
THIRD READING

Bill No: AB 1067
Author: Quirk-Silva (D)
Amended: 7/15/25 in Senate
Vote: 21

SENATE LABOR, PUB. EMP. & RET. COMMITTEE: 5-0, 7/9/25
AYES: Smallwood-Cuevas, Strickland, Cortese, Durazo, Laird

SENATE APPROPRIATIONS COMMITTEE: 7-0, 8/29/25
AYES: Caballero, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

ASSEMBLY FLOOR: 79-0, 6/3/25 - See last page for vote

SUBJECT: Public employees' retirement: felony convictions

SOURCE: Author

DIGEST: This bill (1) mandates 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. The bill also (2) requires the employee forfeit any accrued pension rights and benefits if the public employee receives a felony conviction, as specified.

ANALYSIS:

Existing law:

- 1) Establishes comprehensive public employee pension reform through enactment of the Public Employees' Pension Reform Act (PEPRA) (and related statutory changes) that apply to all public employers and public pension plans on and after January 1, 2013, excluding the University of California and charter cities and counties that do not participate in a retirement system governed by state statute. (Government Code §7522 et seq.)

- 2) Applies PEPPRA to “all state and local public retirement systems and to their participating employers”, as specified. (Government Code §7522.02 et seq.)
- 3) Defines “Public employee” in PEPPRA to mean an officer, including one who is elected or appointed, or an employee of a public employer. (Government Code §7522.04 (h))
- 4) Defines “Public employer” in PEPPRA to mean:
 - a) The state and every state entity, including, but not limited to, the Legislature, the judicial branch, including judicial officers, and the California State University.
 - b) Any political subdivision of the state, or agency or instrumentality of the state or subdivision of the state, including, but not limited to, a city, county, city and county, a charter city, a charter county, school district, community college district, joint powers authority, joint powers agency, and any public agency, authority, board, commission, or district.
 - c) Any charter school that elects or is required to participate in a public retirement system. (Government Code §7522.04 (i))
- 5) Requires an elected public officer to forfeit all rights and benefits under, and membership in, any public retirement system in which he or she is a member, effective on the date of final conviction if convicted during or after holding office of any felony involving accepting or giving, or offering to give, any bribe, the embezzlement of public money, extortion or theft of public money, perjury, or conspiracy to commit any of those crimes arising directly out of his or her official duties as an elected public officer. (Government Code §7522.70))
- 6) Requires a public retirement system member to forfeit all the rights and benefits earned or accrued from the earliest date of the commission of any felony, as specified, to the forfeiture date, inclusive, but not rights and benefits attributable to service performed prior to the date of the first commission of the felony. (Government Code §7522.72))
- 7) Requires a public employee to forfeit all accrued rights and benefits in any public retirement system, as specified, if convicted by a state or federal trial court of any felony under state or federal law for conduct arising out of or in the performance of his or her official duties, in pursuit of the office or appointment, or in connection with obtaining salary, disability retirement, service retirement, or other benefits. (Government Code §7522.74))

This bill:

- 1) Amends the Public Employee's Pension Reform Act (PEPRA) to require a 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.
- 2) Requires 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.
- 3) Allows the employer to close the investigation upon referring the matter to law enforcement.
- 4) Provides 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 receives a felony conviction arising out of the investigation, as specified.
- 5) Provides that reimbursement to local agencies and school districts for related costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code if the Commission on State Mandates determines that this act contains costs mandated by the state.

Background

According to the author:

“Under existing law, the California Public Employees’ Pension Reform Act of 2013 (PEPRA) mandates that a public employee convicted of a felony related to official duties forfeits all accrued retirement benefits.

However, the California Public Employees’ Retirement System can only take action to reduce or revoke benefits once a felony conviction is secured.

If an employee retires before an investigation is completed, there may be no official record of wrongdoing, making it difficult to hold individuals accountable.

This gap in oversight allows serious misconduct to go unpunished and prevents findings from being referred to law enforcement or appropriate authorities.”

Related/Prior Legislation

SB 521 (Gonzalez, Chapter 92, Statutes of 2025) adds 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.

SB 850 (Ashby, 2025) 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. The Senate Appropriations Committee held this bill under submission in 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.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

According to the Senate Appropriations Committee:

- 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.

SUPPORT: (Verified 8/29/25)

Association of California Water Agencies Joint Powers Insurance Agency
Oakland Privacy
Water Replenishment District

OPPOSITION: (Verified 8/29/25)

None received

ARGUMENTS IN SUPPORT:

According to Oakland Privacy:

“One of the biggest beneficiaries of this pension system is law enforcement, and their ability to retire early with full benefits. Unfortunately, they are also a population that has a high propensity for misconduct, and an even higher incentive to retire mid-investigation to avoid jeopardizing their handsome pensions in the process.

Disgraced Los Angeles ex-Sheriff Lee Baca was reported to receive over \$200,000 a year in benefits. Although police unions have fought back pension reform, even some law enforcement have stated that reform is necessary and beneficial. Cleveland police officer Edwin Millan who was convicted of various crimes stated that knowing his actions could lead to losing his pension would have influenced his decision to defraud the public. In addition, former Miami Police Chief Art Acevedo supports pension forfeiture as a way of deterring officers from disgracing their own departments and damaging the reputation of law enforcement and motivating a shift in department culture. While we focused on examples of law enforcement abuse, no public employee should rest assured of having a soft landing funded by taxpayers if convicted of illegal activities.

This bill will close the loophole to circumvent pension forfeiture when a public employee who is at risk of being convicted of a crime takes an early retirement to deter an investigation that might derail their pensions. The risk of pension forfeiture serves as a strong deterrent against engaging in illegal activity and AB 1067 will strengthen the integrity of California’s public employee pension

program. Taxpayers should not be forced to look the other way when felonious government employees are unjustly burdening an already precarious pension system.”

ASSEMBLY FLOOR: 79-0, 6/3/25

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

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