



---

---

## WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

---

---

<b>2003 Wisconsin Act 264</b> [2003 Senate Bill 492]	<b>Uniform Prudent Investor Act</b>
2003 Acts: <a href="http://www.legis.state.wi.us/2003/data/acts/">www.legis.state.wi.us/2003/data/acts/</a>	Act Memos: <a href="http://www.legis.state.wi.us/lc/act_memo/act_memo.htm">www.legis.state.wi.us/lc/act_memo/act_memo.htm</a>

Prior to Act 264, personal representatives, guardians of the estate, and fiduciaries were bound by the prudent person rule, which requires them to invest the assets of their trusts and estates conservatively.

Act 264 replaces the prudent person rule with the Uniform Prudent Investor Act. The act sets general standards for fiduciaries, allows them greater flexibility in choosing investments, specifies that a fiduciary's work is to be judged on the basis of the performance of all of their investments, allows them to delegate investment decisions, and requires them to consider the tax consequences of investments. These changes affect state and local deferred compensation plans, the State Historical Society's funds that are invested by the Investment Board, municipal cemetery funds, employee welfare funds, wards' estates, care funds, and preneed trust funds. Act 264 also adds conservators to the types of fiduciaries to which the Uniform Prudent Investor Act applies.

**Effective Date:** 2003 Wisconsin Act 264 takes effect on April 30, 2004.

**Prepared by:** Nicholas Zavos, Staff Attorney

May 19, 2004

NZ:ksm

---

---

This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents.