

The term "several systems" is substituted for "Employees' Retirement System" to clarify that this provision applies to all of the several systems.

The phrase "service as executive director for investments as provided in § 161(2) of this article, or on his staff" is deleted as obsolete.

The only other changes are stylistic.

1-202. ASSETS OF SYSTEM - PURPOSES.

THE ASSETS OF EACH OF THE SEVERAL SYSTEMS SHALL BE HELD FOR THE EXCLUSIVE PURPOSES OF PROVIDING BENEFITS TO PARTICIPANTS IN THE SEVERAL SYSTEMS AND FOR REASONABLE EXPENSES OF ADMINISTRATION.

COMMITTEE NOTE: This section formerly appeared as Art. 73B, § 73.

The phrases "each of the several systems" and "several systems" are substituted for "plan" to reflect a change in definition.

The phrase "and their beneficiaries" is deleted to reflect their inclusion in the definition of participants.

The only other changes are stylistic.

1-203. STANDARD OF CARE.

A FIDUCIARY SHALL DISCHARGE THE FIDUCIARY'S DUTIES WITH RESPECT TO THE SEVERAL SYSTEMS, SOLELY IN THE INTEREST OF THE PARTICIPANTS AND AS FOLLOWS:

(1) FOR THE EXCLUSIVE PURPOSES OF PROVIDING BENEFITS TO PARTICIPANTS AND FOR REASONABLE EXPENSES OF ADMINISTERING THE SEVERAL SYSTEMS;

(2) WITH THE CARE, SKILL, PRUDENCE, AND DILIGENCE UNDER THE CIRCUMSTANCES THEN PREVAILING THAT A PRUDENT MAN ACTING IN A LIKE CAPACITY AND FAMILIAR WITH SUCH MATTERS WOULD USE IN THE CONDUCT OF AN ENTERPRISE OF A LIKE CHARACTER AND WITH LIKE AIMS;

(3) BY DIVERSIFYING THE INVESTMENTS OF THE SEVERAL SYSTEMS SO AS TO MINIMIZE THE RISK OF LARGE LOSSES, UNLESS UNDER THE CIRCUMSTANCES IT IS CLEARLY PRUDENT NOT TO DO SO; AND

(4) IN ACCORDANCE WITH THE LAWS, DOCUMENTS AND INSTRUMENTS GOVERNING THE SEVERAL SYSTEMS INSOFAR AS THESE DOCUMENTS AND INSTRUMENTS ARE CONSISTENT WITH THE PROVISIONS OF THIS SUBTITLE.

COMMITTEE NOTE: This section formerly appeared as Art. 73B, § 74.