

AMENDED IN ASSEMBLY MARCH 17, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2456**

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**Introduced by Assembly Member Cooley**

February 19, 2016

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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 amended, 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~~ *require the Board of Administration of the Public Employee's Retirement System to develop, establish, and administer the California Employers' Pension Prefunding Trust Program in order* 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. ~~contributions.~~

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

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

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

CHAPTER 19. CALIFORNIA EMPLOYERS' PENSION PREFUNDING  
TRUST PROGRAM

21710. ~~It is the intent of the Legislature~~ *In order to encourage state and local public employers that provide a defined benefit pension plan to their employees to effectively manage their payments toward their annually required pension contributions by investing surplus funds into a trust fund to be developed, established, and administered by contributions, the Board of Administration of the Public Employees' Retirement System. System shall develop, establish, and administer the California Employers' Pension Prefunding Trust Program.*