

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 417 Session of
1991

INTRODUCED BY VROON, FARGO, GEIST, FLICK, CLYMER, GANNON,
BARLEY, DEMPSEY, WILSON, FOX, NOYE, NYCE, BIRMELIN, HECKLER,
JOHNSON, CIVERA, SAURMAN AND FARMER, MARCH 11, 1991

REFERRED TO COMMITTEE ON EDUCATION, MARCH 11, 1991

AN ACT

1 Amending Title 24 (Education) of the Pennsylvania Consolidated
2 Statutes, further providing for administrative duties of the
3 board, for management of the fund and accounts and for
4 crediting of moneys to the fund.

5 The General Assembly of the Commonwealth of Pennsylvania
6 hereby enacts as follows:

7 Section 1. Sections 8502(b), (g) and (l), 8521(c), (d) and
8 (g) and 8522 of Title 24 of the Pennsylvania Consolidated
9 Statutes are amended to read:

10 § 8502. Administrative duties of board.

11 * * *

12 (b) Professional personnel.--The board shall contract for
13 the services of a chief medical examiner, an actuary, investment
14 advisors, counselors, an investment coordinator, a master
15 trustee and such other professional personnel as it deems
16 advisable.

17 * * *

(g) Performance of employer duties.--In the event the employer fails to comply with the procedures as mandated in section 8506 (relating to duties of employers), the board shall perform such duties and bill the employer who shall pay for the cost of same. In the event the employer is delinquent in payment of contributions in accordance with section 8327 (relating to payments by employers), the board shall notify the Secretary of Education and the [State Treasurer] master trustee of such delinquency.

* * *

(l) Commonwealth payments.--The board shall within 30 days following the end of each quarter determine the amount due to the fund from the Commonwealth during that quarter and submit at that time a requisition for the amount determined to be due from the Commonwealth to the State Treasurer. The State Treasurer shall transfer the Commonwealth payment to the board's master trustee to be credited to the fund in accordance with section 8522 (relating to public school employees' retirement fund).

* * *

§ 8521. Management of fund and accounts.

* * *

(c) Custodian of fund.--The [State Treasurer shall be] board shall select a master trustee to serve as the custodian of the fund.

(d) Payments from fund.--All payments from the fund shall be made [by the State Treasurer in accordance with requisitions signed] by the secretary of the board, or his designee, and shall be ratified by resolution of the board. All payments shall be made and reported in accordance with generally accepted accounting principles and shall be reconciled monthly by the

1 secretary and audited annually by the board's independent
2 auditor.

3 * * *

4 (g) Deposits in banks and trust companies.--For the purpose
5 of meeting disbursements for annuities and other payments in
6 excess of the receipts, there shall be kept available by the
7 [State Treasurer] board an amount, not exceeding 10% of the
8 total amount in the fund, on deposit in any bank, savings bank
9 or savings and loan association in this Commonwealth organized
10 under the laws thereof or under the laws of the United States or
11 with any trust company or companies incorporated by any law of
12 this Commonwealth, provided any of such banks, trust companies,
13 savings banks or savings and loan associations shall furnish
14 adequate security for said deposit. The sum deposited in any one
15 bank or trust company shall not exceed 25% of the paid-up
16 capital and surplus of said bank or trust company or, in the
17 case of savings banks or savings and loan associations, shall
18 not exceed 25% of the unappropriated surplus.

19 * * *

20 § 8522. Public School Employees' Retirement Fund.

21 The fund shall consist of all moneys in the several separate
22 funds [in the State Treasury] set apart to be used under the
23 direction of the board for the benefit of members of the
24 system[; and the Treasury Department shall credit]. The board
25 shall cause to be credited to the fund all moneys received from
26 the Department of Revenue and the employers arising from the
27 contributions required under the provisions of Chapter 83
28 (relating to membership, contributions and benefits) and all
29 earnings from investments or moneys of said fund. There shall be
30 established and maintained by the board the several ledger

1 accounts specified in sections 8523 (relating to members'
2 savings account), 8524 (relating to State accumulation account)
3 and 8525 (relating to annuity reserve account).

4 Section 2. All acts and parts of acts are repealed insofar
5 as they are inconsistent with this act.

6 Section 3. This act shall take effect immediately.