

ASSEMBLY BILL

No. 2490

Introduced by Assembly Member Gatto

February 19, 2016

An act relating to pension system investments.

LEGISLATIVE COUNSEL'S DIGEST

AB 2490, as introduced, Gatto. Pension system investments.

The California Constitution grants the retirement board of a public pension or retirement system plenary authority and fiduciary responsibility for the investment of moneys and administration of the system. The constitution authorizes the Legislature to prohibit certain investments when it is in the public interest to do so and the prohibition satisfies standards of fiduciary care and loyalty. Existing law requires the Board of Administration of Public Employees' Retirement System to provide an annual report to the Governor and the Legislature regarding its financial statements and investments for the fiscal year and a quarterly review of system assets to the Legislature.

This bill would state the intent of the Legislature to enact legislation that would require equity firms that contract for investment services with the Board of Administration of the Public Employees' Retirement System and other pension systems to provide a clear accounting of clawbacks owed to the systems and to require the pension systems to track their clawbacks.

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. It is the intent of the Legislature to enact
2 legislation that would require the equity firms that contract with
3 the Board of Administration of the Public Employees' Retirement
4 System and other pension systems for the purpose of providing
5 investment services to provide a clear accounting of clawbacks
6 owed to the systems and to require the pension systems to track
7 their clawbacks.

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