

**Public Employees' Retirement System
Board of Administration
2025-2026 Legislative Session
State and Federal Update
Status as of March 25, 2025**

Sponsored Bills

SB 853 (Committee on Labor, Public Employment and Retirement) Introduced: 3/4/2025

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: Communicate co-sponsorship to legislative committee staff.

Location: Senate Labor, 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 insurer 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: Scheduled to be heard in the Assembly Health Committee on April 1, 2025.

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: Assembly Health Committee.

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: Assembly Health Committee.

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: Assembly Public Employment and Retirement Committee.

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 sponsor.

Location: Assembly Public Employment and Retirement Committee.

AB 1383 (McKinnor) Amended: 3/10/2025

CalPERS Position: N/A

Pensionable Compensation Limit. For service earned on or after January 1, 2026, adjusts the pensionable compensation limit for members subject to the Public Employees' Pension Reform Act of 2013 to the annual dollar limitation established by the Internal Revenue Code (IRC) 415(b)(1)(A) and adjusted annually for inflation.

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

Location: Assembly Public Employment and Retirement Committee.

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: Assembly Public Employment and Retirement Committee.

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: Assembly Public Employment and Retirement Committee.

SB 306 (Becker) Introduced: 2/10/2025

CalPERS Position: N/A

Prior Authorization Exemption. Prohibits a health care service plan or a health insurer 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. 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 Health Committee.

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: Scheduled to be heard in the Senate Business, Professions & Economic Development Committee on April 21, 2025.

SB 363 (Wiener) Introduced: 2/13/2025

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. Requires DMHC and CDI to assess an administrative penalty, as specified, with the intent of funds generated to be used to fund child health care services.

Action Taken: Monitoring.

Location: Scheduled to be heard in the Senate Health Committee on April 2, 2025.

SB 443 (Rubio) Introduced: 2/18/2025

CalPERS Position: N/A

Joint Powers Authority: Cities of La Verne and Covina. Allows the Cities of La Verne and Covina to form a joint powers authority (JPA), on or after January 1, 2026, and to provide individuals who were employed by one of the cities, prior to the formation of 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 one of the cities. Specifically, it allows individuals employed by one of the JPA's member agencies 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: Monitoring.

Location: Scheduled to be heard in the Senate Labor, Public Employment & Retirement Committee on March 26, 2025.

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: Senate Labor, Public Employment & Retirement Committee.

Federal Bills

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.

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.

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

CalPERS Position: N/A

Foreign Investment Guardrails to Help Thwart (FIGHT) China Act. 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 Senate 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.
