is being requested, the funded ratio of each qualified pension system based on the last report filed as required by section 5 of Public Act 202 of 2017 as of December 31, 2021, and the requested grant award amount for each system (see [www.michigan.gov/MI Pension Grant](#) for qualified local governments, qualified pension systems, qualified pension system funded ratios, and maximum grant award amounts). Qualified units for the Michigan Local Pension Grant Program may request a grant award amount not to exceed an amount equal to the amount necessary to achieve a funded ratio of 60% or the grant award cap of \$170 million, whichever is less, as reported on their most recently submitted financial statement audit as of December 31, 2021.

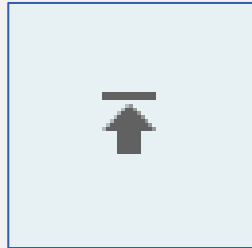
Qualified Pension System Name	Pension System Account Number or Identifier	Is this a Single-Employer/Self-Managed Pension System (Yes or No)?	Funded Ratio of Qualified Pension System	Estimated Grant Award Amount for Qualified Pension System (\$)
Enter Text	Enter Text	Enter Text	Enter Text	Enter Text
Enter Text	Enter Text	Enter Text	Enter Text	Enter Text
Enter Text	Enter Text	Enter Text	Enter Text	Enter Text


## PART 5: REQUIRED SUPPORTING DOCUMENTATION

Qualified units with a qualified retirement system will be required to provide the documents below as part of the *Protecting MI Pension Grant Application*. Qualified units can file a claim for the Michigan Local Pension Grant Program beginning April 15, 2023, but no later than June 15, 2023.

- Copy of approved local government governing body resolution authorizing the chief administrative officer to file a claim for a grant payment for the Protecting MI Pension Grant Program (**Required**)
- Copy of certified Protecting MI Pension Grant Affidavit (Form xxxx) that the qualified unit shall implement all the practices as stated in Section 979.a (2) (a-f) (**Required**)
- Copy of actuarial valuation(s) utilized in audited financial statements used to complete the most recent Form 5572 submitted as of 12/31/2021 for all qualified retirement systems that are requesting grant awards (**Required**)
- (Copy of most recent actuarial valuation as of 12/31/2022 for all qualified retirement systems that are requesting grant awards (**Required**))
- Copy of court ordered judgement levying a millage to cover local government pension costs (**If Applicable**)

# Grant Application Submission Process



☰  Michigan eSignature Solution

🏠 UPLOADS (4)

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**Attachment 1** Required

Copy of approved local government governing body resolution authorizing the chief administrative officer to file a claim for a grant payment for the Protecting MI Pension Grant Program

[See less](#)

No files uploaded yet

**Attachment 2** Required

Copy of signed and notarized affidavit and attestation that the qualified unit shall implement all the practices as stated in Section 979.a (2) (a-f)

[See less](#)

No files uploaded yet


**Attachment 3** Required



# Protecting MI Pension Grant Affidavit

- To qualify for a grant award, a qualified unit must certify and attest via an affidavit that it shall implement the practices listed in Public Act 166 of 2022, Section 979a(2) upon the receipt of a grant award

# Grant Application Submission Process

PART 6: CERTIFICATION	
<i>I hereby certify to the best of my knowledge that the information provided in this application is true and that I am authorized to submit a claim on behalf of the qualified unit as the Chief Administrative Officer, to receive funds for the Protecting MI Pension Grant Program pursuant to Public Act 166 of 2022, Section 979.a (2) (a-f).</i>	
Chief Administrative Officer Signature (as defined in <a href="#">MCL 141.422b</a> )	Printed Name of Chief Administrative Officer (as defined in <a href="#">MCL 141.422b</a> )
	Alistair Ritchie
Title	Date
Chief Administrative Officer	

Disclaimer: This form is subject to audit by the Michigan Department of Treasury. All supporting documentation regarding eligibility and monitoring requirements for the Michigan Local Pension Grant Program must be retained by the local government for 7 years.

Please confirm to complete signing



# Protecting MI Pension Grant Application Review Process

- **Review of Application Packet for Completeness**
  - Verify that governing body approval resolution is included
  - Verify affidavit is signed and notarized
  - Verify requested valuations and other supporting documents are included
- **Validate Award Request Data**
  - Validate the retirement systems requesting awards are qualified
  - Validate the requested award amounts for qualified retirement systems are accurate and that they reflect audited data submitted as of December 31, 2021
  - Validate the award amounts allow qualified retirement system to reach a maximum of 60% funded as of reporting submitted by December 31, 2021 or \$170 million, whichever is less

# **Program Award Distribution Process**

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# Distribution Process

- Pro-ratio calculation to be done (if necessary) to modify maximum grant award(s)
- Notifications of grant awards to be distributed prior to deposit
- Payments to be distributed to qualified systems not later than August 30, 2023

# Award Notification

- **Following Grant Award Eligibility and Award Amount Validation**
  - Local Government to be sent Grant Payment Award Letter announcing:
    1. Award Status
    2. Award Amount(s)
    3. Collect Award Payment Distribution Information
  - Local government to be provided Grant Award Agreement to be signed and returned

# Key Dates and Timeline

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# Timeline

<b>Date</b>	<b>Description</b>
Early-February	Website Live
Mid/Late February	Publish Preliminary Qualified Local Government Funded Ratios as of December 31, 2021
March 31, 2023	Local Government Data Discrepancy Response Deadline
April 6, 2023 and TBD	Pension Grant Webinars
April 15, 2023	Program Guidelines Due
April 17 <sup>th</sup> – June 15 <sup>th</sup>	Submission of Applications
June 15, 2023	Application Submission Deadline
June 15, 2023-July 15, 2023	Application Review Period
TBD	Pro-ration Calculation If Needed
July 17, 2023	Grant Payment Award Notification Period
August 7, 2023	Deadline for Local Government to Submit Grant Award Agreement
August 30, 2023	Last Date to Disburse Funds
August 30, 2024	Audit of Payments to Retirement Systems



## Key Dates

- **April 15, 2023** - The Department of Treasury will publish educational materials no later than April 15, 2023.

## Key Dates

- **June 15, 2023:** The department of treasury will accept applications from qualified units beginning April 15, 2023 and ending on June 15, 2023.

## Key Dates

- **No Later than July 17, 2023:** Award Notification Date
- **No Later than August 7, 2023:** Submit Grant Agreement
- **August 30, 2023:** Payments to qualified retirement systems must be disbursed no later than August 30, 2023

# Next Steps



# Next Steps

- Review [www.Michigan.gov/MIPensionGrant](http://www.Michigan.gov/MIPensionGrant) for updates and new information
- Treasury to Finalize Resources for Protecting MI Pension Grant Program
  - Post Grant Program Webinar Recordings
  - Frequently Asked Questions
  - Grant Program Checklist
  - Grant Program Timeline
  - Grant Program Application Packet Documents
  - Grant Template Submission System
- Webinar #2 Re: Frequently Asked Questions

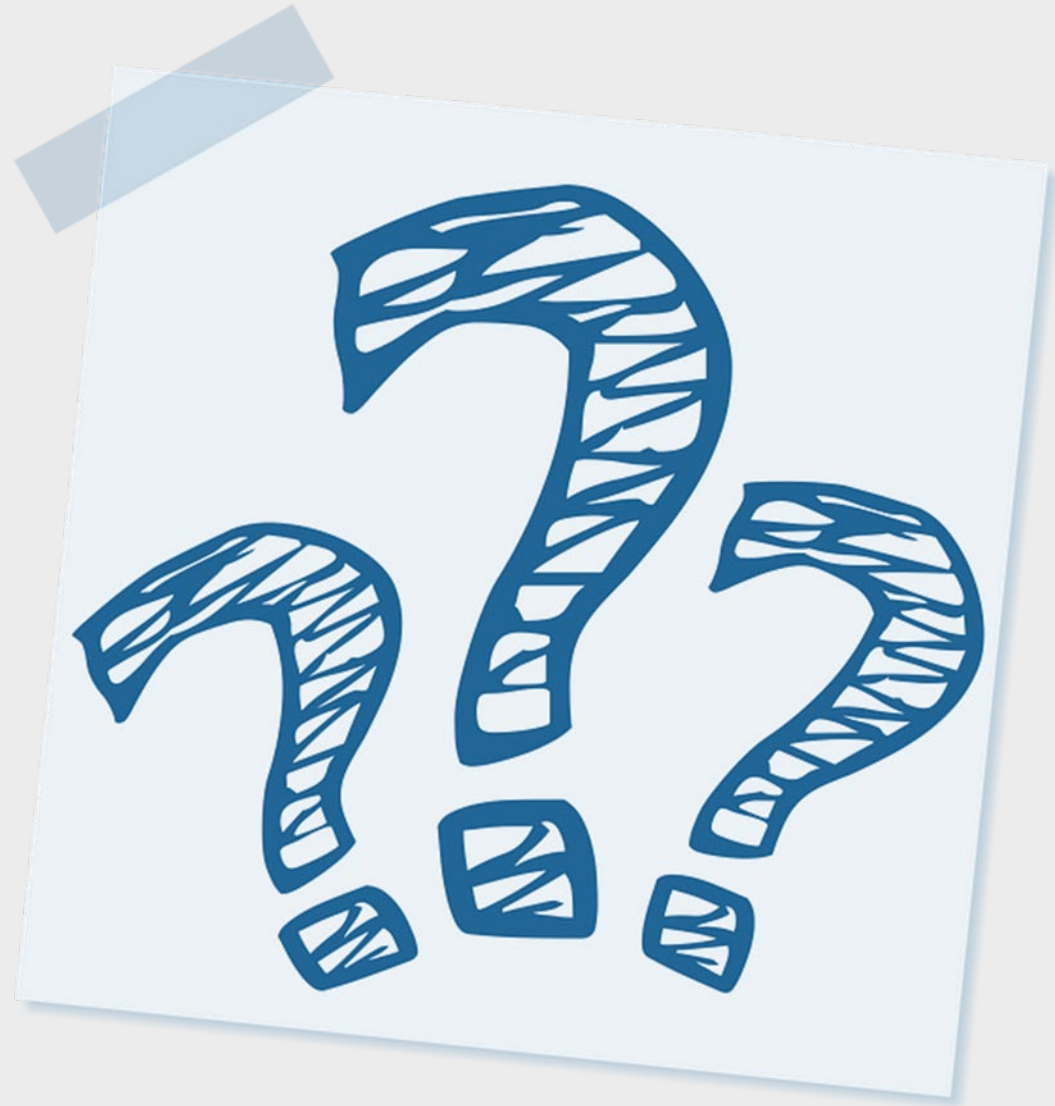
# Protecting MI Pension Grant Program Contact Information

- **Questions:** [MIpensionGrant@Michigan.gov](mailto:MIpensionGrant@Michigan.gov)
- **Web:** [www.michigan.gov/MIpensionGrant](http://www.michigan.gov/MIpensionGrant)

[Sign up for email alerts](#)

# Questions

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Thank  
You!

[www.michigan.gov/CEFD](http://www.michigan.gov/CEFD)  
[www.michigan.gov/treasury](http://www.michigan.gov/treasury)

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