

MEMORANDUM

**TO: BOARD OF TRUSTEES OF THE GENESEE COUNTY
DEFINED CONTRIBUTION PLAN**

FROM: VMT LAW

RE: POLICY REVIEW

DATE: AUGUST 26, 2025

Trustees of public employee retirement systems in the State of Michigan must comply with the fiduciary duties as provided by the Public Employee Retirement System Investment Act, Act 314 of 1965, as amended (MCL 38.1132 *et seq.*). While plan provisions and applicable laws define and establish the Board's fiduciary duties, implementation of those responsibilities necessitates an ongoing process of review and evaluation by the Board. The retention of professional service providers (e.g., Actuary, Investment Consultant, Legal Counsel) under certain circumstances will reduce the Board's exposure to liability. The maintenance of fiduciary liability insurance may further insulate the members of the Board from liability. The Board, however, ultimately retains responsibility for exercising prudence and due diligence in all decisions regarding the management and administration of the Defined Contribution Plan (the "DC Plan").

The adoption of and adherence to uniform and objective policies and procedures has become a key component of the Board's fiduciary duty. In many respects, that obligation has evolved into a "procedural prudence" standard that focuses not so much on results but on the quality and thoroughness of the Board's decision-making process. Having and following a formal process demonstrates that you did not approach your decision in a haphazard fashion but, rather, in a reasonable, responsible, and thoughtful way. Moreover, it helps ensure that you do, in fact, consider and evaluate the factors that are important to the decision you are making on behalf of the DC Plan's members and beneficiaries.

Certain policies and procedures are mandated under applicable Michigan laws (e.g., Ethics Policy, Travel and Education Policy, Investment Policy Statement, FOIA Policy, etc.). Accordingly, as a matter of fiduciary best practice, this office would recommend that the Board considers adoption of the following policies and procedures.

Board Governance Policies

- ☐ Ethics Policy
- ☐ Education & Travel Policy
- ☐ Trustee Communications Policy

Administrative Policies

- ☐ Social Security Number Privacy Policy
- ☐ Verification of Retiree/Beneficiary Data Policy
- ☐ Correction of Administrative Errors Policy
- ☐ Use of Forfeitures Policy

Investment/Miscellaneous Policies

- ☐ Investment Policy Statement
- ☐ Professional (Service Provider) Review Policy

Formal adoption of written policies and procedures not only ensures that the terms and conditions of the DC Plan are being followed, but also provides plan members and beneficiaries with a reinforced sense that the Board is properly administering the DC Plan in accordance with its fiduciary duties.

As always, please do not hesitate to contact this office if you have any questions. Thank you.