**OPEB ADMINISTRATIVE ACCOUNT AGREEMENT**

**Between**

[*The Entity*] **and**

**PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA)**

This Agreement is between the [*Entity*] and the Public Employees Retirement Association of Minnesota (PERA).

**RECITALS:**

**WHEREAS**, Minnesota Statutes 471.6175 (referred to herein as § 471.6175) authorizes political subdivisions and other public entities, that create or have created an actuarial liability to pay postemployment benefits (“OPEB benefits”) to its employees and officers, to establish a” trust” to pay those benefits.

**WHEREAS**, a trust so established may be either a REVOCABLE or IRREVOCABLE trust, trust account or custodial account authorized under 26 U.S.C. s 401(f) and may only be used to pay OPEB benefits.

**WHEREAS**, it is the intent of the [*Entity*] to establish a (REVOCABLE) (IRREVOCABLE) trust account pursuant to § 471.6175, with the Public Employees Retirement Association (“PERA”) serving as administrator of that trust account.

**WHEREAS**, § 471.6175 authorizes PERA to serve as trust administrator for the trust account;

**WHEREAS**, the [*Entity*] hereby establishes a trust account to be held under the supervision of PERA which agrees to serve as trust administrator under the provisions of § 471.6175;

**NOW THEREFORE**, The [*Entity*] and PERA in consideration of the foregoing and the mutual covenants contained herein, agree as follows:

**AGREEMENT**

**1. Terms of Agreement**

 1.1 *Effective Date*: July 1, 2008 or when this agreement is signed, whichever is later.

 1.2 *Expiration Date*: This agreement will remain in effect as long as PERA continues to serve as trust administrator and the applicable continuation and termination provisions of § 471.6175 are complied with. The agreement and investment account may be terminated in accordance with 471.6175 and the parties recognize that the city has the sole discretion to change trust administrators and transfer trust assets, subject only to a mutually agreed timetable for the transfer of assets. If legislation is passed that alters the relationship or duties laid out in this agreement, this agreement will expire on the day the legislation is effective

**2**. **Duties and Responsibilities of the Parties:**

2.1 The [*Entity*] may deposit money in the account and withdraw money from the account as needed for postemployment benefits owed on behalf of former employees or officers of the [*City*]. Determinations regarding the appropriate amounts to be deposited and withdrawn shall be the sole responsibility of the city, provided that the city may not deposit an amount in excess of the city’s actuarially determined liabilities for postemployment benefits. The [*City*] will notify PERA and the State Board of Investment in which accounts assets will be invested each time they make a deposit. They will notify PERA at least 5 working days before they would like to make a deposit, withdrawal or transfer of assets between fund types. The [*City*] will be responsible for any OPEB reporting requirements, and is responsible for determining if the trust is revocable or irrevocable.

2.2 PERA shall administer the city’s trust account as a separate account in accordance with the terms set forth in § 471.6175, subd. 4(a) and certify all amounts in the trust account to the state board of investment pursuant to the terms of § 471.6175, subd. 5(b).

2.3 PERA will provide instructions on how to submit and withdraw assets to and from the investment trust account. PERA will keep a separate accounting of assets received, monthly investment returns, withdrawals, and administrative fees. PERA will reconcile with State Board of Investment reports on a monthly basis. A report showing trust activity and monthly balances will be provided on demand. PERA will not account for these as an OPEB Plan in PERA’s stand-alone CAFR

2.4 Terms Applicable to Revocable Accounts. The [*City*] has the sole authority to withdraw some, or all, of its money, or terminate, the account subject to the terms and conditions set forth in § 471.6175, subd. 7 (a). The [*City*] bears sole responsibility for decisions relating to withdrawals and the use of funds withdrawn and any decision to terminate the account. PERA bears no responsibility to determine whether such decisions comply with § 471.6175 or other applicable state or federal law.

2.5 Terms Applicable To Irrevocable Accounts. The city may only withdraw money for the purposes set forth in § 471.6175, subd. 7(b). The city bears sole responsibility for withrawals and the use of funds withdrawn and a decision to terminate the account. PERA bears no responsibility to determine whether such decisions comply with § 471.6175 or other applicable state or federal law.

2.6 Status of Irrevocable Trust. All money in an irrevocable trust account is held in trust for the exclusive benefit of former officers and employees of the participating [*City*] and is not subject to claims by creditors of the state, the [*City*], the current or former officers and employees of the [*City*] or the Trust Administrator. An irrevocable trust account created pursuant to § 471.6175 shall be deemed an arrangement equivalent to a trust for all legal purposes.

**3. Consideration and Payment**

 3.1 *Consideration*. PERA may charge the [*City*] fees for reasonable administrative costs based upon the actual time spent administering the account. A breakdown of administrative expenses will be prepared by PERA on a yearly basis and submitted to the [*City*] at least 14 days before the fees are taken out of the account.

 3.2 *Terms of Payment*. Payment shall be made directly from the account.

**4. Amendments**

Any amendment to this agreement must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original agreement, or their successors in office.

**5. Liability**

Each party will be responsible for its own acts and behavior and the results thereof.

IN WITNESS WHEREOF, the parties have hereunto set their hands this \_\_\_\_day of \_\_\_\_\_, 20\_\_\_.

*Note: Signature block can be adjusted, depending on the requirements of the entity.*

 PUBLIC EMPLOYEES RETIREMENT

[*ENTITY*] ASSOCIATION OF MN (PERA)

By\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ By\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Mayor Assistant Executive Director

Attest\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 City Clerk

Countersigned:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 City Auditor

Approved as to form:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 City Attorney

AG: #2285639-v1