

Pension details should remain private

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By TIMOTHY B. BARRETT

Public pension benefits are under attack ("Pension stealth," Our Views, Aug. 11). Yet, not long ago, they were praised as an effective way for the public sector to recruit and retain a talented work force.

But times have changed. Recently, the San Bernardino County Employees' Retirement Association has come under attack for our refusal to release personal and confidential information about our members.

Unlike at CalPERS, which is required by statute to release such information, member records of our association are by statute deemed confidential and may not be disclosed except by order of a court or upon member approval. Our trustees are bound to act in the best interest of their members and such disclosure could lead to a breach of their fiduciary duty.

As some have been quick to assume, the initial decision not to release the information was not based on a need to hide information or to choose secrecy over transparency. Rather, this decision was made because we have an obligation to preserve the confidentiality of our members.

Nevertheless, upon a request for reconsideration for the names and pension benefit amounts of retirees and beneficiaries earning more than \$90,000 a year, our board unanimously voted to release the benefit amounts of all members, but not to release the names.

Our board is solely responsible for managing and administering retirement benefits for our members. The cost to the taxpayer is minimal when considering that pensions are primarily funded through investment earnings. Approximately 75 percent of the funding comes from investment earnings, and the remaining 25 percent is funded by employee and employer contributions. From a transparency perspective, all relevant statistics, both financial and demographic, are provided in the actuarial report and Comprehensive Annual Financial Report, which is available to anyone.

Information about payments to individual retirees and beneficiaries reveals very little about what has been contributed by a public employer, including very little about the county's actual salary expenditures. What needs to be understood is that there are many events and factors that determine a member's gross pension amount under such plans, not just his salary or the amounts contributed by his employer to the retirement fund.

A member's retirement allowance is determined by several factors:

1. The retirement allowance formula, as set by the California Legislature, which requires the benefit to be calculated using factors such as a person's age, years of service credit and salary.
2. The purchase of service credit for eligible service with other public agencies or the U.S. military, or by buying additional retirement credit. Each of these must be purchased by the member and do not reflect any public contributions. Our members receive service credit for each hour of county or district service, and in some circumstances they may purchase additional service credit in order to increase their retirement benefit.
3. Marital status and selection of a disbursement option at retirement.

Prying into matters such as this can constitute an unwarranted invasion of personal privacy. There is a strong public interest in public employees contributing to their own financial well-being for retirement. That interest is not served by attempting to publicly scrutinize these individual decisions, nor is it in the public's interest to know this personal information. It is our belief that the public interest in accessing this information is not as strong as the public interest in preserving the confidentiality of the records to continue encouraging our members to make wise financial decisions in preparation for retirement.

As of July 2010, approximately 7 percent of our retirees earn more than \$90,000 a year. Our average monthly pension amount is \$2,508, as of July 2009. Under the circumstances, the public interest in not disclosing our members' confidential records clearly outweighs the public interest in disclosure.

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