

2016 LEGISLATION AFFECTING CalSTRS

| BILL / AUTHOR | SPONSOR | SUMMARY | BOARD POSITION | LOCATION |
|---------------|---------|---------|----------------|----------|
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Updated: 2/4/16

STATE LEGISLATION

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| <u>AB 736</u> (Cooley) Introduced: 2/25/15 | CalSTRS | Adds Chief Operating Officer and Chief Financial Officer to those positions for which the Teachers' Retirement Board has the authority to establish desired competencies, set terms and conditions of employment and fix the compensation levels. | Sponsor | Senate PE&R Committee |
| <u>AB 1052</u> (Cooley) Amended: 8/17/15 | CalSTRS | Consistent with existing constitutional authority, authorizes the boards of CalSTRS and CalPERS to contract for specified investment-related services under the boards' terms and conditions and, except under specified circumstances, utilizing competitive processes in lieu of state contracting requirements. | Sponsor | Senate Floor |
| <u>AB 1551</u> (Allen) Introduced: 1/4/16 | Author | As of January 1, 2017, prohibits state retirement systems, including CalSTRS, from making additional or new investments or renewing existing investments in, and requires divestment from, business firms or financial institutions that engage in discriminatory business practices in furtherance or in compliance with the boycott of Israel. | To be presented to the board in April | Pending Referral to Policy Committee |
| <u>AB 1552</u> (Allen) Introduced: 1/4/16 | Author | Prohibits public entities, including CalSTRS, from entering into a contract unless the contract includes a representation that the contractor is not and will not during the duration of the contract engage in the boycott of a person or entity based in or doing business with a country that is a member of the World Trade Organization or unless certain exceptions are met. | To be presented to the board in April | Pending Referral to Policy Committee |

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FEDERAL LEGISLATION

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| H.R. 711 (Brady-TX) Introduced: 2/4/15 | | Establishes a new formula for the treatment of non-covered earnings in determining Social Security benefits to replace the WEP for individuals who turn age 62 after 2016 and prescribes a second formula to lessen the effects of the WEP for current beneficiaries. Also directs the Commissioner of Social Security to recover overpayments from certain individuals. | Watch | House Committee on Ways & Means |
| H.R. 973 (Davis-IL) Introduced: 2/13/15 | | Repeals the WEP and the GPO. | Support | House Committee on Ways & Means |
| S. 2381 (Hatch-UT) Introduced: 12/9/15 | | Includes reporting requirements for plan sponsors of state or local government employee pension benefit plans, as well as adds annuity accumulation retirement plans for state and local government employees to the Internal Revenue Code. | To be presented to the board in April | Senate Committee on Finance |