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RETIREMENT SYSTEMS: Investment of retirement systems funds.

The members of the state administrative board are the trustees of the funds of the judges' retirement system and the probate judges' retirement system. Act 314, P.A. 1965 does not change the trustees of such funds but supplements their authority to make investments.

No. 4496

May 23, 1966.

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Judges' Retirement System
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You have requested my opinion on the question whether the judges' retirement board and the probate judges' retirement board have authority to invest the funds of their respective systems as provided in Act 314, P.A. 1965.

Act 198, P.A. 1951, as amended, establishes a retirement system for judges. Section 1 of the act, being C.L.S. 1961, § 38.801; M.S.A. 1962 Rev. Vol. § 27.125(1), provides:

"The state of Michigan judges' retirement system, hereinafter called the retirement system, is hereby created and established. The administration and management of the retirement system, the responsibility for making effective the provisions of this act, and the authority to make rules and regulations therefor are hereby vested in the retirement board."

Section 24 of Act 198, P.A. 1951, as amended by Act 141, P.A. 1962, being M.S.A. 1965 Cum. Supp. § 27.125(24), designates the members of the state administrative board as the trustees of the retirement funds of the judges' retirement system and prescribes their investment powers therein.

A retirement system for probate judges was created pursuant to Act 165, P.A. 1954, as amended. Section 1 of Act 165, P.A. 1954, being C.L.S. 1961, § 38.901; M.S.A. 1962 Rev. Vol. § 27.3178(60.1) reads as follows:

"The state of Michigan probate judges retirement system, hereinafter called the retirement system, is hereby created and established. The administration and management of the retirement system, the responsibility for making effective the provisions of this act, and the authority to make all rules and regulations therefor are hereby vested in the retirement board."

Section 25 of Act 165, P.A. 1954, as last amended by Act 364, P.A. 1965, being M.S.A. 1965 Cum. Supp. § 27.3178(60.25), makes the members of the state administrative board the trustees of the funds of the probate judges' retirement system and sets forth therein their investment powers.

The legislature has authorized the investment of funds of any public employees' retirement system or plan created and established by the state

or any political subdivision in accordance with the provisions of Act 314, P.A. 1965, being M.S.A. 1965 Cum. Supp. § 3.981(101) et seq. Section 1 of Act 314, P.A. 1965 provides:

“The assets of any public employee retirement system or plan, created and established by the state or any political subdivision, with total assets in excess of \$250,000.00, may be invested, reinvested and managed by its *governing body* subject to the terms, conditions and limitations imposed by law of the state upon domestic life insurance companies in the management of its investments, except as otherwise provided in this act. The authority provided by this act shall be supplemental to that governing the operation of any public employee retirement system.” (Emphasis supplied)

It is also necessary to consider Section 9 of Act 314, P.A. 1965, which reads:

“Subject to the provisions of section 918 of Act No. 218 of the Public Acts of 1956, as amended, being section 500.918 of the Compiled Laws of 1948 and section 2 of this act, investments may be made in such stocks, bonds, or other evidences of indebtedness of solvent corporations as the governing board of any public employee retirement system or plan, or a committee of such board, entrusted by it with the investment of its funds, in the exercise of its judgment may deem proper to purchase as an investment.”

Act 314, P.A. 1965 was given immediate effect by the legislature and became effective on July 22, 1965.

The legislative intent in the enactment of Act 314, P.A. 1965, supra, must be ascertained and given effect. *Gardner-White Company v. State Board of Tax Administration*, 296 Mich. 225 (1941). The intent should be determined in light of the purpose of the legislature in the enactment of the statute. *Williams v. Secretary of State*, 338 Mich. 202 (1953).

The same legislature that enacted Act 314, P.A. 1965, supra, also passed Act 159, P.A. 1965, being M.S.A. 1965 Cum. Supp. § 3.981(8), to designate members of the state employees' retirement board trustees of the retirement funds of that system in the place of members of the state administrative board, and prescribed the powers of investment of such board. As has already been observed, the same legislature also enacted Act 364, P.A. 1965, supra, to amend Section 25 of Act 165, P.A. 1954 to increase the powers of the members of the state administrative board as the trustees of the probate judges' retirement system. Where the legislature enacts several acts at the same session, it is to be assumed that the legislature in framing and passing the various acts had full knowledge of the provisions of each enactment. *Reichert v. Peoples State Bank for Savings*, 265 Mich. 668 (1934).

The purpose of Act 314, P.A. 1965 appears clear. The legislature, by means of a general statute, sought to empower the governing body or board of any public employees' retirement system or plan created and established by the state or any political subdivision with certain minimum total assets to make investments of retirement funds as limited by the act.

As explicitly stated in Section 1 of Act 314, P.A. 1965, the authority conferred by the act is supplemental to that governing the operation of any public employees' retirement system. In light of such purpose it cannot be concluded that the legislature intended to make the governing body or board of every public employees' retirement system the trustee of its retirement funds where the statutory enactment creating this system had designated other persons or body the trustees of such funds.

Therefore, it is my opinion that the members of the state administrative board are by law the trustees of the funds of the judges' retirement system and the probate judges' retirement system. Act 314, P.A. 1965, *supra*, supplements their authority to make investments of funds under their jurisdiction in behalf of such systems, subject to the limitations as set forth in that act.

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Attorney General.