



ISSUE BRIEF

House Bill 3062: Climate Change Policies

IMRF Position:
NEUTRAL

Sponsor(s):
Representative Lilly

Proposed Change in the Law

This bill would require all pension systems, except Article 3 & 4 police and fire funds, to determine the financial risk of climate change on their investments and to update their investment policies to the sources of data were used to make certain projections. It would then authorize funds to add this risk factor to the proxy policy.

Reasons for Position

While the bill mandates certain factors be reviewed before making investment decisions, it does not require that any specific action be taken nor does it place any limitations on investment decisions by the fund.

IMRF also already fully complies with the Illinois Sustainable Investing Act (30 ILCS 238/1 et al), which requires all units of government in the state to consider a range of relevant factors in its review of investment options, including corporate, environmental, social capital, and business model factors, which includes climate change. Further, IMRF also considers these same factors when proxy voting – a direct mechanism to influence corporate governance and behavior.

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