

**Metropolitan Transportation Commission
Administration Committee**

December 10, 2025

Agenda Item 2b-25-1482

**Update to MTC Investment Policy Statement for Internal Revenue Code (IRC) Section 115
Post-Employment Benefits Trust**

Subject:

Staff update on revised investment policy statement for assets held in the Internal Revenue Code (IRC) Section 115 Post-Employment Benefits Trust.

Background:

The Commission approved MTC Resolution 3912 in October 2009, which authorized MTC to establish an IRC Section 115 Other Post-Employment Benefits (OPEB) Retirement Health Care Plan Trust. In December 2020, the Commission approved MTC Resolution 4436, which authorized MTC to create an additional pre-funding account for retirement benefits. As of October 31, 2025, the OPEB Retirement Health Care Plan Trust held assets of approximately \$65 million and the pre-funding account for retirement benefits held assets of approximately \$3 million. The investment policy statement sets investment guidelines such as time horizon, liquidity and diversification, and asset allocation.

In accordance with the existing investment policy statements, 100% of trust account assets are invested in fixed income investments. Under the revised investment policy statement, the trust account assets will be invested in a broader mix of asset types. The revised investment policy statement allows investments in a combination of equities and fixed income as directed by the MTC Plan Administrator, MTC's Chief Financial Officer.

The main investment objective of MTC's investment of assets in the Trust is to achieve long-term growth of the MTC assets invested in the Trust by maximizing long-term rate of return on investments and minimizing risk of loss to fulfill MTC's current and long-term post-employment benefits obligations.

Issues:

None identified.

Recommendations:

None. Information only.

Attachments:

- Attachment A – Investment Policy Statement for Post-Employment Benefits Trust



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