



Retired Public Employees Association

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MEMORANDUM IN OPPOSITION

S.4596-A, by Senator Krueger
A.3712-A, by Assemblyman Ortiz

AN ACT to amend the retirement and social security law, in relation to limitations on investments of public pension funds.

The Retired Public Employees Association (RPEA) strongly opposes this bill which would require the State Comptroller to divest from fossil fuel energy companies.

The State Comptroller is the sole fiduciary of the state pension fund. His decisions impact not just the more than 1 million public employees and retirees who rely on the fund; but all New Yorkers.

Since the 2009 recession, the fund's investments have earned strong returns, averaging 10.17 percent over the last five years. Investment returns pay 75 percent of the benefits for retirees, and higher returns mean lower contributions from state and local governments. Forcing the Comptroller to divest from the fossil fuel industry would limit investment options and could hurt returns. Interfering with the Comptroller's autonomy poses a risk to both current and future retirees, and taxpayers. It is bad public policy.

Climate change is a serious matter, but using the state pension fund as a political tool is the wrong direction to take New York. Retirees depend on this fund, and taxpayers benefit from its strong returns. Let us not forget, the purpose of the fund is to provide a safe, reliable pension for current and future retirees.

For the above reasons, RPEA strongly opposes this legislation recommends that it not be passed by the legislature.