

**LEGISLATIVE HIGHLIGHTS  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
BOARD OF ADMINISTRATION  
February 3, 2014**

<b>Bill Number/Author</b>	<b>Status</b>
<b>AB 1163 (Levine)</b> Amended: 1/14/2014	Amended and passed out of Assembly before deadline. In Senate awaiting assignment.
<b>CalPERS Board of Administration: Education.</b> Requires the CalPERS Board of Administration to adopt an education policy for Board Members that identifies appropriate topics and training opportunities related to pension fund administration and investments. The bill also requires each Board Member to receive at least 24 hours of education in each two-year period, and directs the Board to post its education policy and an annual report on Board Member compliance on the CalPERS Web site.	
<b>The following bills have been removed from the B List because they did not meet the legislative calendar deadline of January 31, 2014 to pass out of their house of origin and are technically dead. You will be informed if for some reason they receive a rule waiver or are reintroduced.</b>	
<b>AB 298 (Pan)</b> Amended: 4/17/2013	Assembly Dead
<b>Rural Health Care Equity Program.</b> Would reestablish the Rural Health Care Equity Program (RHCEP) until January 1, 2015, and would extend the benefits to include all State employees and retired annuitants living in rural areas, as defined. It would provide that the program be operative only to the extent funding is provided in the annual Budget Act.	
<b>AB 431 (Mullin)</b> Amended: 9/12/2013	Assembly Dead
<b>PEPRA: Felony Forfeiture.</b> Specifies that the PEPRA requirements related to forfeiture of retirement benefits for a job-related felony conviction do not apply to a terminated retirement system or if there has been a complete discontinuance of contributions under the retirement system. The bill also makes other changes related to retirement systems governed by the County Employees' Retirement Law of 1937.	
<b>AB 459 (Mitchell)</b> Amended: 4/18/2013	<b>Support</b> Assembly Dead
<b>Food and Beverage Guidelines for State Concessions and Vending Operations.</b> Increases the required percentage of food and beverages meeting specified nutritional guidelines that are provided in vending machines on State owned or occupied property, to 50 percent by January 1, 2015, and increases the percentage each year by 25 percent until it reaches 100 percent. It also requires all new or renewed contracts for food concessions and cafeterias on state property to include specified food and nutrition guidelines, and encourages vendors to offer food and beverage items grown, packaged or produced within the State.	

Bill Number/Author

Status

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**AB 507 (Garcia)** Introduced: 2/20/2013

Assembly Dead

**School Member Post-Retirement Death Benefits.** Current law requires a \$2,000 death benefit be paid to the designated beneficiary of a retired school member, and allows school employers to elect to provide a higher benefit of \$3,000, \$4,000 or \$5,000, with the additional employer contributions required to fund the benefit computed as a level percentage of member compensation. This bill would eliminate these contract options and raise the required benefit to \$4,000 for a school member deaths occurring during 2014, and increase the benefit each year by \$500 until it reaches \$6,000, whereupon it would be adjusted annually in the same manner as retiree COLA payments. It would also provide school employers the ability to contract to pay a \$5,000 benefit until the mandatory benefit level reaches that amount.

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**AB 761 (Dickinson)** Amended: 3/19/2013

**Oppose**

Assembly Dead

**Firearm and Ammunition Manufacturer Divestment.** Prohibits CalPERS and CalSTRS from investing in companies that manufacture firearms or ammunition for a recipient other than the United States military, and requires the sale or transfer of any existing investments in these companies. Further, this bill requires the governing board of each retirement system to report to the Legislature any investments in these specified firearms and ammunition manufacturers, and the sale or transfer of those investments, subject to their fiduciary duty, by January 1, 2015, and every year thereafter.

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**AB 785 (Weber)** Introduced: 2/21/2013

Assembly Dead

**CalPERS: Direct Mailing Assistance.** Requires CalPERS to provide direct mailing assistance, upon request, to any organization that provides employee representation or membership services to CalPERS annuitants. The direct mailing must be for lawful purposes and cannot be for the support or opposition of any political party, ballot measure, or candidate. The mailing address data may only be provided to a mail processing center through a secure data sharing agreement under which the organization or any other entity cannot have direct access to any names or addresses. The organization must pay all reasonable costs of the mailing, and CalPERS would not be required to notify annuitants that their data has been released to a mail processing center for the purposes of these direct mailings.

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**AB 931 (Gaines, Beth)** Amended: 3/21/2013

Assembly Dead

**Public Employees' Retirement System: Health Benefits.** Would require the CalPERS Board to establish wellness programs for State employees and annuitants that provide financial incentives for participation and are consistent with the Affordable Care Act. It also requires the Board to offer all employees and annuitants that participate in CalPERS health plans, a health savings account option for the payment of qualified medical expenses, in conjunction with a high-deductible health plan.

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**AB 1139 (Lowenthal)** Introduced: 2/22/2013

Assembly Dead

**Prescription Drugs: Biosimilar Products.** Allows a pharmacist filling a prescription order for a prescribed biological product to select a biosimilar deemed by the Food and Drug Administration (FDA) to be interchangeable.

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**Bill Number/Author**

**Status**

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**SB 24 (Walters)** Introduced: 12/3/2012

Senate Dead

**Public Employees' Retirement: Benefit Plans.** Eliminates the requirement in the California Public Employees' Pension Reform Act of 2013 (PEPRA) that local government employers seek the approval of the Legislature before providing retirement benefits less generous than required by PEPRA for new employees. It also corrects a drafting error in PEPRA related to retirement benefits for new judges.

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**SB 189 (Monning)** Amended: 5/8/2013

Senate Dead

**Health Care Coverage: Wellness Programs.** SB 189 would, until January 1, 2020, prohibit a group health plan regulated by the Department of Managed Health Care (DMHC) or the Department of Insurance (CDI) from establishing a wellness program conditioned on meeting specific health status outcomes. It would instead allow for the establishment of participation-based wellness programs that provide financial incentives and rewards designed to reduce costs to enrollees if, among other things, participation is voluntary, the incentive is not in excess of a specified amount, and does not exceed 20 percent of the original premium amount.

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**SB 774 (Walters)** Amended: 4/15/2013

Senate Dead

**PEMHCA: Post-employment Benefits for New State Employees.** Requires CalPERS to develop a comprehensive plan, pursuant to specified criteria, to restructure health and other post-retirement benefits offered to new State employees hired on or after January 1, 2015. Specified elements of the plan to be developed by the Board include pre-funding methods and contribution requirements, new employee vesting requirements, and employee benefit and participation options.

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**PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
BOARD OF ADMINISTRATION  
2014 Legislative Year**

**Status as of February 3, 2014**

**B – Other Bills**

**Bill Number/Author**

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**AB 160 (Alejo)** Amended: 5/28/2013

**PEPRA Exceptions.** Exempts Taft-Hartley retirement plans and retirement plans for specified federally-funded public transportation employees from the provisions of the Public Employees' Pension Reform Act of 2013 (PEPRA). The bill also exempts multi-employer retirement plans, as defined in the federal Employee Retirement Income Security Act (ERISA), from the PEPRA prohibition against offering supplemental defined benefit plans. This is an urgency bill and would go into effect immediately.

*Location: 5/29/2013-Assembly Appropriations*

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**AB 837 (Wieckowski)** Amended: 9/6/2013

**PEPRA: New judges: Contribution rates.** Exempts judges elected to office prior to January 1, 2013, and designated as new members under PEPRA from the equal sharing of normal costs requirement under PEPRA. The bill also makes changes to avoid chaptering out conflicts with other PEPRA-related legislation.

*Location: 9/13/2013-Senate 2 YEAR*

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**AB 889 (Frazier)** Amended: 5/2/2013

**Health Care Coverage: Prescription Drugs.** Would impose specified requirements on health care service plans or health insurers that restrict medications pursuant to step therapy or fail first protocol. It would also require health plans to establish an expeditious process to authorize exceptions to step therapy when medically necessary, require the duration of any step therapy or fail first protocol to be consistent with up-to-date evidence-based outcomes and current published peer-reviewed medical and pharmaceutical literature, and prohibit health plans and insurers from requiring that a patient try and fail on more than two medications before allowing access to other medication prescribed by the provider, as specified.

*Location: 8/30/2013-Senate 2 YEAR*

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**AB 1163 (Levine)** Amended: 1/14/2014

**CalPERS Board of Administration: Education.** Requires the CalPERS Board of Administration to adopt an education policy for Board Members that identifies appropriate topics and training opportunities related to pension fund administration and investments. The bill also requires each Board Member to receive at least 24 hours of education in each two-year period, and directs the Board to post its education policy and an annual report on Board Member compliance on the CalPERS Web site.

*Location: 1/29/2014-Senate Rules*

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**Bill Number/Author**

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**AB 1175 (Bocanegra)** Amended: 3/21/2013

**Post-retirement Health Benefits: Dissolved Los Angeles Redevelopment Agency.** Requires the governing board of the dissolved Los Angeles Redevelopment Agency's successor agency to designate the entity responsible for post-retirement health benefit costs of former redevelopment agency employees. This entity would be considered the employer of these employees for the purposes of making ongoing contributions for health premiums.

*Location: 7/12/2013-Senate 2 YEAR*

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