

AMENDMENTS TO HOUSE BILL NO. 1460

Sponsor: REPRESENTATIVE RYAN

Printer's No. 2595

1 Amend Bill, page 1, lines 11 and 12, by striking out all of
2 said lines and inserting

3 Section 1. Section 8502 of Title 24 of the Pennsylvania
4 Consolidated Statutes is amended by adding a subsection to read:

5 Amend Bill, page 1, lines 15 through 19; page 2, lines 1
6 through 24; by striking out all of said lines on said pages and
7 inserting

8 (s) Additional reporting requirements.--The following shall
9 apply:

10 (1) In addition to the requirements set forth in this
11 section, the board shall prepare and have published on its
12 publicly accessible Internet website, and electronically
13 submit copies to all members of the General Assembly, the
14 following information within six months after the end of the
15 system's fiscal year:

16 (i) The performance of all investments over the most
17 recent 1-, 3-, 5-, 10- and 20-year periods.

18 (ii) The performance of all investments by asset
19 class over each time horizon, both gross and net of fees
20 being reported commencing prospectively from the
21 effective date of this subsection and retroactively for
22 the 5-year period and, to the extent the information is
23 available, retroactively for the 10-year period.

24 (iii) An itemized listing of the fees paid to all
25 investment managers for the applicable reporting years,
26 separated by base management fee and profit share,
27 including performance fees, carried interest and
28 incentive fees, including the basis of valuation, and
29 informed by the best practices as recommended by
30 recognized industry standards, including, but not limited
31 to, the Institutional Limited Partnership Association Fee
32 Transparency Initiative. The board shall disclose in the
33 report which industry standards were used and whether any
34 changes to industry standards have been made.

35 (iv) Management letters prepared by:

1 (A) any independent certified public accounting
2 firm authorized to conduct an audit of the system or
3 the plan by the General Assembly;
4 (B) the Office of the Auditor General;
5 (C) auditors hired by the board and referenced
6 in the board's financial statements filed in
7 accordance with subsection (n); and
8 (D) an independent certified public accounting
9 firm specified in subsection (o).

10 Amend Bill, page 2, lines 28 through 30, by striking out all
11 of said lines

12 Amend Bill, page 3, line 14, by striking out "5902(m)" and
13 inserting

14 5902

15 Amend Bill, page 3, line 14, by inserting after "amended"
16 by adding a subsection

17 Amend Bill, page 3, lines 17 through 30; page 4, lines 1
18 through 16; by striking out all of said lines on said pages and
19 inserting

20 (r) Additional reporting requirements.--The following shall
21 apply:

22 (1) In addition to the requirements set forth in this
23 section, the board shall prepare and have published on its
24 publicly accessible Internet website, and electronically
25 submit copies to all members of the General Assembly, the
26 following information within six months after the end of the
27 system's calendar year:

28 (i) The performance of all investments over the most
29 recent 1-, 3-, 5-, 10- and 20-year periods.

30 (ii) The performance of all investments by asset
31 class over each time horizon, both gross and net of fees
32 being reported commencing prospectively from the
33 effective date of this subsection and retroactively for
34 the 5-year period and, to the extent the information is
35 available, retroactively for the 10-year period.

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6 firm authorized to conduct an audit of the system or
7 the plan by the General Assembly;

8 (B) the Office of the Auditor General;

9 (C) auditors hired by the board and referenced
10 in the board's financial statements filed in
11 accordance with subsection (m); and

12 (D) an independent certified public accounting
13 firm specified in subsection (n).

14 Amend Bill, page 4, lines 20 through 22, by striking out all
15 of said lines