



CONTACT:
Danielle Jaramillo
Communications Officer
(909) 885-7980, ext. 329
djaramillo@bor.sbcounty.gov
www.sbcera.org

FOR IMMEDIATE RELEASE

SBCERA'S HEALTHCARE INVESTMENT BILL PASSES LEGISLATURE

SAN BERNARDINO, Calif. (August 27, 2008)— The award winning San Bernardino County Employees' Retirement Association's (SBCERA) legislation allowing for the creation of a separate OPEB trust to invest healthcare benefits has passed the legislature. Senate Bill 1586 (Sen. Gloria Negrete McLeod) cleared the legislature with the bi-partisan co-authorship of Senators Roy Ashburn and Bob Dutton, and Assemblymembers Anthony Adams, Wilmer Amina Carter, Paul Cook, Bill Emmerson, Bob Huf and Nell Soto.

"SBCERA has worked hard to become a 'best practices' standard of public employee retirement systems. We were named Medium Public Plan of the Year for 2007 by industry leaders, and we recently received the Award for Excellence in Governance and Fiduciary Responsibility from the Information Management Network," declared Marvin Reiter, SBCERA Chairman of the Board of Trustees. "Our goal is to never leave our retirees in the same situation as employees of General Motors, Ford or United Airlines."

S.B. 1586 was derived from the Governor's report of the Public Employee Post-Employment Benefits (OPEB) Commission of 2008. Post-employment healthcare benefits are contractually-negotiated by public agencies through the collective bargaining process. S.B. 1586 gives these agencies an additional option for investing

their OPEB funds. SBCERA will be allowed to create a parallel trust fund to invest retiree healthcare benefits; it will offer the same protections for retirees and their employers as the existing retirement fund.

“I am honored to have carried this legislation for SBCERA. It shows that the legislature can work together to advance important bills to the Governor’s desk. The bill does not raise taxes, increase employee benefits, or add any financial burden to taxpayers. I look forward to his signature on S.B. 1586,” stated Senator Gloria Negrete McLeod.

The Governor has until September 30th to act on S.B. 1586.

The San Bernardino County Employees' Retirement Association (SBCERA) provides its members and their beneficiaries with retirement and related benefits and services which they have earned, commensurate with their years of service and compensation. The Board of Retirement’s responsibilities and functions are governed by the applicable provisions of the California Government Code, along with the bylaws and regulations of SBCERA. It is the responsibility of those charged with administration of the Association to diversify the investments of the system so as to minimize the risk of loss and to maximize the rate of return.

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