

PUBLIC EMPLOYEE RETIREMENT SYSTEM INVESTMENT ACT (EXCERPT)
Act 314 of 1965

38.1132b Definitions; D to G.

Sec. 12b.

(1) "Defined contribution plan" means a defined contribution plan as defined in section 414(i) in the internal revenue code, 26 USC 414.

(2) "Derivative" means either of the following:

(a) A contract or convertible security that changes in value in concert with a related or underlying security, future, or other instrument or index; or obtains much of its value from price movements in a related or underlying security, future, or other instrument or index; or both.

(b) A contract or security, such as an option, forward, swap, warrant, or a debt instrument with 1 or more options, forwards, swaps, or warrants embedded in it or attached to it, the value of which contract or security is determined in whole or in part by the price of 1 or more underlying instruments or markets.

(3) "Equity interests" means limited partnership interests and other interests in which the liability of the investor is limited to the amount of the investment, but does not mean general partnership interests or other interests involving general liability of the investor.

(4) "Global security" means any of the following:

(a) A fixed income security issued by a government, a governmental agency, or a public or private company that is traded outside of the United States and may be issued in a currency other than the United States dollar.

(b) An equity position in a company traded on an exchange outside of the United States or a security that may be issued in a currency other than the United States dollar or an unregistered American depository receipt.

(c) An equity or fixed income derivative that derives its value from an investment described in subdivision (a) or (b) or a global security or bond index traded on an exchange outside of the United States.

History: Add. 1996, Act 485, Imd. Eff. Dec. 27, 1996 ;-- Am. 2000, Act 307, Imd. Eff. Oct. 16, 2000 ;-- Am. 2012, Act 347, Eff. Mar. 28, 2013