

**Public Employees' Retirement System
Board of Administration
2023-2024 Legislative Session
State Update
Status as of 2/22/2023**

State Active Bills

AB 739 (Lackey) Introduced: 2/13/2023

CalPERS Position: N/A

Suspension of Required Contributions-PEPRA. Revises one of the three conditions for suspending required contributions to a public retirement system defined benefit plan under the Public Employees Pension Reform Act (PEPRA) by increasing the minimum funded status to 130% from 120%. Under existing law, the other two conditions necessary for suspension are: 1) a determination by the system actuary that excess earnings may result in disqualification of federal tax status, and 2) a determination by the retirement board that additional contributions conflict with its fiduciary duty.

Action Taken: Monitoring

Location: 2/13/2023-Assembly Print

SB 252 (Gonzalez) Introduced: 1/30/2023

CalPERS Position: N/A

Divestment from Fossil Fuel Companies. Prohibits the CalPERS and CalSTRS boards from making new investments in fossil fuel companies, as defined, and requires both systems to divest existing fossil fuel company investments on or before July 1, 2030, if consistent with its fiduciary duty. Beginning on February 1, 2025, and annually thereafter, this bill requires each board to submit a report to the Governor and Legislature regarding any fossil fuel company holdings and divestments. Also, makes other conforming changes to cross-references relating to indemnification.

Action Taken: Discussions with author's office and key stakeholders

Location: 2/9/2023-Senate Labor, Public Employment and Retirement Committee

SB 253 (Wiener) Introduced: 1/30/2023

CalPERS Position: N/A

Disclosure of Greenhouse Gas Emissions. Among other things, requires the State Air Resources Board to develop and adopt regulations that requires partnerships, corporations, limited liability companies and other business entities, as specified, to independently verify, as specified, and publicly disclose their scope 1, 2, and 3 greenhouse gas emissions, as defined, for the year prior beginning in 2026 and annually thereafter. Allows the Attorney General to bring civil action against a reporting entity for violations of these provisions.

Action Taken: Monitoring

Location: 2/9/2023-Senate Environmental Quality Committee

SB 261 (Stern) Introduced: 1/30/2023

CalPERS Position: N/A

Climate-Related Financial Risk Report. Requires a corporation, partnership, limited liability company, or other business entity, as specified, to submit and make available, on or before December 31, 2024 and annually thereafter, on its website a climate-related financial risk report that discloses the entity's climate-related financial risk, as specified, and the measures it has adopted to reduce and adapt to the climate-related financial risk it has disclosed and to provide an affirmation statement to the Secretary of State. Requires the Climate-Related Risk Disclosure Advisory Group to collect and review these reports and to prepare a public report, as specified, and regularly convene representatives, as specified, to offer input on current best practices for climate-related financial risk disclosure, as specified, and monitor federal regulatory actions and nonindependent regulators, as specified.

Action Taken: Monitoring

Location: 2/9/2023-Senate Environmental Quality Committee

SB 300 (Seyarto) Introduced: 2/2/2023

CalPERS Position: N/A

Public employees' retirement: fiscal impact: LAO. Requires the Legislative Analyst's Office to provide a fiscal impact analysis on any bill, introduced on or after January 1, 2024, that is referred to the Senate Labor, Public Employment and Retirement Committee relating to CalPERS.

Action Taken: Monitoring

Location: 2/2/2023-Senate Rules Committee

SB 548 (Niello) Introduced: 2/15/2023

CalPERS Position: N/A

County and Trial Court Retirement Contracts. Allows a county and a trial court located within that county to jointly voluntarily elect to separate the joint retirement contract into individual contracts. The bill prohibits the contract separation from modifying the retirement benefit levels that the employees had under the joint contract. Makes other technical, non-substantive changes.

Action Taken: Monitoring

Location: 2/15/2023-Senate Rules Committee

Federal Bills

H.R. 82 Rep. Graves, Garret [R-LA-6] Introduced: 1/9/2023

CalPERS Position: N/A

Social Security Fairness Act of 2023. Eliminates the windfall elimination provision, which in some instances reduces Social Security benefits for individuals who also receive a pension or disability benefit from an employer that did not withhold Social Security taxes. It also eliminates the government pension offset, which in various instances reduces Social Security benefits for spouses, widows, and widowers who also receive government pensions of their own. These changes are effective for benefits payable after December 2023.

Action Taken: Monitoring

Status: 1/9/2023 - Referred to the House Committee on Ways and Means.

S. 113 Sen. Grassley, Chuck [R-IA] Introduced: 1/26/2023

CalPERS Position: N/A

Prescription Pricing for the People Act of 2023. Requires the Federal Trade Commission (FTC) to report about anticompetitive practices and other trends within the pharmaceutical supply chain that may impact the cost of prescription drugs. The FTC also must provide recommendations to increase transparency in the supply chain and prevent anticompetitive practices.

Action Taken: Monitoring

Status: 2/9/2023 - Senate Committee on the Judiciary. Ordered to be reported with an amendment in the nature of a substitute favorably.

S. 142 Sen. Klobuchar, Amy [D-MN] Introduced: 1/30/2023

CalPERS Position: N/A

Preserve Access to Affordable Generics and Biosimilars Act. Authorizes the FTC to initiate proceedings against drug companies that are parties to any agreement resolving or settling a patent infringement claim in connection with the sale of a drug or biological product (also known as “pay-for-delay” agreements).

Action Taken: Monitoring

Status: 2/9/2023 - Senate Committee on the Judiciary. Ordered to be reported with an amendment in the nature of a substitute favorably.

S. 148 Sen. Klobuchar, Amy [D-MN] Introduced: 1/30/2023

CalPERS Position: N/A

Stop STALLING Act. Enables the FTC to deter filing of sham citizen petitions to cover an attempt to interfere with approval of a competing generic drug or biosimilar and facilitates the efficient review of petitions filed in good faith that raise legitimate public health concerns. It also enables the FTC to levy fines or sue manufacturers in court.

Action Taken: Monitoring

Status: 2/9/2023 - Senate Committee on the Judiciary. Ordered to be reported with an amendment in the nature of a substitute favorably.

S. 150 Sen. Cornyn, John [R-TX] Introduced: 1/30/2023

CalPERS Position: N/A

Affordable Prescriptions for Patients Act of 2023. Empowers the FTC to curtail drug “product hopping,” a practice where brand name drug manufacturers seek to extend their market exclusivity on an expiring patented drug by developing a slightly modified version of the drug.

Action Taken: Monitoring

Status: 2/9/2023 - Senate Committee on the Judiciary. Ordered without amendment favorably.

S.J.Res. 8 Sen. Braun, Mike [R-IN] Introduced: 2/7/2023

CalPERS Position: N/A

Congressional Review Act Resolution. Rescinds the recently finalized Department of Labor rule "Prudence and Loyalty in Selecting Plan Investments and Exercising Shareholder Rights" which, among other things, allows ERISA plan fiduciaries to select investments and investment courses of action based on an evaluation of the economic effects of climate change and other sustainable investing factors.

Action Taken: Monitoring

Status: 2/7/2023 - Referred to the Senate Committee on Health, Education, Labor, and Pensions.

Note: H.J.Res. 30 (Barr R-KY) is companion legislation that was introduced on February 7, 2023. Staff is monitoring this companion legislation.
