

HOUSE . . . . . No. 1238

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By Mr. Durkin of Salem, petition of Charles P. Howard for legislation defining the securities reinvestment account and regulating the disposition of profits realized from the sale of any security in the state employees' retirement system and the teachers' retirement system. Pensions and Old Age Assistance.

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**The Commonwealth of Massachusetts**

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

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AN ACT DEFINING THE SECURITIES REINVESTMENT ACCOUNT AND FURTHER REGULATING THE DISPOSITION OF PROFITS REALIZED FROM THE SALE OF ANY SECURITY IN THE STATE EMPLOYEES' RETIREMENT SYSTEM AND THE TEACHERS' RETIREMENT SYSTEM.

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

1 SECTION 1. Section 1 of chapter 32 of the General Laws, as  
2 most recently amended by section 2 of chapter 688 of the acts  
3 of 1954, is hereby amended by adding after the definition  
4 "Total deductions" the following definition:— "Securities  
5 reinvestment account", the account established under the  
6 provisions of subdivision (6) of section twenty-two to provide  
7 for the accumulation of profits realized on the sale of any  
8 investment of the state employees' retirement system and the  
9 teachers' retirement system.

1 SECTION 2. Paragraph (c) of subdivision 3 of section 22 of  
2 chapter 32 of the General Laws, as inserted by section 1 of  
3 chapter 658 of the acts of 1945, is hereby amended by striking  
4 out the first sentence and inserting in place thereof the follow-  
5 ing sentence:— Any profit realized on the sale of any invest-  
6 ment of the state employees' retirement system or the teachers'

7 retirement system, due to the amount received therefor being  
8 in excess of its book value on the date of its sale, shall be  
9 credited to the securities reinvestment account; and any  
10 profit realized on such sale in any other system, and any  
11 profit realized on the maturity of any investment in all systems  
12 shall be credited to the pension fund of the system.

1 SECTION 3. Subdivision 6 of section 22 of chapter 32 of the  
2 General Laws, as inserted by section 1 of chapter 658 of the  
3 acts of 1945, is hereby amended by adding at the end the  
4 following new paragraph:—

5 (e) The state employees' retirement system and the  
6 teachers' retirement system shall each establish a securities  
7 reinvestment account to which shall be credited the profits  
8 realized on the sale of any investment due to the amount  
9 therefor being in excess of its book value on the date of its  
10 sale. The investment committee of the state employees'  
11 retirement system and the teachers' retirement system may,  
12 from time to time, reinvest the amount contained in the  
13 securities reinvestment account of each system, and all interest  
14 or dividends received from such investments shall be credited  
15 to the investment income account pursuant to the provisions  
16 of this subdivision. The securities reinvestment account  
17 shall not be used for any other purpose except as provided  
18 herein.