
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2686 Session of
2000

INTRODUCED BY DeWEESE, LEDERER, OLIVER, BELARDI, GEORGE,
CALTAGIRONE, BELFANTI, WOJNAROSKI, HARHAI, M. COHEN, ROEBUCK,
DALEY, ROBINSON, SCRIMENTI, SHANER, WALKO, PETRARCA, MELIO,
FRANKEL, YOUNGBLOOD, PETRONE, EVANS, LUCYK, THOMAS, BISHOP,
RAMOS AND HASAY, AUGUST 9, 2000

REFERRED TO COMMITTEE ON FINANCE, AUGUST 9, 2000

AN ACT

1 Amending Titles 24 (Education) and 71 (State Government) of the
2 Pennsylvania Consolidated Statutes, further providing for
3 management of the Public School Employees' Retirement Fund,
4 the State Employees' Retirement Fund and accounts.

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

7 Section 1. Section 8521(a) of Title 24 of the Pennsylvania
8 Consolidated Statutes is amended to read:

9 § 8521. Management of fund and accounts.

10 (a) Control and management of fund.--The members of the
11 board shall be the trustees of the fund. Regardless of any other
12 provision of law governing the investments of funds under the
13 control of an administrative board of the State government, the
14 trustees shall have exclusive control and management of the said
15 fund and full power to invest the same, in accordance with the
16 provisions of this section, subject, however, to the exercise of
17 that degree of judgment, skill and care under the circumstances

1 then prevailing which persons of prudence, discretion and
2 intelligence who are familiar with such matters exercise in the
3 management of their own affairs not in regard to speculation,
4 but in regard to the permanent disposition of the fund,
5 considering the probable income to be derived therefrom as well
6 as the probable safety of their capital. The trustees shall have
7 the power to hold, purchase, sell, lend, assign, transfer, or
8 dispose of any of the securities and investments in which any of
9 the moneys in the fund shall have been invested as well as of
10 the proceeds of said investments, including any directed
11 commissions which have accrued to the benefit of the fund as a
12 consequence of the investments, and of any moneys belonging to
13 said fund, subject in every case to meeting the standard of
14 prudence set forth in this subsection. Ten percent of the
15 monetary value of all stock or options transactions traded in
16 each fiscal year shall be traded through the Philadelphia Stock
17 Exchange.

18 * * *

19 Section 2. Section 5931(a) of Title 71 is amended to read:
20 § 5931. Management of fund and accounts.

21 (a) Control and management of fund.--The members of the
22 board shall be the trustees of the fund. Regardless of any other
23 provision of law governing the investments of funds under the
24 control of an administrative board of the State government, the
25 trustees shall have exclusive control and management of the said
26 fund and full power to invest the same in accordance with the
27 provisions of this section, subject, however, to the exercise of
28 that degree of judgment, skill and care under the circumstances
29 then prevailing which persons of prudence, discretion and
30 intelligence, who are familiar with such matters, exercise in

1 the management of their own affairs not in regard to
2 speculation, but in regard to the permanent disposition of the
3 funds, considering the probable income to be derived therefrom
4 as well as the probable safety of their capital. The trustees
5 shall have the power to hold, purchase, sell, lend, assign,
6 transfer or dispose of any of the securities and investments in
7 which any of the moneys in the fund shall have been invested as
8 well as of the proceeds of said investments, including any
9 directed commissions which have accrued to the benefit of the
10 fund as a consequence of the investments, and of any moneys
11 belonging to said fund, subject in every case to meeting the
12 standard of prudence set forth in this subsection. Ten percent
13 of the monetary value of all stock or options transactions
14 traded in each fiscal year shall be traded through the
15 Philadelphia Stock Exchange.

16 * * *

17 Section 3. This act shall take effect in 60 days.