

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 868

**DATE:** March 8, 2007

**Version:** As introduced

**Authors:** Buesgens and others

**Subject:** Local government trust funds for postemployment benefits

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### Overview

Permits political subdivisions to establish irrevocable trust funds to pay postemployment benefits.

#### Section

#### **1 Trust funds for postemployment benefits.**

**Subd. 1. Establishment; administration and investment.** Permits a political subdivision to establish an irrevocable trust fund for postemployment benefits. Permits investment of the funds with the State Board of Investment or another investment manager who may invest the money in the same instruments authorized for the State Board of Investment.

**Subd. 2. Definitions.** Defines political subdivision ("county, municipal corporation, town, school district, county extension committee, other political subdivision or other body corporate and politic of this state, including the state or any department thereof, through its governing body and any two or more subdivisions acting jointly through their governing bodies" - Minn. Stat. § 471.61, subd. 2a), and postemployment benefits.

**Subd. 3. Withdrawal of funds.** Allows withdrawal of funds only to pay postemployment benefits or to the extent the political subdivision's actuarial liability for the benefits is satisfied or defeased.

**Section**

**Subd. 4. Status of irrevocable trust fund.** Provides that the trust fund money is not subject to the political subdivision's creditor claims.

**2**        **Effective** the day after enactment.