STATE PENSION FIDUCIARY DUTY ACT

What does this policy do?

The State Pension Fiduciary Duty Act requires pension managers to discharge their duties solely in the **financial** interest of the participants and beneficiaries, rather than pursuing political interests.

The act ensures that public retirement systems are not engaging in politically-motivated investing practices, such as environmental, social, and governance (ESG) practices. The act covers the investment of pension assets, engagement with portfolio companies, and the proxy voting of shares.

The pension board and their designated managers—both internal and external—are obligated to act solely on financial factors and must commit to the fiduciary guidelines in the statute.

Stakeholder Capitalism

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Social Interests

+

Political Interests

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Financial Interest of Participants

The act empowers the attorney general to investigate the actions of pension boards and managers and enforce the statute.

The act is clear about upholding the fiduciary responsibilities of states to their pensioners and taxpayers by ensuring pension managers are not able directly or indirectly to invest to promote social or political agendas.

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Why it matters:

Major Wall Street investment firms, such as BlackRock and State Street are part of Climate Action 100+ and/or the Glasgow Financial Alliance for Net Zero. They are colluding and pressuring companies to adopt progressive policies and direct capital away from politically unfavored assets such as fossil fuels. Instead of encouraging companies to focus on activities with the highest return on investment, they are using their market power to promote a politically progressive ideology. These woke financial institutions cannot be trusted to focus single-mindedly on providing a return on investment to shareholders, and instead push a political agenda with the public retirement funds entrusted to them.

The State Pension Fiduciary Duty Act empowers states to collectively push back against these politically motivated and discriminatory investing practices promoted by groups using environmental, social, and governance (ESG) investing principles to achieve political goals, such as compliance with the Paris Agreement.

Though Wall Street firms claim their ESG pressure campaign helps public companies and investors, the data shows otherwise. Colluding to force companies to adopt risky and unreliable "green" energy strategies while ignoring the fact that the world will continue to demand fossil fuels for centuries is not a financially sound investment strategy.

Companies charged with the weighty responsibility of stewarding investment and pension dollars for state employees, first responders, and teachers should not manipulate those investments to pursue any agenda besides maximizing investment returns.

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