

---

THE GENERAL ASSEMBLY OF PENNSYLVANIA

---

HOUSE BILL

No. 1496 Session of  
2023

---

INTRODUCED BY FINK, ECKER, KAUFFMAN AND ZIMMERMAN, JUNE 22, 2023

---

REFERRED TO COMMITTEE ON STATE GOVERNMENT, JUNE 22, 2023

---

AN ACT

1 Amending Title 20 (Decedents, Estates and Fiduciaries) of the  
2 Pennsylvania Consolidated Statutes, providing for training of  
3 public pension fund and State fund fiduciaries.

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

6 Section 1. Title 20 of the Pennsylvania Consolidated  
7 Statutes is amended by adding a chapter to read:

8 CHAPTER 74

9 TRAINING OF PUBLIC PENSION FUND

10 AND STATE FUND FIDUCIARIES

11 Sec.

12 7401. Definitions.

13 7402. Training requirements.

14 7403. Content of training.

15 7404. Legal fees.

16 § 7401. Definitions.

17 The following words and phrases when used in this chapter  
18 shall have the meanings given to them in this section unless the  
19 context clearly indicates otherwise:

1 "Commonwealth agency." A department, board, commission,  
2 agency, authority or other instrumentality of the Commonwealth.

3 "Designee." An individual appointed by, and authorized by  
4 law to act in the stead of, a trustee, board member or other  
5 appointed or elected official that stands in a fiduciary  
6 relationship to the members and beneficiaries of a State fund or  
7 a fund of a public pension system.

8 "Public pension system." The Public School Employees'  
9 Retirement System, the State Employees' Retirement System, the  
10 Pennsylvania Municipal Retirement System and any pension plan  
11 maintained by a municipality or a county for its employees.

12 "State fund." A fund or account in the State Treasury or  
13 under the care, custody or control of a Commonwealth agency.  
14 § 7402. Training requirements.

15 (a) Training.--A trustee, board member or other appointed or  
16 elected official who stands in a fiduciary relationship to the  
17 members and beneficiaries of a State fund or a fund of a public  
18 pension system, or a designee thereof, shall complete training  
19 in fiduciary law, as provided in subsection (b).

20 (b) Requirements.--

21 (1) An individual appointed or elected to a position  
22 described in subsection (a) after the effective date of this  
23 section shall complete:

24 (i) Two hours of training in fiduciary law within  
25 one year of the date of appointment to the position.

26 (ii) One hour of training in fiduciary law annually,  
27 each year thereafter.

28 (2) An individual who holds a position described in  
29 subsection (a) on the effective date of this paragraph is  
30 exempt from the two-hour initial training requirement under

1 paragraph (1)(i). The individual shall complete one hour of  
2 training in fiduciary law annually.

3 (c) Public School Employees' Retirement Board members.--  
4 Training completed in accordance with this section by an  
5 individual who is a member of the Public School Employees'  
6 Retirement Board, or a designee of a board member, may be  
7 applied toward the individual's board training requirement under  
8 24 Pa.C.S. § 8501(f) (relating to Public School Employees'  
9 Retirement Board) or Audit or Compliance Committee training  
10 requirement under 24 Pa.C.S. § 8501(g), as applicable.

11 (d) State Employees' Retirement Board members.--Training  
12 completed under this section by an individual who is a member of  
13 the State Employees' Retirement Board, or a designee of a board  
14 member, may be applied toward the individual's board training  
15 requirement under 71 Pa.C.S. § 5901(f) (relating to the State  
16 Employees' Retirement Board) or Audit Risk and Compliance  
17 Committee training requirement under 71 Pa.C.S. § 5901(g), as  
18 applicable.

19 § 7403. Content of training.

20 (a) Initial training.--Initial training under section  
21 7402(b)(1)(i) (relating to training requirements) shall, at a  
22 minimum, cover the following concepts:

23 (1) The definition of fiduciary.

24 (2) Conflicts of interest.

25 (3) The prudent expert standard.

26 (4) Self-dealing.

27 (b) Annual training.--Annual training under section 7402(b)  
28 (1)(ii) shall, at a minimum, cover updates and case studies  
29 related to the topics listed in subsection (a).

30 § 7404. Legal fees.

1 (a) Payment permitted.--Except as provided in subsection  
2 (b), an individual who is a trustee, board member or other  
3 appointed or elected official of a Commonwealth agency or a  
4 public pension system that stands in a fiduciary relationship to  
5 the members and beneficiaries of a State fund or a fund of a  
6 public pension system, or a designee thereof, is entitled to  
7 have expenses reasonably incurred by the individual in defending  
8 a threatened, pending or completed legal action against the  
9 individual in the individual's capacity as a trustee, board  
10 member or other appointed or elected official of the  
11 Commonwealth agency or public pension system paid by the  
12 Commonwealth agency or public pension system, as applicable,  
13 during the individual's tenure and, after the individual's  
14 tenure, continuing through the period of time established in any  
15 applicable statute of limitations.

16 (b) Payment prohibited.--Payment of expenses to an  
17 individual under subsection (a) shall be prohibited if a court  
18 of competent jurisdiction finds that the conduct of the  
19 individual as alleged or proved in the legal action constituted  
20 a criminal offense, willful misconduct or self-dealing.

21 Section 2. This act shall take effect December 31, 2023, or  
22 immediately, whichever is later.