
By Mr. Harrington of Everett, petition of Arthur H. MacKinnon for legislation relative to the investment of funds of retirement systems. Pensions and Old Age Assistance.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Fifty-Six.

AN ACT RELATIVE TO THE INVESTMENT OF CERTAIN RETIREMENT SYSTEM FUNDS.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 Subdivision (2) of section 23 of chapter 32 of the
2 General Laws is hereby amended by striking out para-
3 graph (b), as most recently amended by section 1 of
4 chapter 126 of the acts of 1954, and inserting in place
5 thereof the following paragraph:—

6 (b) The board of each such system shall invest and
7 reinvest the funds of such system, to the extent not re-
8 quired for current disbursements, as follows:—

9 (i) In securities, other than mortgages on collateral
10 loans, which are legal for the investment of funds of
11 savings banks under the laws of the Commonwealth;
12 provided that—

13 (A) Not more than thirty per cent of the assets of any
14 such system shall be invested in railroad obligations,
15 nor shall more than two per cent of the said assets be
16 invested in the obligations of any one operating rail-
17 road corporation, including its direct and assumed ob-
18 ligations and including also the obligations of lessor
19 railroad corporations which derive seventy-five per cent
20 or more of their income from leases of their railroads to
21 said operating railroad corporation.

22 (B) Not more than twenty per cent of the assets of
23 any such system shall be invested in the bonds of tele-
24 phone companies, nor shall more than two per cent of
25 such assets be invested in the bonds of any one tele-
26 phone company.

27 (C) Not more than thirty per cent of the assets of
28 any such system shall be invested in the bonds of pub-
29 lic service companies, nor shall more than two per cent
30 of such assets be invested in the bonds of any one such
31 corporation.

32 (D) Not more than five per cent of the assets of any
33 such system shall be invested in obligations made eligible
34 for investment by savings banks under the provisions
35 of General Laws, chapter 168, section 54, clause fifteenth,
36 subdivision (c), nor shall more than one half of one per
37 cent of such assets be invested in the obligations of any
38 one obligor so made eligible for investment.

39 (E) Not more than ten per cent of the assets of any
40 such system shall be invested in bank stocks and insur-
41 ance companies stocks, nor shall more than two per cent
42 of such assets be invested in the stock of any one bank
43 or insurance company.