PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
2015 Legislative Year
Legislative Program Update

Status as of October 12, 2015

A – CalPERS-Sponsored Bills

Bill Number/Author

AB 1052 (Cooley) Amended: 8/17/2015 **Board Position: Co-Sponsor**

Pension System Investment Contracting Procedures. Permits CalPERS and CalSTRS to enter into investment-related contracts without following the provisions of state contracting law. Specifically, it allows the CalPERS Board of Administration to enter into contracts for investment custodian services and trade order management services through a competitive process under terms and conditions it deems necessary and consistent with its fiduciary duties. It also allows the Teachers' Retirement Board to enter into contracts related to the investment of fund assets, or contract with investment managers, utilizing any process it deems necessary and consistent with its fiduciary duties.

Location: 9/11/2015 – Two Year Bill

SB 216 (Pan) Chaptered: 9/2/2015 **Board Position: Sponsor**

CalPERS 2015 Omnibus Bill. Makes minor policy and technical changes to the Public Employees' Retirement Law (PERL).

Location: 9/2/2015 – Chaptered by Secretary of State, Chapter 244, Statutes of 2015

PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
2015 Legislative Year

Status as of October 12, 2015

B – Other Bills

Bill Number/Author

AB 93 (Weber) Chaptered: 6/24/2015

2015-16 Budget Act. Makes appropriations for support of state government for the 2015-16 fiscal year. Among other things, it adds a Medicare Supplement policy report detailing efforts to convert age 65 retirees from Basic plans to Medicare plans and related costs and benefits of improving those conversions. It also modifies an existing CalPERS reporting requirement to include a more detailed reconciliation of premium changes when the Board of Administration adopts new health rates. As a budget bill, it takes effect immediately.

Location: 6/24/2015 – Chaptered by Secretary of State, Chapter 10, Statutes of 2015

***AB 103 (Weber)** Amended: 5/27/2015

2015-16 Budget Act. Would have made appropriations for the support of state government for the 2015–16 fiscal year.

Location: 5/28/2015 – Two Year Bill

***AB 127 (Committee on Budget)** Amended: 8/24/2015

Report to Legislature. Current law requires the Board to report to the Legislature and Department of Finance annually, on November 1st, specified information regarding its health benefit plans. This bill changes the date the report is due to on or before November 1, 2016 and annually thereafter.

Location: 9/11/2015 – Two Year Bill

***AB 241 (Gordon)** Amended: 4/29/2015

Municipal Bankruptcy: Retiree Names and Addresses. Requires a local public entity that has either initiated a neutral evaluation process or declared a fiscal emergency as required by state law prior to filing for municipal bankruptcy, or has filed for municipal bankruptcy, to provide the names and mailing addresses of its retired employees and their beneficiaries to any non-profit organization established for the purpose of representing the retired employees of that local public entity, upon request. It limits an organization's use of that information to the purpose of representing the retired employees and their beneficiaries as a member of the organization as an interested party in these proceedings, includes a $25,000 civil penalty for a violation of this limitation, and allows retirees to opt-out of having their names and addresses provided to any organization under this bill.

Location: 5/29/2015 – Two Year Bill

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*Did not meet the legislative calendar deadline for passage from policy or fiscal committee; would require rule waivers to be given further consideration in the current year.

Bill Number/Author

AB 339 (Gordon) Chaptered: 10/8/2015

Health Care Coverage: Outpatient Prescription Drugs. Among other things, requires non-grandfathered health care service plan contracts and health insurance policies that are offered, renewed, or amended on or after January 1, 2017, that provide coverage for outpatient prescription drugs, to provide coverage for medically necessary prescription drugs, including non-formulary drugs. It limits until January 1, 2020, cost-sharing for a 30-day supply of a prescription drug to $250, or to $500 for plans and policies with an actuarial value of bronze coverage in the insurance exchange. It also prohibits health care service plans and health insurers from establishing drug formularies that discourage the enrollment of individuals with health conditions or attempt to reduce the generosity of the benefit for enrollees with a particular condition. The bill requires, for combination antiretroviral drug treatments that are medically necessary for the treatment of AIDS/HIV, the health plan or insurer to cover single-tablet treatments if they are as effective as a multi-tablet drug regimen. It also requires health plans and insurers to establish a pharmacy and therapeutic committee to develop, maintain, and oversee any drug formulary lists, as specified.

Location: 10/8/2015 – Chaptered by Secretary of State, Chapter 619, Statutes of 2015

AB 374 (Nazarian) Chaptered: 10/8/2015

Health Care Coverage: Prescription Drugs. Allows a request for an exception to a health care service plan's or insurer's step therapy process for prescription drugs to be submitted in the same manner as a request for prior authorization for prescription drugs and requires the plan or insurer to consider and respond to the request in the same manner as a request for prior authorization for prescription drugs. It also requires the Department of Managed Health Care (DMHC) and the Department of Insurance (CDI) to include an element relating to address for step therapy exception requests in their uniform prior authorization form.

Location: 10/8/2015 – Chaptered by Secretary of State, Chapter 621, Statutes of 2015

***AB 463 (Chiu)** Introduced: 2/23/2015

Pharmaceutical Cost Transparency Act of 2015. Requires the manufacturer of a prescription drug sold in California that has a wholesale acquisition cost of at least $10,000 annually or per course of treatment, to disclose specified development costs, pricing trend, profit and patient financial assistance data for the drug, to the Office of Statewide Health Planning and Development (OSHPD) by May 1 of each year. It also requires the OSHPD to publish an annual report on the information submitted, provide copies to the Legislature, and post on its Internet website.

Location: 5/1/2015 – Two Year Bill

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*Did not meet the legislative calendar deadline for passage from policy or fiscal committee; would require rule waivers to be given further consideration in the current year.

Bill Number/Author

***AB 533 (Bonta)** Amended: 9/4/2015 **Board Position: Support**

Balance Billing by Individual Health Professionals. Among other things, requires health plan contracts and insurance policies issued, amended, or renewed on or after July 1, 2016, to provide that patients only owe in-network cost-sharing when they receive covered services from a non-contracting health professional at an in-network health facility for non-emergency services and care. It also requires in-network cost-sharing amounts paid to a non-contracting health professional to count toward annual deductibles and out-of-pocket limits and allows a patient to voluntary consent to use an out-of-network health professional and pay any amounts beyond the in-network rate, as specified. In addition, the bill establishes reimbursement standards for health plan and insurer payments to a non-contracting health professional for non-emergency services and care. It also requires the Department of Managed Health Care (DMHC) and the Department of Insurance (CDI) to establish an independent dispute resolution processes (IDRP) to settle any claim disputes between the parties.

Location: 9/11/2015 – Two Year Bill

***AB 537 (Allen, Travis)** Introduced: 2/23/2015

Postemployment Health Care Benefits: Prefunding Strategy. Prohibits any public agency, including the state, and any public employee or employee group from entering into a memorandum of understanding (MOU) that provides for postemployment health care benefits unless the MOU includes a strategy for permanently prefunding the benefits. The bill allows the provisions of an existing MOU to remain in effect until its expiration, but requires subsequent MOUs to comply with this requirement.

Location: 5/1/2015 – Two Year Bill

***AB 714 (Melendez)** Introduced: 2/25/2015

PEMHCA Opt Out for State Employees. Allows an employee of the state to elect not to enroll in a health benefit plan approved or maintained by the CalPERS Board of Administration, and instead be paid the contribution that the state would have made toward the cost of health benefits for the employee and his or her eligible dependents.

Location: 5/1/2015 – Two Year Bill

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*Did not meet the legislative calendar deadline for passage from policy or fiscal committee; would require rule waivers to be given further consideration in the current year.

Bill Number/Author

AB 868 (Obernolte) Chaptered: 7/14/2015

Transfer of Public Safety Functions: Membership Transfer to County System. Allows a CalPERS contracting agency that transfers its firefighting or law enforcement functions to a county, fire authority, or district that participates in the San Bernardino County Employees' Retirement Association, to transfer all assets and liabilities associated with the service credit earned by any transferred employees to that retirement system. It also requires any transferred employees to become members of that retirement system, and to have any CalPERS service credit earned under their former employer become service credit in their new retirement system without payment of additional contributions, as specified. This authority currently exists for CalPERS contracting agencies that transfer such safety functions to employers that participate in the Kern County Employees' Retirement Association, Los Angeles County Employees' Retirement Association, or the Orange County Employees' Retirement System.

Location: 7/14/2015 – Chaptered by Secretary of State, Chapter 86, Statutes of 2015

AB 1031 (Thurmond) Enrollment: 9/16/2015

PEMHCA: Contracting Agencies. Specifies that a contracting agency that has elected to be subject to the Public Employees Medical and Hospital Care Act (PEMHCA) is required to fulfill its employer contribution obligations for health benefits, which may include reimbursement for Medicare Part B premiums, as mutually agreed upon through collective bargaining or as required by statute.

Location: 10/11/2015 – Vetoed

***AB 1109 (Wilk)** Introduced: 2/27/2015

Legislators' Health Benefits. Limits the availability of employer-subsidized health benefit plans for state legislators elected or serving in office on or after January 1, 2016, to those plans offered through the California Health Benefit Exchange, otherwise known as Covered California. It also limits the employer reimbursement for legislators' cost of health care coverage to the contribution amounts in effect on December 31, 2015. Currently, state legislators are eligible to enroll in the CalPERS health benefit plans.

Location: 5/1/2015 – Two Year Bill

***AB 1190 (Cooley)** Introduced: 2/27/2015

CalPERS Board of Administration: Certification of Election Results. Allows an entity designated by the Secretary of State to certify the CalPERS Board election results. Currently, only the Secretary of State may certify the election results.

Location: 5/1/2015 – Two Year Bill

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*Did not meet the legislative calendar deadline for passage from policy or fiscal committee; would require rule waivers to be given further consideration in the current year.

Bill Number/Author

***AB 1410 (Nazarian)** Introduced: 2/27/2015

Divestment from Turkish Investment Vehicles. Prohibits CalPERS and CalSTRS from investing retirement funds in any investment vehicle owned, controlled, managed, or issued by the government of Turkey, as defined. Specifically, it requires the governing Board of each respective System to identify portfolio assets subject to engagement and divestment by June 30, 2016, to transfer or sell any assets within specific timeframes, and report to the Legislature regarding its actions.

Location: 5/29/2015 – Two Year Bill

***ACA 3 (Gallagher)** Introduced: 2/26/2015

Constitutional Prohibition on Retroactive Benefit Increases. Prohibits retroactive retirement formula increases for public employees in the California Constitution. This amendment is substantively identical to the statutory prohibition in Government Code section 7522.44, which was enacted as part of the Public Employees' Pension Reform Act of 2013 (PEPRA).

Location: 4/6/2015 – Two Year Bill

***SB 26 (Hernandez)** Amended: 5/5/2015

Statewide Health Care Cost and Quality Database. Among other things, this bill would create the California Health Care Cost and Quality Database (CQDB) to receive and report information from all types of health care entities to facilitate comparisons of cost, quality, and satisfaction across payers, provider organizations, and other suppliers of health care services. The bill would also require the Secretary of the California Health and Human Services Agency to contract with one or more independent, nonprofit organizations to administer the CQDB. It would require health plans and insurers, suppliers, and providers to provide utilization data, pricing information, and information to determine the social determinants of health to the CQDB, which would then post the information on a publicly available web-based, searchable database.

Location: 5/29/2015 – Two Year Bill

***SB 69 (Leno)** Amended: 5/27/2015

2015-16 Budget Act. Would have made appropriations for the support of state government for the 2015–16 fiscal year.

Location: 5/27/2015 – Two Year Bill

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*Did not meet the legislative calendar deadline for passage from policy or fiscal committee; would require rule waivers to be given further consideration in the current year.

Bill Number/Author

SB 98 (Committee on Budget and Fiscal Review)
Chaptered: 6/24/2015

2015-16 State Government Budget Trailer Bill. Among other things, requires CalPERS to verify dependent eligibility for state annuitants before enrolling a dependent into a health plan, prohibits the CalPERS from granting any further exemptions after January 1, 2015 to the rule against enrolling employees, annuitants, and their family members who are eligible for Medicare in a basic health benefit plan, and prohibits the use of funds in the Annuitant Health Care Coverage Fund for the payment of benefits for state annuitants and dependents until the earlier of: the date the funded ratio of a designated subaccount reaches at least 100 percent as determined in that employer's postemployment benefits actuarial valuation and then only for the purpose of paying benefits for state annuitants and dependents associated with that subaccount; or July 1, 2046.

Location: 6/24/2015 – Chaptered by Secretary of State, Chapter 28, Statutes of 2015

SB 99 (Committee on Budget and Fiscal Review)
Chaptered: 9/22/2015

Health: Annuitant Health Care Coverage. Among its provisions, this bill ratifies the memoranda of understanding (MOUs) for State Bargaining Units (BUs) 9 (Engineers) and 10 (Scientists). It requires prefunding for retiree health care coverage for all employees represented by, or associated with BUs 9 and 10 under the CalPERS Annuitant's Health Care Coverage Fund. For employees represented by, or associated with, BUs 9 and 10 first hired by the State on and after January 1, 2016, the bill eliminates employer contributions for Medicare Part B premiums, establishes a longer retiree health care vesting schedule that requires 15 years of service for a 50 percent employer contribution and 25 years for a 100 percent employer contribution, and reduces the maximum employer contribution for annuitants and their family members to either 80 percent of the weighted average of premiums for active state employees enrolled in a basic plan, or 80 percent of the weighted average of premiums for state annuitants enrolled in a Medicare plan.

Location: 9/22/2015 – Chaptered by Secretary of State, Chapter 322, Statutes of 2015

SB 102 (Committee on Budget and Fiscal Review)
Chaptered: 9/22/2015

Report to Legislature. Current law requires the Board to report to the Legislature and Department of Finance annually, on November 1st, specified information regarding its health benefit plans. This bill changes the date the report is due to on or before November 1, 2016 and annually thereafter.

Location: 9/22/2015 – Chaptered by Secretary of State, Chapter 323, Statutes of 2015

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*Did not meet the legislative calendar deadline for passage from policy or fiscal committee; would require rule waivers to be given further consideration in the current year.

Bill Number/Author

SB 185 (De León) Chaptered: 10/8/2015 **Board Position: No Position**

Divestment from Thermal Coal Companies. Requires CalPERS and CalSTRS to constructively engage publicly traded coal companies (Company) that generate 50 percent or more of their revenue from mining thermal coal. If following engagement, a Company is not transitioning its business model to adapt to clean energy generation, it requires CalPERS and CalSTRS to sell or transfer any investments in that Company, and report to the Legislature and the Governor regarding these investments within specific timeframes. This bill does not require divestment unless the respective retirement boards determine, in good faith, that such action is consistent with their fiduciary responsibilities.

Location: 10/8/2015 – Chaptered by Secretary of State, Chapter 605, Statutes of 2015

***SB 190 (Beall)** Amended: 4/6/2015

Health Care Coverage: Acquired Brain Injury. Among other things, requires health plan contracts and insurance policies offered, renewed, or amended on or after January 1, 2016, to provide coverage for post-acute residential transitional rehabilitation services made necessary as a result of, and related to, an acquired brain injury. It also requires coverage for these services not be included in any lifetime limits on the number of days of covered acute care treatment.

Location: 5/1/2015 – Two Year Bill

***SB 275 (Hernandez)** Introduced: 2/19/2015 **Board Position: Support**

Health Facility Data. Existing law requires hospitals and surgical clinics to file various reports with the Office of Statewide Health Planning and Development (OSHPD), including reports on hospital discharges, emergency care, and surgery. These reports include patient demographic and encounter data, but do not include physician identifiers. This bill would require OSHPD to adopt a regulation adding physician identifiers to these reports.

Location: 7/17/2015 – Two Year Bill

SB 292 (Pan) Enrollment: 9/17/2015

Retirement Contributions: PEPRA Exemption. Exempts employees of cities and counties with voter-approved property tax levies to fund pension costs from the employer-paid member contribution (EPMC) prohibition in the Public Employees' Pension Reform Act of 2013 (PEPRA) for employees that first become members of a State Retirement System or a 1937 Act County Retirement System on or after January 1, 2013. The exemption is limited to employees whose pensions are funded with the voter-approved property tax levies.

Location: 10/10/2015 – Vetoed

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*Did not meet the legislative calendar deadline for passage from policy or fiscal committee; would require rule waivers to be given further consideration in the current year.

Bill Number/Author

SB 350 (De León) Chaptered: 10/7/2015

Clean Energy and Pollution Reduction Act of 2015. Sets goals for increasing the use of energy from renewable sources, and increasing energy efficiency in California by the year 2030, to specify an increase in total retail sales of electricity from renewable sources from 33 percent to 50 percent, and doubling the energy efficiency savings in electricity and natural gas end uses.

Location: 10/7/2015 – Chaptered by Secretary of State, Chapter 547, Statutes of 2015

SB 354 (Huff) Chaptered: 8/10/2015

PEPRA: Joint Powers Authorities. Clarifies an exemption from the Public Employees' Pension Reform Act of 2013 (PEPRA) granted to a joint powers authority (JPA) established by the Cities of Brea and Fullerton to provide individuals employed by the JPA who, prior to its formation, were employed by one of the JPA's member cities on December 31, 2012 and not otherwise considered "new members" under PEPRA, the same defined benefit plan or formula those employees received when employed by one of the cities. Specifically, it would instead allow individuals employed by one of the JPA's member cities in a position whose function is transferred to the JPA, and who subsequently become employed by the JPA within 180 days of the transfer, to retain their defined benefit plan or formula.

Location: 8/10/2015 – Chaptered by Secretary of State, Chapter 158, Statutes of 2015

SB 546 (Leno) Chaptered: 10/11/2015 **Board Position: Support**

Large Group Health Plan Data Disclosure and Rate Review. Among other things, requires health plans and health insurers that provide coverage in the large group market to file specified rate information including the weighted average rate increase for all large group benefit designs sold during the twelve-month period ending January 1 of the following calendar year with either the Department of Managed Health Care (DMHC) or the California Department of Insurance (CDI). It requires the notice of changes to premium rates or coverage for large group health plans and insurance policies to provide additional information regarding whether the rate change is greater than average rate increases approved by the California Health Benefit Exchange for individual market products or by the CalPERS Board of Administration, or would be subject to the federal excise tax. The bill also modifies existing annual reporting requirements for plans and insurers to file specified aggregate data for all the plans and policies they sell in the large group market on or before October 1, 2016, and annually thereafter, and requires each department to conduct an annual public meeting regarding large group rate changes within three months of posting the aggregate information.

Location: 10/11/2015 – Chaptered by Secretary of State, Chapter 801, Statutes of 2015

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*Did not meet the legislative calendar deadline for passage from policy or fiscal committee; would require rule waivers to be given further consideration in the current year.

Bill Number/Author

SB 588 (De León) Chaptered: 10/11/2015

Wage Theft Recovery. Among other things, allows the Labor Commissioner to enforce judgments by a court of competent jurisdiction to collect unpaid wages and other compensation, penalties, and interest owed to an employee for work performed in this state, by filing a lien or levy on an employer's assets on the behalf of the employee, as specified.

Location: 10/11/2015 – Chaptered by Secretary of State, Chapter 803, Statutes of 2015

SB 671 (Hill) Chaptered: 10/6/2015 **Board Position: Neutral**

Prescription Drugs: Biosimilar Products. Allows a pharmacist filling a prescription order for a prescribed biological product to select an alternative biological product (commonly known as a "biosimilar") if it is established as interchangeable by the federal Food and Drug Administration (FDA), and the prescriber does not affirmatively indicate "Do not substitute" on the prescription order. It also requires the pharmacist to communicate to the prescriber the specific biological product provided to the patient, including the name of the biological product and the manufacturer, within five days following the dispensing of any biological product where there is both a reference product and an FDA-approved interchangeable product available for substitution, by entering the appropriate information in an interoperable electronic medical records system or record system accessible to the prescriber.

Location: 10/6/2015 – Chaptered by Secretary of State, Chapter 545, Statutes of 2015

SJR 1 (Beall) Chaptered: 7/6/2015

Government Pension Offsets Repeal. Requests the United States Congress to pass and the President to sign legislation to repeal the Government Pension Offset and the Windfall Elimination Provision, which impacts state and local government retirees that have earned pensions through employment not included in Social Security.

Location: 7/6/2015 – Chaptered by Secretary of State, Chapter 92, Statutes of 2015

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*Did not meet the legislative calendar deadline for passage from policy or fiscal committee; would require rule waivers to be given further consideration in the current year.

PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
2015 Legislative Year

Status as of October 12, 2015

C – Chaptered Bills

Bill Number/Author

AB 93 (Weber) Chaptered: 6/24/2015

2015-16 Budget Act. Makes appropriations for support of state government for the 2015-16 fiscal year. Among other things, it adds a Medicare Supplement policy report detailing efforts to convert age 65 retirees from Basic plans to Medicare plans and related costs and benefits of improving those conversions. It also modifies an existing CalPERS reporting requirement to include a more detailed reconciliation of premium changes when the Board of Administration adopts new health rates. As a budget bill, it takes effect immediately.

Location: 6/24/2015 – Chaptered by Secretary of State, Chapter 10, Statutes of 2015

AB 339 (Gordon) Chaptered: 10/8/2015

Health Care Coverage: Outpatient Prescription Drugs. Among other things, requires non-grandfathered health care service plan contracts and health insurance policies that are offered, renewed, or amended on or after January 1, 2017, that provide coverage for outpatient prescription drugs, to provide coverage for medically necessary prescription drugs, including non-formulary drugs. It limits until January 1, 2020, cost-sharing for a 30-day supply of a prescription drug to $250, or to $500 for plans and policies with an actuarial value of bronze coverage in the insurance exchange. It also prohibits health care service plans and health insurers from establishing drug formularies that discourage the enrollment of individuals with health conditions or attempt to reduce the generosity of the benefit for enrollees with a particular condition. The bill requires, for combination antiretroviral drug treatments that are medically necessary for the treatment of AIDS/HIV, the health plan or insurer to cover single-tablet treatments if they are as effective as a multi-tablet drug regimen. It also requires health plans and insurers to establish a pharmacy and therapeutic committee to develop, maintain, and oversee any drug formulary lists, as specified.

Location: 10/8/2015 – Chaptered by Secretary of State, Chapter 619, Statutes of 2015

AB 374 (Nazarian) Chaptered: 10/8/2015

Health Care Coverage: Prescription Drugs. Allows a request for an exception to a health care service plan's or insurer's step therapy process for prescription drugs to be submitted in the same manner as a request for prior authorization for prescription drugs and requires the plan or insurer to consider and respond to the request in the same manner as a request for prior authorization for prescription drugs. It also requires the Department of Managed Health Care (DMHC) and the Department of Insurance (CDI) to include an element relating to address for step therapy exception requests in their uniform prior authorization form.

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Bill Number/Author

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Location: 7/14/2015 – Chaptered by Secretary of State, Chapter 86, Statutes of 2015

SB 98 (Committee on Budget and Fiscal Review)
Chaptered: 6/24/2015

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Health: Annuitant Health Care Coverage. Among its provisions, this bill ratifies the memoranda of understanding (MOUs) for State Bargaining Units (BUs) 9 (Engineers) and 10 (Scientists). It requires prefunding for retiree health care coverage for all employees represented by, or associated with BUs 9 and 10 under the CalPERS Annuitant's Health Care Coverage Fund. For employees represented by, or associated with, BUs 9 and 10 first hired by the State on and after January 1, 2016, the bill eliminates employer contributions for Medicare Part B premiums, establishes a longer retiree health care vesting schedule that requires 15 years of service for a 50 percent employer contribution and 25 years for a 100 percent employer contribution, and reduces the maximum employer contribution for annuitants and their family members to either 80 percent of the weighted average of premiums for active state employees enrolled in a basic plan, or 80 percent of the weighted average of premiums for state annuitants enrolled in a Medicare plan.

Location: 9/22/2015 – Chaptered by Secretary of State, Chapter 322, Statutes of 2015

Bill Number/Author

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Report to Legislature. Current law requires the Board to report to the Legislature and Department of Finance annually, on November 1st, specified information regarding its health benefit plans. This bill changes the date the report is due to on or before November 1, 2016 and annually thereafter.

Location: 9/22/2015 – Chaptered by Secretary of State, Chapter 323, Statutes of 2015

SB 185 (De León) Chaptered: 10/8/2015 **Board Position: No Position**

Divestment from Thermal Coal Companies. Requires CalPERS and CalSTRS to constructively engage publicly traded coal companies (Company) that generate 50 percent or more of their revenue from mining thermal coal. If following engagement, a Company is not transitioning its business model to adapt to clean energy generation, it requires CalPERS and CalSTRS to sell or transfer any investments in that Company, and report to the Legislature and the Governor regarding these investments within specific timeframes. This bill does not require divestment unless the respective retirement boards determine, in good faith, that such action is consistent with their fiduciary responsibilities.

Location: 10/8/2015 – Chaptered by Secretary of State, Chapter 605, Statutes of 2015

SB 216 (Pan) Chaptered: 9/2/2015 **Board Position: Sponsor**

CalPERS 2015 Omnibus Bill. Makes minor policy and technical changes to the Public Employees' Retirement Law (PERL).

Location: 9/2/2015 – Chaptered by Secretary of State, Chapter 244, Statutes of 2015

SB 350 (De León) Chaptered: 10/7/2015

Clean Energy and Pollution Reduction Act of 2015. Sets goals for increasing the use of energy from renewable sources, and increasing energy efficiency in California by the year 2030, to specify an increase in total retail sales of electricity from renewable sources from 33 percent to 50 percent, and doubling the energy efficiency savings in electricity and natural gas end uses.

Location: 10/7/2015 – Chaptered by Secretary of State, Chapter 547, Statutes of 2015

Bill Number/Author

SB 354 (Huff) Chaptered: 8/10/2015

PEPRA: Joint Powers Authorities. Clarifies an exemption from the Public Employees' Pension Reform Act of 2013 (PEPRA) granted to a joint powers authority (JPA) established by the Cities of Brea and Fullerton to provide individuals employed by the JPA who, prior to its formation, were employed by one of the JPA's member cities on December 31, 2012 and not otherwise considered "new members" under PEPRA, the same defined benefit plan or formula those employees received when employed by one of the cities. Specifically, it would instead allow individuals employed by one of the JPA's member cities in a position whose function is transferred to the JPA, and who subsequently become employed by the JPA within 180 days of the transfer, to retain their defined benefit plan or formula.

Location: 8/10/2015 – Chaptered by Secretary of State, Chapter 158, Statutes of 2015

SB 546 (Leno) Chaptered: 10/11/2015 **Board Position: Support**

Large Group Health Plan Data Disclosure and Rate Review. Among other things, requires health plans and health insurers that provide coverage in the large group market to file specified rate information including the weighted average rate increase for all large group benefit designs sold during the twelve-month period ending January 1 of the following calendar year with either the Department of Managed Health Care (DMHC) or the California Department of Insurance (CDI). It requires the notice of changes to premium rates or coverage for large group health plans and insurance policies to provide additional information regarding whether the rate change is greater than average rate increases approved by the California Health Benefit Exchange for individual market products or by the CalPERS Board of Administration, or would be subject to the federal excise tax. The bill also modifies existing annual reporting requirements for plans and insurers to file specified aggregate data for all the plans and policies they sell in the large group market on or before October 1, 2016, and annually thereafter, and requires each department to conduct an annual public meeting regarding large group rate changes within three months of posting the aggregate information.

Location: 10/11/2015 – Chaptered by Secretary of State, Chapter 801, Statutes of 2015

SB 588 (De León) Chaptered: 10/11/2015

Wage Theft Recovery. Among other things, allows the Labor Commissioner to enforce judgments by a court of competent jurisdiction to collect unpaid wages and other compensation, penalties, and interest owed to an employee for work performed in this state, by filing a lien or levy on an employer's assets on the behalf of the employee, as specified.

Location: 10/11/2015 – Chaptered by Secretary of State, Chapter 803, Statutes of 2015

SJR 1 (Beall) Chaptered: 7/6/2015

Government Pension Offsets Repeal. Requests the United States Congress to pass and the President to sign legislation to repeal the Government Pension Offset and the Windfall Elimination Provision, which impacts state and local government retirees that have earned pensions through employment not included in Social Security.

Location: 7/6/2015 – Chaptered by Secretary of State, Chapter 92, Statutes of 2015

PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
2015 Legislative Year

Status as of October 12, 2015

D – Vetoed Bills

Bill Number/Author

AB 1031 (Thurmond) Vetoed: 10/10/2015

PEMHCA: Contracting Agencies. Specifies that a contracting agency that has elected to be subject to the Public Employees Medical and Hospital Care Act (PEMHCA) is required to fulfill its employer contribution obligations for health benefits, which may include reimbursement for Medicare Part B premiums, as mutually agreed upon through collective bargaining or as required by statute.

Governor's Veto Message: *I am returning Assembly Bill 1031 without my signature. This bill creates ambiguity and could be interpreted to expand retiree health benefits by requiring local governments contracting with the California Public Employees' Retirement System to reimburse retirees' Medicare Part B premiums. These benefits should continue to be collectively bargained at the local level, not imposed by the state. This is particularly true, given the massive unfunded liability of state and local retiree health plans. Sincerely, Edmund G. Brown Jr.*

SB 292 (Pan) Vetoed: 10/10/2015

Retirement Contributions: PEPRA Exemption. Exempts employees of cities and counties with voter-approved property tax levies to fund pension costs from the employer-paid member contribution (EPMC) prohibition in the Public Employees' Pension Reform Act of 2013 (PEPRA) for employees that first become members of a State Retirement System or a 1937 Act County Retirement System on or after January 1, 2013. The exemption is limited to employees whose pensions are funded with the voter-approved property tax levies.

Governor's Veto Message: *I am returning Senate Bill 292 without my signature. This bill exempts certain employees from making pension contributions if they work in a city or county that receives parcel tax revenue designated for pension costs. I believe the cost-sharing requirements in the Public Employees' Pension Reform Act of 2013 are unrelated to whether a city or county has an existing parcel tax for pensions. The employee share-of-cost is a crucial standard that must be retained. I am unwilling to chip away at this reform. Sincerely, Edmund G. Brown Jr.*