THE NCPERS MONITOR

The Latest in Legislative News July 2025

NCPERS **Executive Director's Corner**

NCPERS Launches New Summit for Communications and Member Services Pension Professionals

By Hank Kim, Executive Director and Counsel, NCPERS

From implementing new technologies to effectively engaging members of all ages, communications and member services professionals in the public pension community are navigating increasingly complex roles. Recognizing this evolution, NCPERS launched the Communications Roundtable in 2022, the Pension Communications Summit in 2023, and the Member Services Roundtable in 2024.

The dire need for these educational resources and community spaces was made apparent by their rapid growth—with a 58% jump in attendance at this year's Communications Summit. Now, as we continue to evolve to meet the needs of our members, I'm proud to announce **the debut of the NCPERS Communications & Member Services Summit on March 2-4, 2026 in San Diego.**

Featuring a mix of thought-provoking general sessions, dual tracks tailored to both communications and member services professionals, and facilitated breakout discussions, this newly expanded program will provide even more opportunities for pension professionals to learn and grow alongside their peers from across the country.

From benchmarking member engagement to AI policy implementation to navigating a pension administration system transition to developing jargon-free content, there is no shortage of topics to address. And with an agenda driven by program directors from the Communications and Member Services Roundtables, we'll explore the issues that matter most to your plan.

This addition to NCPERS' current lineup of educational Summits for plan professionals reflects the growing importance of communications and member services roles. They are not just messengers; they are educators, advocates, and architects of trust. They are the ones who ensure that plan participants understand their benefits, feel confident in their futures, and stay connected to the mission of public service.

At NCPERS, we believe that strong communication and member engagement are essential to the health of public retirement systems. With the Communications & Member Services Summit, we're creating a platform for professionals to connect, share ideas, and learn best practices to drive industry-wide progress.

We hope you'll join us next year in San Diego on March 2-4. Visit our website to find additional details about what to expect and view the 2026 registration fees and hotel information. Please be sure to sign up here for event updates or reach out to membership@ncpers.org with any questions. ◆

State Constitutional Protections for Public Pension Benefits

By: Joshua Campbell, Williams & Jensen

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States provide protections for public pension benefits through layers of regulatory, statutory, and state constitutional means. Of these three, state constitutions are unique because—like their federal counterpart—they are harder to amend and thus serve as a kind of foundational layer of protection. Additionally, these state constitutions matter because state, not federal, law governs public pensions.[1]

Earlier this year, attorneys at Williams & Jensen conducted a comprehensive 50-state review of state constitutional protections for public pension benefits. This article highlights some of the commonalities seen across states. A few common traits found in state constitutions are the use of contract principles, property principles, and the California Rule.

Originally, states treated pension benefits as gratuities. However, in the 1950s and '60s, states started holding that public pensions created contractual rights. Today, a total of 41 state constitutions incorporate contract principals to varying degrees in protecting public pension benefits. Within this, some states limit contractual protections to only vested rights. Depending on the state, rights may vest upon reaching a certain age or years of service, or some combination thereof.

Louisiana, Michigan, and New York explicitly state in their constitutions that membership in a retirement system is a contractual relationship. However, most states protect benefits as contract rights through a two-step process: the state constitution has a contracts clause similar or identical to the contract clause of the U.S. Constitution, and that state's case law interprets the clause to apply to public pension benefits. Alternatively, in the absence of their own state constitution contract clause, some states' courts simply interpret the U.S. Constitution's contract clause to protect pension benefits.

California was one of the first states to shift from treating pension benefits as gratuities to contractual rights. As such, many other states adopted what became known as the California Rule, which is a specific way of applying contractual rights to protect pension benefits. Under the California Rule, an employee has a contractual right to public pension benefits starting on their first day of employment and there may not be detrimental changes to these benefits unless accompanied by comparable new advantages. State courts often answer this question using the U.S. Supreme Court's three-part contract clause analysis. This analysis asks: (1) does a contractual relationship exist; (2) does a change in the law impair that contractual relationship; and (3) if so, is the impairment substantial? If the answer to all three is affirmative, generally the proposed change to the pension plan is prohibited. However, the new law may still survive contract clause scrutiny if it is justified as reasonable and necessary to serve an important public purpose.

Under this rule, pension systems are still often modified for the purpose of keeping the pension system flexible to permit adjustments in accord with changing conditions and maintaining the integrity of the system. In other words, pensions may be modified to protect actuarial soundness of the fund. Of course, these modifications must still be accompanied by a comparable new advantage to the members. Furthermore, some states clarify that a member's vested rights only extend as far as the work the member performed. Today, 11 states use the California Rule, however some apply their own variation.

Beyond contract principles, some states take a myriad of approaches. Texas's constitution contains a provision specifically protecting against impairment or reduction of accrued pension benefits. Arkansas and Indiana treat noncontributory pension benefits as mere gratuities, although this may not apply to contributary funds. New Jersey and New Mexico treat pension benefits as property rights protected under due process. Meanwhile, Connecticut, Massachusetts, Maine, Vermont, Iowa, and the District of Columbia largely lack any state constitutional protections whatsoever but instead rely on statutes and regulations to protect pension benefits.

Employing a variety of approaches, state constitutions play an important role in providing a foundational safeguard for public pension benefits. These state constitutions, along with each state's statutes and regulations, comprise the legal tapestry that protects pension benefits for public sector workers across the country. ◆

Joshua Campbell is a senior associate at the Washington, D.C., law and lobbying firm Williams & Jensen, where he works with the firm's public pension clients on issues related to plan qualification, investments, and pending legislative proposals at the federal and state level. Prior to joining W&J, Joshua was a judicial law clerk for a circuit court judge in Maryland. Joshua has a B.S. in Business Management and Philosophy from Palm Beach Atlantic University and earned his J.D. from The Catholic University of America. He is a member of the District of Columbia bar.

Endnotes:

[1] Recognizing, of course, that state and local governmental retirement plans must meet the qualification requirements of Section 401(a) of the federal Internal Revenue Code.

From Classroom to Boardroom: How Northern Trust Helps Trustees Apply Investment Concepts with Confidence

By: Lizzy Lees, Director of Communications, NCPERS

NCPERS presented the Pension Partners of the Year Awards during the 2025 Annual Conference & Exhibition in Denver. These awards recognize the Service Provider members who have helped make continuing education exciting, valuable, and accessible to public pension staff, trustees, and industry stakeholders.

As one of the inaugural award recipients, Northern Trust Asset Management was recognized for its extensive contributions to NCPERS Trustee Educational Seminar (TEDS). The program is designed to help public pension trustees and staff build a solid foundation in governance, investing, and actuarial science in a classroom setting.

TEDS culminates with the always-popular Asset Allocation challenge—run by the Northern Trust team—that allows attendees to put their knowledge to the test with an interactive training. We spoke with **Bob Parise** about their involvement with TEDS, the importance of ongoing education for public pensions, and the investment landscape.

Q: Tell us about your day-to-day role at Northern Trust Asset Management (NTAM).

A: I am part of the U.S. Pensions and Canada team that is responsible for managing institutional relationships and growing the NTAM footprint within North America. My day-to-day is anything but routine. Most days begin with a 20-minute market update/outlook from the past few days and looking forward as to the week's economic data and how NTAM is viewing data releases. The remainder of my day is spent working alongside our client facing partners thinking about strategy, meeting with clients and working through internal meetings about future programs, events or product launches.

Bob Parise

Q: Has your perspective on the importance of continuing education for public pensions changed since your team began leading the Asset Allocation Challenge nearly a decade ago?

A: TEDS is the event I look forward to every year. Delivering foundational investment education to trustees is a priority for NTAM as it helps support our clients and the overall public fund community. We want to be viewed as part of the community and as a firm trustees can turn to with questions.

We believe the most impactful learning comes from the opportunity to take investment concepts and put them into action, which is why we created the Asset Allocation Challenge. It's inspiring to see trustee participants take the game seriously, debate with one another and have fun at the end of a very long two days of training. Over the years we have hosted the game, the most rewarding aspect is when trustees who have participated previously share what an impact the program had on them. We've heard at subsequent conferences how they felt more comfortable in board meetings and how the concepts they learned helped enable them to make better decisions for their constituents.

Q: In your time as an instructor, has anything surprised you?

A: I am surprised each and every time we host the Asset Allocation Challenge by the amount of competitiveness within the room; how engaged participants are; and how much fun I have running the program.

Q: What advice would you give to a new trustee?

A: Be yourself. You were appointed/elected by your peers to represent the best interests of plan members, take the trust and confidence placed in you and use it to drive you during your time on the board.

Q: Looking ahead, do you have any predictions for the investment landscape over the next 12 months?

A: I do not. (There is no way compliance will allow me to comment on that!) Seriously, the old adage holds in terms of this question, the only thing certain is uncertainty and change is inevitable. Trustees need to make sure there is a solid foundational asset allocation plan that allows for enough asset movement without allowing for the emotion of investing to creep into the mindset. ◆

Leadership, Strategy & Insight: NCPERS 2025 Chief Officers Summit Recap

By: Reshana Peters, Digital Media & Marketing Coordinator, NCPERS

(Image courtesy of NYSE Group. NYSE does not recommend or endorse any investments, investment strategies, companies, products or services)

From June 16–18, NCPERS brought together leading public pension CEOs and CIOs from across the country for the Chief Officers Summit in New York City. Before the Summit officially kicked off, NCPERS hosted its Women in Leadership Luncheon—an exclusive networking event celebrating the critical role women executives play in shaping the future of public retirement systems.

The Summit opened with a welcome address by NCPERS Executive Director Hank Kim, who highlighted how NCPERS continues to grow in step with its members—expanding seven active roundtables, building new programs under NCPERS University, and creating meaningful opportunities for professional development and peer-to-peer learning.

The program featured general sessions, dual learning tracks, and small-group discussions. While general sessions united CEOs and CIOs for shared perspectives, the dedicated tracks provided targeted insights on leadership, governance, and investment strategy.

CEO Track Highlights

- **Reaching Younger Workers:** Jennifer Benz of *Segal* and Olivia Applegate of *San Bernardino County Employees' Retirement Association (SBCERA)* discussed practical and innovative strategies for educating and engaging younger plan participants.
- **Financial Wellness:** Chris Hanson of the *City of Austin Employees Retirement System (COAERS)* and Matt Petersen of the *National Association of Government Defined Contribution Administrators (NAGDCA)* explored how plan design, benefit complexity, and communication affect retirement readiness among public sector employees.
- **Workforce Trends:** Cara Woodson Welch of the *Public Sector HR Association (PSHRA)* and Gerald Young (*MissionSquare Research Institute*) presented new data on recruitment and retention trends in the public sector.
- **Culture & Leadership:** In a case study session, Chris Hanson returned to lead a discussion on building staff ownership in mission-driven organizations. Later, executives from the *Fire and Police Pension Association of Colorado (FPPA)* — Kevin Lindahl, Adam Franklin, Ahni Smith, Chip Weule, Elaine Gorton, Scott Simon, and Teresa Dupree — shared lessons from their five-year organizational health initiative.

CIO Track Highlights

- **Delegated Authority:** Derrick Dagnan (*Fort Worth Employees' Retirement Fund*) facilitated a candid case study on how governance models—especially delegation of investment discretion—can vary based on plan size, scope, and structure.
- **Consultant Evolution:** Ryan Wagner (*Dallas Police & Fire*) and Jason Malinowski (*Seattle City ERS*) discussed the investment consultant landscape, including consolidation, oversight, and future trends.
- **Emerging Markets:** Rod June of the *Los Angeles City Employees' Retirement System (LACERS)* and Paul Podolsky of *Kate Capital* explored how currency, politics, and valuations are reshaping the outlook for emerging market investing.
- **Mentoring Future CIOs:** Ashbel Williams (*J.P. Morgan*) wrapped up the CIO track with lessons from Florida State Board of Administration's "coaching tree" and guidance for fostering future investment leaders.

A Moment in the Markets

Image courtesy of NYSE Group. NYSE does not recommend or endorse any investments, investment strategies, companies, products or services.

To close out the Summit, ***NCPERS had the honor of [ringing the Closing Bell](#) at the New York Stock Exchange on June 18***. Surrounded by public pension leaders from across the country, it was a powerful moment of recognition for the $6 trillion public pension sector—and a fitting tribute to the Summit's spirit of progress, collaboration, and leadership.

NCPERS extends its gratitude to the speakers, facilitators, emcees, and sponsors who made this year's Chief Officers Summit possible. Your insights, expertise, and support help us continue building a stronger, more connected pension leadership community.

We look forward to continuing the conversation—and welcoming you back next year. *[Sign up here](#) to receive updates and stay connected with us on [LinkedIn](#) and [Facebook](#).* ◆

Ohio Lawmakers Set to Remove Majority of Educators from Retired Teachers' Pension Fund Board

Ohio active and retired educators will have less of a voice on the state's retired teachers' pension fund board under the proposed final budget. Amid legislators' concerns of an alleged corruption scheme threatening the fund, they have decided to reduce the number of elected positions and add more political appointments. Each elected member will be able to finish their term, but once they term out, four of the seven seats will not be refilled.

READ MORE *Source: ABC News 5 Cleveland*

Illinois Lawmakers Delay Pension Reform Again

Public employees hired since 2011 must continue to wait for pension reform after Illinois lawmakers declined to take up the issue during the spring session. Lawmakers and labor unions have both expressed concern that benefits for Tier 2 employees – those who entered the public sector after 2011 – are inadequate and that some workers in that category are in line to receive benefits out of compliance with federal law.

READ MORE *Source: NPR Illinois*

Oregon Schools Get Some Relief from Rising Retirement Costs

The Oregon Public Employees Retirement System has announced a reduction in pension contribution rates for K-12 school districts. Contribution rates for school employers will drop 1.68 percentage points as a result, reducing costs by about 6% ($168 million) over the next biennium. It's not certain yet how these rates will continue or change for school districts in the next biennium. Analysts are already expecting an increase in 2027-29, followed by a significant decrease.

READ MORE *Source: OPB*

New York Comptroller Tom DiNapoli Warns Private Equity Against Union Busting

New York's top financial officer has urged at least three private equity firms responsible for investing billions of state pension dollars to stop anti-union activities among their portfolio companies. Last spring, Comptroller Thomas DiNapoli — the steward of the state's $273 billion pension fund — announced a policy to scrutinize working conditions at private equity-owned companies.

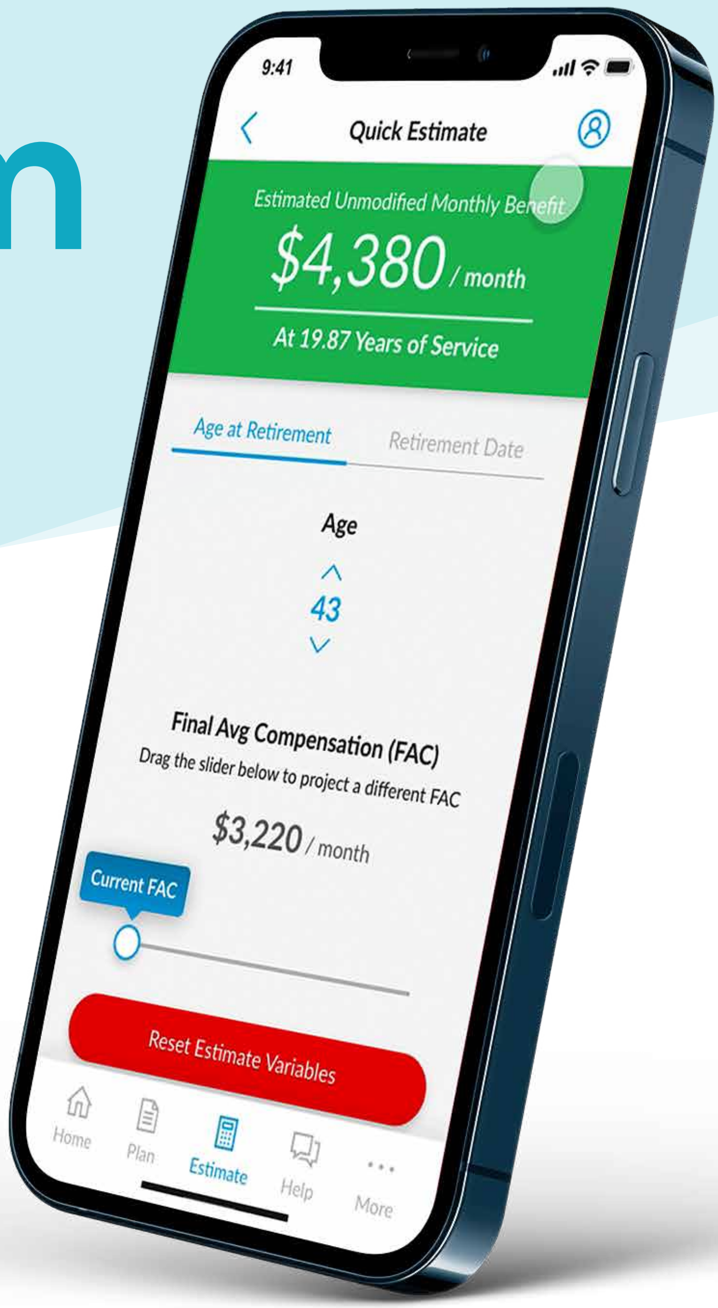
READ MORE *Source: New York Focus*

CalPERS CEO: Eliminating Proxy Firms Would Harm Institutional Investors

"A prominent CEO of a financial services company went so far as to call these firms a cancer and advocated for their elimination. Unfortunately, he's not alone in his criticism. Members of Congress have also joined the attack, proposing reforms through SEC regulations that could drive up cost and create more legal risk, potentially deterring investors from using proxy-advisory firms all together," CalPERS CEO Marcie Frost said at the June 18 board meeting.

READ MORE *Source: Pensions & Investments*

NCPERS PensionX Digital Platform



NCPERS has partnered with Digital Deployment to offer its members a **10% DISCOUNT** on PensionX, the premier digital platform that securely enables pensions to engage with active and retired participants via a mobile self-service app and portal.

NCPERS 1941 | pensionX

Learn more about this new NCPERS member benefit at ncpers.org/pensionx

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UPCOMING EVENTS

August 2025

Public Pension Funding Forum

August 17-19
Chicago, IL

September 2025

Public Pension HR Summit

September 24-26
Philadelphia, PA

October 2025

NCPERS Accredited Fiduciary (NAF) Program

October 25-26
Fort Lauderdale, FL

Program for Advanced Trustee Studies (PATS)

October 25-26
Fort Lauderdale, FL

Financial, Actuarial, Legislative & Legal (FALL) Conference

October 26-29
Fort Lauderdale, FL

View all upcoming NCPERS conferences at www.ncpers.org/future-conferences.

The Voice for Public Pensions

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