

**Public Employees' Retirement System
Board of Administration
2025-2026 Legislative Session
State and Federal Update
Status as of May 23, 2025**

Sponsored Bills

SB 853 (Committee on Labor, Public Employment and Retirement) Amended: 4/21/2025

CalPERS Position: Co-Sponsor

2025 Retirement Omnibus Bill. Among other things, clarifies that several compensation-related provisions in the Public Employees' Retirement Law apply to both classic members and members subject to the Public Employees' Pension Reform Act of 2013.

Action Taken: Monitoring.

Location: Assembly Public Employment & Retirement Committee.

Active State Bills

AB 280 (Aguiar-Curry) Introduced: 1/21/2025

CalPERS Position: N/A

Provider Directories. Requires a health care service plan or health insurer to verify provider directory accuracy on an annual basis and ensure that the provider directory is 60% accurate by July 1, 2026, with an increasing percentage of accuracy to be met, as specified, until the directories are 95% accurate on or before July 1, 2029. Failure to meet the accuracy benchmark in a given year will subject a plan or insurer to administrative penalties. Requires a plan or insurer to provide coverage for covered health care services provided to an enrollee or insured who reasonably relied on inaccurate, incomplete, or misleading information in a plan or policy's provider directory and to reimburse the provider the out-of-network amount for those services. Prohibits a provider from collecting an additional amount from the enrollee or insured other than the in-network cost sharing.

*Action Taken: Monitoring.**Location: Assembly Floor.*

AB 298 (Bonta) Amended: 3/4/2025

CalPERS Position: N/A

Health Care Cost-Sharing Prohibition. On or after January 1, 2026, any health care service plan contract or health insurance policy that is issued, amended, or renewed shall not impose a deductible, coinsurance, copayment, or other cost-sharing requirements for in-network health care services provided to an enrollee or insured under 21 years of age. For the purposes of this bill, "in-network health care services" means all of the following: (1) covered services provided by a contracting provider; (2) covered services from a contracting health facility at which, or as a result of which, the enrollee or insured receives services provided by a noncontracting provider; (3) covered emergency services; or (4) covered services provided to an enrollee or insured by a noncontracting provider when a contracting provider is not available to provide access to service.

*Action Taken: Monitoring.**Location: 2-Year Bill.*

AB 575 (Arambula) Amended: 3/12/2025

CalPERS Position: N/A

Obesity Prevention Treatment Parity Act. Requires an individual or group health care service plan contract or insurance policy that is issued, amended, or renewed on or after January 1, 2026, and that provides coverage for outpatient prescription drug benefits, to include coverage for at least one Food and Drug Administration (FDA) approved GLP-1RA, and intensive behavioral therapy for the prevention or treatment of obesity without prior authorization.

*Action Taken: Monitoring.**Location: 2-Year Bill.*

AB 1054 (Gipson) Amended: 3/24/2025

CalPERS Position: N/A

Deferred Retirement Option Program - Bargaining Units 5 and 8. Requires the Department of Human Resources to work with CalPERS to develop the Deferred Retirement Option Program for State Bargaining Units 5 and 8, as specified. Requires the program to result in a cost savings or to be cost neutral.

Action Taken: Monitoring.

Location: 2-Year Bill.

AB 1247 (Garcia) Introduced: 2/21/2025

CalPERS Position: N/A

Contracted Employment for Classified School Employee Duties. Among other things, the intent of the bill requires a school employer who hires a contracted worker to perform a classified school employee job function to guarantee the contract includes contributions to CalPERS at the equivalent amount that would have been contributed by the school employer if the contracted worker was a direct hire eligible for CalPERS retirement and health benefits.

Action Taken: Provide technical assistance to author's office and sponsor.

Location: Held on the Assembly Suspense File. Will be removed from monthly report.

AB 1383 (McKinnor) Amended: 4/11/2025

CalPERS Position: N/A

Amendments to the Public Employees' Pension Reform Act of 2013. This bill includes several prospective changes to the Public Employees' Pension Reform Act of 2013 (PEPRA) as follows: (1) for service earned on or after January 1, 2026, adjusts the pensionable compensation limit for all members subject to PEPRA to the annual dollar limitation established by the Internal Revenue Code (IRC) 415(b)(1)(A) and adjusted annually for inflation, (2) allows an employer and its employees to agree to terms in a memorandum of understanding (MOU) where an employer pays a portion of the employee contribution, (3) changes the existing three PEPRA safety formulas from 2% @ 57, 2.5% @ 57 and 2.7% @ 57 to 2% @ 55, 2.5% @ 55 and 2.7% @ 55 respectively, for existing and new PEPRA members beginning January 1, 2026, (4) creates a fourth PEPRA safety formula at 3% @ 55 with a 90% cap, and (5) allows an employer and its employees to agree to term in an MOU to move members to a higher safety formula.

Action Taken: Provide briefings on Actuarial Cost Analysis to interested parties.

Location: 2-Year Bill.

AB 1439 (Garcia) Amended: 3/24/2025

CalPERS Position: N/A

Labor Standards Protections Mandate on California Development Projects. Prohibits a board of a public pension or retirement system from making additional or new investments in development projects in California or to provide financing for those projects unless those projects include labor standards protections, as specified.

Action Taken: Monitoring.

Location: 2-Year Bill.

ACA 2 (Jackson) Introduced: 12/2/2024

CalPERS Position: N/A

Legislative Diversification Act. Repeals Section 4.5 of Article IV of the State Constitution which prohibits Members of the Legislature from accruing any pension or retirement benefits other than Social Security. Establishes a retirement system for Members elected to or serving in the Legislature on or after November 1, 2010, and requires a Member to serve at least ten years in the Legislature to be eligible for benefits under the retirement system. Also allows Members with less than ten years of legislative service to transfer the service credit earned to any other public employees' pension or retirement system in which the Member participates in.

Action Taken: Monitoring.

Location: Assembly Print.

AJR 3 (Schiavo) Introduced: 3/3/2025

CalPERS Position: Support

Opposition to Cuts to and the Privatization of Social Security, Medicare, and Medicaid. Calls on California's Congressional Representatives to vote against cuts to, and proposals to privatize, Social Security, Medicare, and Medicaid, and calls on the President to veto any legislation that cuts or privatizes these programs.

Action Taken: Monitoring.

Location: Senate Rules.

SB 306 (Becker) Amended: 4/28/2025

CalPERS Position: N/A

Prior Authorization Exemption. Prohibits a health care service plan, a health insurer, or an entity with which the plan or insurer contracts for prior authorization who imposed prior authorization on a covered health care service and approved 90% or more of the requests for a covered service in the prior calendar year from imposing prior authorization on that service from April 1 of the current year and remaining in place for one calendar year. Specifies that these provisions do not apply to a covered health care service that was not subject to prior authorization in the prior calendar year, including a service that was exempted from prior authorization pursuant to this section. Requires a plan or insurer to list these exempted, covered services in a prominent location on their website by March 15 of each calendar year, as well as all plan contract documents, all relevant policy documents, and utilization management policies.

*Action Taken: Monitoring.**Location: Senate Floor.*

SB 351 (Cabaldon) Introduced: 2/12/2025

CalPERS Position: N/A

Private Equity in Health Facilities. Prohibits a private equity group or hedge fund that is involved in any manner with a physician or dental practice doing business in California from interfering with the physician's or dentist's professional judgement in making health care decisions or exercising control over or delegated power to perform specified administrative actions. Also prohibits these entities from entering into an agreement or arrangement with a physician or dental practice that would enable the interference with the physician's or dentist's professional judgement in making health care decisions or exercising control over or delegated power to perform specified administrative actions.

*Action Taken: Monitoring.**Location: Senate Floor.*

SB 363 (Wiener) Amended: 5/23/2025

CalPERS Position: N/A

Independent Medical Review: Denial or Modification of Treatment Reporting. Requires a health care service plan or health insurer to report on or before June 1, 2026, and annually thereafter, the number of treatment denials or modifications, as specified, to the Department of Managed Health Care (DMHC) or the Department of Insurance (CDI), respectively. Requires DMHC or CDI to compare the number of treatment denials and modifications to (1) the number of successful independent medical review overturns and (2) the number of denials or modifications reversed after an independent medical review is requested, filed, or applied for. Creates the Managed Care Independent Medical Review Administrative Penalties Subaccount for the receipt and deposit of moneys generated from the administrative penalties assessed by these provisions which may be expended, among other things, to offset the reasonable costs of implementing these provisions.

*Action Taken: Monitoring.**Location: Senate Floor.*

SB 443 (Rubio) Amended: 3/27/2025

CalPERS Position: N/A

Joint Powers Authority: Non-Founding Member. Allows a public agency that joins a joint powers authority (JPA) after its initial formation to provide individuals who were employed by the public agency prior to joining the JPA and not otherwise considered a new member under the Public Employees' Pension Reform Act of 2013, the same defined benefit plan or formula those employees received when employed by the public agency. Specifically, it allows individuals employed by the JPA's non-founding member agency in a position whose function is transferred to the JPA, and who subsequently becomes employed by the JPA within 180 days of the transfer, to retain their defined benefit plan or formula.

Action Taken: Provide technical assistance to author's office and sponsor.

Location: Senate Floor.

SB 538 (Dahle) Introduced: 2/20/2025

CalPERS Position: N/A

Election to Retain Coverage - Substitute Teachers. On or after January 1, 2026, allows a member who is providing services as a substitute teacher to elect to retain coverage under CalPERS as specified.

Action Taken: Monitoring.

Location: 2-Year Bill.

SB 850 (Ashby) Amended: 5/7/2025

CalPERS Position: N/A

Benefit Forfeiture: Correctional Officers and Prison Staff. Among other things, requires a correctional officer or other prison staff member employed by the Department of Corrections and Rehabilitation and who is either (1) a current member of a public retirement system or (2) who first becomes a member of a public retirement system on or after January 1, 2026 and that is convicted of sexually assaulting an inmate within the state prison system to forfeit all accrued rights and benefits in a public retirement system and prohibits the employee from accruing further benefits in that public retirement system. Specifically, the employee shall forfeit all of the rights and benefits earned or accrued from the date they first became a member of the public retirement system and an employee who becomes a member on or after January 1, 2026 must also forfeit any member contributions. Requires the employer and the employee to notify each public retirement system in which the employee is a member, of the conviction within 90 days of the conviction. Allows the public retirement system to assess a fee on the employer to reimburse the cost of audit, adjustment or correction if the employer failed to comply with these provisions. Requires the public retirement system to, when implementing these provisions, protect an innocent spouse or former spouse and the division of community property. If the conviction is reversed and the decision is final, allows the employee to recover forfeited rights and benefits or redeposit any contributions and interest to recover the full amount of the forfeited rights and benefits.

Action Taken: Provide program background to committee staff.

Location: Held on the Senate Suspense File. Will be removed from monthly report.

Federal Bills

H.R. 1 Rep. Arrington, Jodey C. [R-TX-19] Introduced: 5/20/2025

CalPERS Position: N/A

FY 2025 Budget Reconciliation. Among other things, the bill raises the statutory debt limit by \$4 trillion, makes expiring tax cuts in the Tax Cuts and Jobs Act of 2017 permanent, and temporarily eliminates the taxation of overtime pay and tips. It also provides a temporary tax deduction for low and middle-income seniors and raises the cap for the deductibility of state and local taxes from federal personal income taxes.

Among other health provisions, the bill implements several funding cuts to the Medicare, Medicaid and Affordable Care Act (ACA) Marketplace programs, and requires new verification and eligibility determinations for coverage. It delays until 2035 the implementation of agency rules to reduce barriers to enrollment in Medicare and Medicaid; expands orphan drug exclusion requirements in the Medicare Drug Negotiation Program, and bans Pharmacy Benefit Managers (PBMs) from engaging “spread pricing” in the Medicaid Program. Among other investment related provisions, the bill transfers the authority of the Public Company Accounting Oversight Board (PCAOB) to the Securities and Exchange Commission (SEC) and eliminates the PCAOB’s ability to collect fees.

It also accelerates Inflation Reduction Act (IRA) tax credit phase outs for wind projects, solar projects, and battery storage projects to 2028 (projects also need to start construction within 60 days of the bill’s enactment). It allows natural gas project applicants to pay for expedited permitting. It eliminates the clean vehicle tax rebate. It also postpones the implementation of a fee on oil and gas operation methane leaks.

Action Taken: Sent a letter to the California congressional delegation on 5/15/2025, urging them to protect access to affordable health insurance coverage for individuals and families in California.

Status: 5/22/2025 - Passed the House, 215-214.

H.R. 550 Rep. Waters, Maxine [D-CA-43] Introduced: 1/16/2025

CalPERS Position: N/A

Wildfire Insurance Coverage Study Act of 2025. Requires the Government Accountability Office to conduct a study regarding insurance coverage for damages from wildfires.

Action Taken: Monitoring.

Status: 1/16/2025 - Referred to the House Committee on Financial Services.

H.R. 1549 Rep. Williams, Roger [R-TX-25] Introduced: 2/24/2025

CalPERS Position: N/A

China Financial Threat Mitigation Act of 2025. Requires the Treasury Department to report on the exposure of the United States to the financial sector of China. The report must include the effects of significant risks China's financial sector has on U.S. and global financial systems, a description of the policies the U.S. is adopting to protect its financial stability, a description and evaluation of the transparency, completeness, and reliability of Chinese economic data, and recommendations for additional actions to strengthen international cooperation to mitigate risks and protect U.S. interests.

Action Taken: Monitoring.

Status: 3/21/2025 - Placed on the House Union Calendar, Calendar No. 11.

Note: S. 1113 (Warner D-VA) is companion legislation that was introduced and referred to the Senate Committee on Banking, Housing, and Urban Affairs on 3/25/2025. Staff is monitoring this companion legislation.

H.R. 3357 Rep. Meeks, Gregory W. [D-NY-5] Introduced: 5/13/2025

CalPERS Position: N/A

Enhancing Multi-Class Share Disclosures Act. Requires public companies with a multi-class stock structure to disclose, with respect to directors, executives, and owners with at least five percent voting power, the number of shares they own (as a percent of all shares) and the voting power they hold (as a percent of all voting power).

Action Taken: Monitoring.

Status: 5/21/2025 - Passed the House Committee on Financial Services, 51-0.

H.J.Res. 35 Rep. Pfluger, August [R-TX-11] Signed by the President: 3/14/2025

CalPERS Position: N/A

Congressional Review Act resolution. Rescinds the recent Environmental Protection Agency (EPA) rule, "Waste Emissions Charge for Petroleum and Natural Gas Systems: Procedures for Facilitating Compliance, Including Netting and Exemptions." The rule facilitated compliance with provisions of the Inflation Reduction Act that require the EPA to collect an annual Waste Emissions Charge on methane emissions from oil and natural gas facilities that exceed specific levels of emissions and methane intensity.

Action Taken: Submitted a comment letter in support of the rule in March 2024.

Status: 3/14/2025 - Signed by the President (Public Law No: 119-2).

H.J.Res. 39 Rep. Fitzgerald, Scott [R-WI-5] Introduced: 2/11/2025

CalPERS Position: N/A

Congressional Review Act resolution. Rescinds the recent Federal Trade Commission (FTC) rule, "Premerger Notification; Reporting and Waiting Period Requirements." The rule requires parties to transactions that are reportable under the Hart-Scott-Rodino Antitrust Improvement Act to provide documentary material and information that are necessary and appropriate for federal agencies to assess whether the transaction may violate antitrust laws.

Action Taken: Monitoring.

Status: 2/11/2025 - Referred to the House Committee on the Judiciary.

H.J.Res. 87 Rep. James, John [R-MI-10] Introduced: 4/2/2025

CalPERS Position: N/A

Congressional Review Act resolution. Rescinds the EPA rule, "California State Motor Vehicle and Engine Pollution Control Standards; Heavy-Duty Vehicle and Engine Emission Warranty and Maintenance Provisions; Advanced Clean Trucks; Zero Emission Airport Shuttle; Zero-Emission Power Train Certification; Waiver of Preemption; Notice of Decision." The EPA waivers allow California to impose stricter emissions standards for trucks than national standards.

Action Taken: Monitoring.

Status: 5/22/2025 - Passed Senate without amendment by Yea-Nay Vote. 51 - 45.

H.J.Res. 88 Rep. Joyce, John [R-PA-13] Introduced: 4/2/2025

CalPERS Position: N/A

Congressional Review Act resolution. Rescinds the EPA rule, "California State Motor Vehicle and Engine Pollution Control Standards; Advanced Clean Cars II; Waiver of Preemption; Notice of Decision." The EPA waivers allow California to impose stricter vehicle emissions standards for light duty passenger cars, SUVs and pickup trucks than the national standards.

Action Taken: Monitoring.

Status: 5/22/2025 - Passed Senate without amendment by Yea-Nay Vote. 51 - 44.

H.J.Res. 89 Rep. Obernolte, Jay [R-CA-23] Introduced: 4/2/2025

CalPERS Position: N/A

Congressional Review Act resolution. Rescinds the EPA rule, "California State Motor Vehicle and Engine and Nonroad Engine Pollution Control Standards; The 'Omnibus' Low NOX Regulation; Waiver of Preemption; Notice of Decision." The EPA waivers allow California to impose stricter vehicle emissions standards for nitrous oxide and carbon oxide emissions from heavy-duty highway engines than the national standards.

Action Taken: Monitoring.

Status: 5/22/2025 - Passed Senate without amendment by Yea-Nay Vote. 49 - 46.

S. 527 Sen. Grassley, Chuck [R-IA] Introduced: 2/11/2025

CalPERS Position: N/A

Prescription Pricing for the People Act of 2025. Within one year of the bill's enactment, requires the FTC to study the role of intermediaries in the pharmaceutical supply chain and provide Congress with appropriate policy recommendations. Specifically, the FTC is directed to study whether PBMs, among other things: charge patients more than the reimbursement rate given to both PBM-owned and non-PBM-owned pharmacies; practice patient steering; or manipulate formularies to favor more expensive drugs over less expensive alternatives.

Action Taken: Monitoring.

Status: 4/10/2025 - Placed on Senate Legislative Calendar under General Orders. Calendar No. 42.

S. 1040 Sen. Cornyn, John [R-TX] Introduced: 3/13/2025

CalPERS Position: N/A

Drug Competition Enhancement Act. This bill prohibits "product hopping," a tactic used by brand-name drug manufacturers to delay the entry of a generic drug to market, by introducing new versions of their drugs before generic alternatives are available. This bill also sets a 180-day or 3-year time limit, whichever is earlier, for the FTC to bring a case against a manufacturer for the antitrust violation.

Action Taken: Monitoring.

Status: 4/10/2025 - Placed on Senate Legislative Calendar under General Orders. Calendar No. 43.

S. 1041 Sen. Cornyn, John [R-TX] Introduced: 3/13/2025

CalPERS Position: N/A

Affordable Prescriptions for Patients Act. This bill would limit the number of patents that pharmaceutical companies can assert in infringement suits over biologic and biosimilar drugs. The bill restricts the number of patents to 20.

Action Taken: Monitoring.

Status: 4/10/2025 - Placed on Senate Legislative Calendar under General Orders. Calendar No. 44.

S. 1053 Sen. Cornyn, John [R-TX] Introduced: 3/13/2025

CalPERS Position: N/A

Foreign Investment Guardrails to Help Thwart (FIGHT) China Act of 2025. Allows the Treasury Department to prohibit U.S. investments in certain technologies in the Peoples Republic of China (PRC), including certain Artificial Intelligence (AI) models, quantum computers, and other military technologies. It permits the Treasury Department to impose sanctions against PRC entities that engage with the PRC military and intelligence sectors. The bill also requires U.S. entities to notify the Treasury Department of investments in certain AI models.

Action Taken: Monitoring.

Status: 3/13/2025 - Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.

Note: H.R. 2246 (Barr R-KY) is companion legislation that was introduced and referred to the House Committee on Foreign Affairs and the House Committee on Financial Services on 3/21/2025. Staff is monitoring this companion legislation.

S. 1095 Sen. Klobuchar, Amy [D-MN] Introduced: 3/24/2025

CalPERS Position: N/A

Stop STALLING Act. This bill requires the FDA to take actions against the abuse of “sham citizen petitions,” a tactic used by pharmaceutical companies to interfere and delay the FDA’s review and approval of a generic or biosimilar drug’s application for market entry.

Action Taken: Monitoring.

Status: 4/10/2025 - Placed on Senate Legislative Calendar under General Orders. Calendar No. 45.

S. 1096 Sen. Klobuchar, Amy [D-MN] Introduced: 3/24/2025

CalPERS Position: N/A

Preserve Access to Affordable Generics and Biosimilars Act. This bill prohibits “pay for delay” agreements, in which brand-name drug manufacturers compensate generic manufacturers to delay the entry of their drug into the market. This bill also prohibits biological manufacturers from compensating biosimilar and interchangeable manufacturers to delay the entry of biosimilar biological products and interchangeable biological products.

Action Taken: Monitoring.

Status: 4/10/2025 - Placed on Senate Legislative Calendar under General Orders. Calendar No. 46.

S. 1097 Sen. Durbin, Richard J. [D-IL] Introduced: 3/24/2025

CalPERS Position: N/A

Interagency Patent Coordination and Improvement Act of 2025. This bill creates an Interagency Task Force on Patents to coordinate efforts between the U.S. Patent and Trademark Office (PTO) and the Food and Drug Administration (FDA) regarding communication, evaluation, and evaluation of patent applications. The PTO is required to report to Congress on (1) the frequency with which FDA information is provided to PTO through the task force, (2) which methods of providing information and types of information are most useful to patent examiners, and (3) recommendations for changes to the mandate, funding, or operations of this task force.

Action Taken: Monitoring.

Status: 4/10/2025 - Placed on Senate Legislative Calendar under General Orders. Calendar No. 41.
