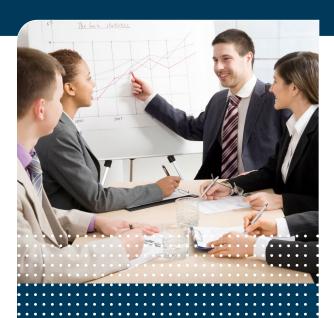
## The MERS Retiree Health Funding Vehicle

The MERS Retiree Health Funding Vehicle offers you a simple solution to a complex problem: how to establish a qualified medical trust with cost-effective diversified investments. The Retiree Health Funding Vehicle helps employers set aside assets for funding their liability, while benefitting from investing in the available investment options.



## Pre-funding Your OPEB

Just as your doctor says about an ounce of prevention, the same holds true for your OPEB liability. By pre-funding your OPEB liability instead of a pay-as-you-go method, you can prepare for the future in the present.

- Assets held in trust are legally protected from creditors and may only be used for OPEB.
- By joining the funding vehicle, you are joining a 115 Governmental Integral Part Trust.
- We save you the cost, time and effort of forming a trust on your own — we do the work for you!
- You determine the contribution frequency and amount to the Trust.
- The Trust has been approved by a Private Letter Ruling from the IRS.
- You'll benefit from the strength of our large membership, with cost-effective diversified portfolios.
- By pre-funding your OPEB liability through a Trust, you can use a higher discount rate to calculate your unfunded liability. The result is a reduction in the amount reported.
- Earnings on assets will reduce your long-term contributions and unfunded liability.
- Funding may prevent your net OPEB obligation from becoming a significant liability on your balance sheet.
- Funding can contribute to a positive credit rating.



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This publication contains a summary description of MERS benefits, policies or procedures. MERS has made every effort to ensure that the information provided is accurate and up to date. If this publication conflicts with the relevant provisions of the Plan Document, the Plan Document Controls. MERS, as a governmental plan, is exempted by state and federal law from registration with the SEC. However, it employs registered investment advisors to manage the trust fund in compliance with Michigan Public Employee Retirement System Investment Act. Past Performance is not a guarantee of future returns. Please make independent investment decisions carefully and seek the assistance of independent experts when appropriate.