

ASSEMBLY BILL

No. 2456

Introduced by Assembly Member Cooley

February 19, 2016

An act to add Chapter 19 (commencing with Section 21710) to Part 3 of Division 5 of Title 2 of the Government Code, relating to public employees' retirement.

LEGISLATIVE COUNSEL'S DIGEST

AB 2456, as introduced, Cooley. Public employee retirement benefits: prefunding.

Existing law creates the Public Employees' Retirement System, which provides defined retirement benefits to employees of the state and to employees of other public agencies contracting with the Board of Administration of the Public Employee's Retirement System for this purpose. The benefits provided by the system are funded by employer and employee contributions and investment returns.

This bill would state the intent of the Legislature to encourage state and local public employers that provide a defined benefit pension plan to their employees to effectively manage their pension contributions payments by investing surplus funds into a trust fund to be developed, established, and administered by the board.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Chapter 19 (commencing with Section 21710)
2 is added to Part 3 of Division 5 of Title 2 of the Government Code,
3 to read:

4
5 CHAPTER 19. CALIFORNIA EMPLOYERS' PENSION PREFUNDING
6 TRUST PROGRAM
7

8 21710. It is the intent of the Legislature to encourage state and
9 local public employers that provide a defined benefit pension plan
10 to their employees to effectively manage their payments toward
11 their annually required pension contributions by investing surplus
12 funds into a trust fund to be developed, established, and
13 administered by the Board of Administration of the Public
14 Employees' Retirement System.