

**SENATE . . . . . No. 1097**

By Mr. Golden and Representative O'Leary of Melrose, a joint petition (accompanied by bill, Senate, No. 1097) of William B. Golden, Timothy F. O'Leary, Thomas S. Cahir, Peter C. Webber, Peter Forman, Thomas P. White, Eric Turkington, Walter J. Boverini, David B. Cohen, Brian P. Lees and William P. Nagle, Jr., for legislation to modify the supervision and investment of funds of the teachers retirement system. Public Service.

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**The Commonwealth of Massachusetts**

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In the Year One Thousand Nine Hundred and Ninety.

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AN ACT TO MODIFY THE SUPERVISION AND INVESTMENT OF FUNDS OF 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 Paragraph (a) of subdivision (1) of Section 23 of Chapter 32  
2 of the General Laws is hereby amended by striking the same and  
3 inserting in place thereof the following new paragraph: —  
4 (1) State Employees' Retirement System and Teachers'  
5 Retirement System. (a)(i) There shall be an unpaid investment  
6 committee which shall have general supervision of the investment  
7 and reinvestment of the funds of the State Employees' Retirement  
8 System. Such committee shall consist of three members as follows:  
9 The State Treasurer who shall be a member ex officio and who  
10 shall serve as Chairperson, the Commissioner of Banks who shall  
11 be a member ex officio, and a third member who shall be qualified  
12 by training and experience in the investment of funds as the result  
13 of having been principally employed in such occupation for a  
14 period of at least ten years and who shall be chosen by the other  
15 two for a term of three years. If a third member is not chosen  
16 by the other two members before February first, nineteen hundred  
17 and eighty-seven, in the first instance, and thereafter within thirty  
18 days after the expiration of the term of the third member, the  
19 Governor shall appoint a third member for a term of three years.  
20 Each member of such committee shall continue to hold office until

21 the expiration of his term and until the qualification of his  
22 successor. The State Treasurer shall furnish clerical assistance as  
23 may be required to carry on the work of the investment committee.

24 (a)(ii) There shall be an unpaid investment committee which  
25 shall have general supervision of the investment and reinvestment  
26 of the funds of the Teachers' Retirement System. Such committee  
27 shall consist of five members as follows: The State Treasurer who  
28 shall be a member ex officio and who shall serve as Chairperson,  
29 the Commissioner of Banks who shall be a member ex officio,  
30 two members of the teachers' retirement system, either active or  
31 inactive, who shall be elected by the members in or retired from  
32 such system for a term of three years in such a manner as the  
33 Commissioner shall determine, and a fifth member who shall be  
34 qualified by training and experience in the investment of funds  
35 as the result of having been principally employed in such  
36 occupation for a period of at least ten years and who shall be  
37 chosen by the other four for a term of three years. If a fifth member  
38 is not chosen by the other four members before September first,  
39 nineteen hundred and eighty-seven in the first instance, and  
40 thereafter within thirty days after the expiration of the term of  
41 the third member, the Governor shall appoint a fifth member for  
42 a term of three years. Each member of such committee shall  
43 continue to hold office until the expiration of his term and until  
44 the qualification of his successor. The State Treasurer shall furnish  
45 such clerical assistants as may be required to carry on the work  
46 of the investment committee. The investment committee shall  
47 employ an investment advisor, legal counsel and consultants as  
48 it deems necessary.