

Category: 200
Number: 233

Subject: **RETIREE HEALTH CARE FUND POLICY**

1. PURPOSE: The purpose of this policy is to:
 - 1.1 Formulate a written County Retiree Health Care Fund Policy which clearly defines how health care benefits for retirees are financed and administered;
 - 1.2 Assure each employee that there are adequate reserves to pay retiree health care benefits when due;
 - 1.3 Accurately charge all funds and activities for their respective retirement costs;
 - 1.4 Identify and report the level of Retiree Health Care Fund surpluses and deficits;
 - 1.5 Designate the persons who shall act as the Fund investment fiduciaries;
 - 1.6 Designate the qualified person to administer payment of health care benefits from the Fund;
 - 1.7 Establish investment parameters for the Saginaw County Retiree Health Care Fund; and,
 - 1.8 Communicate to County Elected Officials, Department Heads and the Public the Retiree Health Care Fund Policy for the County of Saginaw.
2. AUTHORITY: The Saginaw County Board of Commissioners.
3. APPLICATION: This policy applies to all Saginaw County employees and elected officials.
4. RESPONSIBILITY: The Saginaw County Treasurer shall be responsible for the implementation of this policy.
5. DEFINITIONS: None.
6. POLICY:
 - 6.1 The Saginaw County Treasurer shall act as the Saginaw County Retiree Health Care Fund Investment Fiduciary.
 - 6.2 All monies retained in the Saginaw County Retiree Health Care Fund shall be restricted and may only be withdrawn for the payment of health care benefits on behalf of qualified individuals and payment of expenses of administration of the Saginaw County Retiree Health Care Fund.

- 6.3 The Saginaw County Controller/Chief Administrative Officer and/or his designee shall be considered the qualified person for purposes of payment of health care benefits from the Saginaw County Retiree Health Care Fund.
- 6.4 The Saginaw County Retiree Health Care Fund shall be established by transferring the monies currently held in the Saginaw County Post-Employment Health Benefits Fund.
- 6.5 The Funds from the Saginaw County Retiree Health Care Fund which are not required to pay current liabilities, shall be invested by the County Treasurer in the following manner:
 - 6.5.1 Sixty percent (60%) shall be invested in Equity or Growth-oriented securities. This may include, but is not limited to: equities, equity mutual funds, & exchange-traded funds (ETF's). Equities of international and U.S. companies shall be considered.
 - 6.5.2 Thirty percent (30%) shall be invested in Income (Fixed Income) securities. This may include, but is not limited to: Government, Corporate, and/or International bond mutual funds, fixed-income exchange-traded funds (ETF's), and Preferred securities.
 - 6.5.3 Up to ten percent (10%) may be invested in Real Assets/Alternative Investments designed to help manage market risk, enhance returns, and reduce volatility of the portfolio. These investments may include: cash or cash equivalents, real asset/alternative investment mutual funds, or real asset/alternative investment related exchange-traded funds (ETF's).
 - 6.5.4 A variance of (+ or – 10%) is allowed before the portfolio should be re-evaluated.
- 6.6 The Saginaw County Controller/CAO shall arrange to have an actuarial review of the Saginaw County Retiree Health Care Fund at least every three years with assets valued on a market basis. The Saginaw County Controller with the assistance of the Saginaw County Treasurer shall annually prepare and issue a summary report to the Saginaw County Board of Commissioners regarding the value of assets in the Fund.
7. ADMINISTRATIVE PROCEDURES: The County Treasurer and the Controller's Office shall be responsible for developing, updating and implementing any associated administrative procedures not already stated in this policy.

8. CONTROLLER/CAO LEGAL COUNSEL REVIEW: The Controller/CAO has determined that this policy as submitted to the Board of Commissioners contains the necessary substance in order to carry out the purpose of the policy. County Civil Counsel has determined that this policy as submitted contains content that appears to be legal activities of the Saginaw County Board of Commissioners.

Approved As to Substance:
Saginaw County Controller

Approved As to Legal Content:
Saginaw County Civil Counsel

ADOPTED: May 23, 2000 - Effective: October 1, 2000

Amended: December 11, 2001; May 18, 2004; June 20, 2017