

Updated April 3, 2023 (7:12am)

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## HOUSE BILL No. 1008

AM100819 has been incorporated into February 21, 2023 printing.

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**Synopsis:** Pension investments.

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HB 1008—LS 6994/DI 141



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

February 21, 2023

First Regular Session of the 123rd General Assembly (2023)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2022 Regular Session of the General Assembly.

## HOUSE BILL No. 1008

A BILL FOR AN ACT to amend the Indiana Code concerning pensions.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 5-10.5-8 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2023]:

4 **Chapter 8. Fiduciary Duties**

5 **Sec. 1. The board, in accordance with the fiduciary duties**  
6 **described in this article, shall make investment decisions with the**  
7 **primary purpose of maximizing the target rate of return on the**  
8 **board's investments.**

9 **Sec. 2. Except as otherwise provided by law, the board may not**  
10 **make an investment decision with the purpose of:**

11 (1) **influencing any social or environmental policy; or**  
12 (2) **attempting to influence the governance of any**  
13 **corporation for nonpecuniary purposes.**

14 **Sec. 3. (a) The board shall, at least annually, tabulate and**  
15 **report all proxy votes made in relation to the administration of the**  
16 **public pension and retirement funds of the system.**

HB 1008—LS 6994/DI 141



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(b) For each vote reported under subsection (a), the report must contain:

- (1) a vote caption;
- (2) the fund's vote;
- (3) the recommendation of a portfolio company's management; and
- (4) if applicable, the recommendation of a proxy advisor or other service provider.

(c) The board shall publish reports under this section on the board's website.

Sec. 4. To the extent economically feasible, the board may not grant proxy voting authority to a fiduciary unless the fiduciary:

- (1) has a practice of following; and
- (2) follows guidelines that meet the following requirements of when the fiduciary engages with portfolio companies and voting shares of proxies:

(A) In making and supervising investments of the public pension system, a fiduciary shall discharge the fiduciary's duties solely in the financial interests of the participants and beneficiaries of the system for the exclusive purpose of providing financial benefits to participants and beneficiaries.

(B) In making and supervising investments of the system, a fiduciary shall only consider financial factors when discharging the fiduciary's duties with respect to a fund of the system.

Sec. 5. The board shall adopt a policy that assures that proxy voting and engagement shall be based primarily on maximizing the target rate of return on the board's investments. If the board has reasonable cause to believe that a violation of the policy on proxy voting and engagement has occurred, the board shall report such violation to the interim study committee on pension management oversight, including any actions taken to remedy the potential violation.

Sec. 6. This chapter shall not apply to private market funds defined under IC 5-10.2-10-11.

