
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anna Caballero, Chair
2025 - 2026 Regular Session

AB 1067 (Quirk-Silva) - Public employees' retirement: felony convictions

Version: July 15, 2025

Urgency: No

Hearing Date: August 18, 2025

Policy Vote: L., P.E. & R. 5 - 0

Mandate: Yes

Consultant: Robert Ingenito

Bill Summary: AB 1067 would (1) mandate public employers to continue investigations of public employees for misconduct, as specified, after the investigated employee retires, and to refer the matter to law enforcement before closing the investigation, and (2) require the employee forfeit any accrued pension rights and benefits if a felony conviction arises out of any specified conduct.

Fiscal Impact:

- This bill could result in costs to the State as a direct employer across nearly 200 entities to continue investigations that under current law may otherwise have ended. The magnitude of these costs is unknown, but potentially in excess of \$50,000 annually (General Fund and/ or special fund).
- By imposing similar new duties on local officials, this bill creates a state-mandated local program. To the extent the Commission on State Mandates determines that the provisions of this bill create a new program or impose a higher level of service on local agencies, local agencies could claim reimbursement of those costs. The magnitude is unknown, but potentially in excess of \$50,000 annually (General Fund).
- The California Public Employees' Retirement System (CalPERS) indicates that it would incur minor and absorbable costs as a result of the bill. CalPERS notes that this bill would not change any of its existing internal processes with regard to felony forfeiture; in such an instance, a member receives a refund of employee contributions made during the forfeiture period, but employer contributions are returned to the employer pool as a credit.

Background: Current law requires an elected public officer convicted of a felony arising from official duties involving a bribe; embezzlement, extortion, or theft of public money; or perjury to forfeit all rights and benefits under the public retirement system in which the official is a member. Similarly, current law requires an elected or appointed official or a public employee convicted of a felony arising from official duties or in connection with obtaining salary or other benefits, to forfeit retirement rights

Proposed Law: This bill would, among other things, do the following:

- Require a Public Employee's Pension Reform Act (PEPRA)-covered employer to continue an investigation of a PEPRA-covered employee under investigation for misconduct arising out of or in the performance of the employee's official duties,

in pursuit of the office or appointment, or in connection with obtaining salary, disability retirement, service retirement, or other benefits, even after the employee retires if the investigation indicates that the employee may have committed a crime.

- Require the employer to refer the matter to the appropriate law enforcement agency if the investigation indicates that a public employee may have committed a crime.
- Allow the employer to close the investigation upon referring the matter to law enforcement.
- Provide that the employee shall forfeit all accrued rights and benefits in any public retirement system effective on the date of the conviction “if the public employee is convicted of a felony for conduct described” in the bill’s provisions.

Related Legislation:

- SB 521 (Gonzalez) would add any felony involving “conflict of interest” to the list of specified crimes for which a conviction disqualifies a public employee for five years from any public employment, including, but not limited to, employment with a city, county, district, or any other public agency of the state and would disqualify a city manager or city attorney permanently. This bill is currently awaiting action on the Governor’s desk.
- SB 850 (Ashby) would have imposed pension forfeiture conditions on current members of public employee retirement systems to eliminate retroactively all accrued vested pension rights and confiscate accumulated employee contributions of any California Department of Corrections and Rehabilitation employee convicted of sexually assaulting an inmate within the state prison system. This bill was held under submission on the Suspense File of this Committee.
- SB 39 (DeLeon, Chapter 775, Statutes of 2013) required an elected or appointed local public officer, as defined, to forfeit any contract or similar claim for retirement or pension benefits, other than those accrued benefits which he/she may be entitled to under the applicable public retirement system, if he/she has been convicted of specified felonies under state or federal law.

Staff Comments: This bill would modify current-law felony forfeiture statutes to require an investigating public employer to continue doing so, even upon retirement of the employee, and refer the matter to the appropriate law enforcement agency if the investigation indicates the employee may have committed a crime.

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