



## Consent

### Agenda Item 4c

March 18, 2014

**ITEM NAME:** California Employers' Retiree Benefit Trust Update

**PROGRAM:** California Employers' Retiree Benefit Trust

**ITEM TYPE:** Information Consent

#### **EXECUTIVE SUMMARY**

The California Employers' Retiree Benefit Trust (CERBT) program continues to grow and to deliver valuable service to contracted employers.

#### **STRATEGIC PLAN**

This item is not a specific product of the Strategic Plan but is part of the regular and ongoing workload of the Customer Service and Support (CSS) Branch.

#### **BACKGROUND**

The CERBT is a California Public Employees' Retirement System (CalPERS) trust plan program dedicated to pre-funding public employer Other Post Employment Benefit (OPEB) liabilities. The CERBT is obliged to report on behalf of participating employers in compliance with Governmental Accounting Standards Board Statement No. 43.

#### **ANALYSIS**

CERBT program marketing and retention work to employers is delivered through various channels. Beginning in March 2014, CERBT staff members are conducting workshops around the state. These workshops are hosted at CalPERS Regional Offices and at selected employer sites. In these workshops employers learn about the CERBT fund services and about the benefits of pre-funding OPEB. Workshops run through May 2014.

CERBT staff has established a year round communication process intended to retain contracted employers. CERBT staff communicates program developments, improvements, results, and employer account information to participating employers. These reports are provided through webinars, teleconferences, and meetings. In turn, employer staff use these annual reports to inform their governing bodies. Employers have reported that this communication effort is a useful and valuable service to them.

The CERBT trust fund continues to grow in the number of participating agencies, in net employer contributions, and in total fund assets under management. During the one year period ending January 31, 2014, the number of contracted employers

increased 11 percent, from 352 to 389. During the same period, cumulative employer net contributions increased 25 percent, from \$1.95 billion to \$2.43 billion; the CERBT assets under management increased 28 percent, from \$2.50 billion to \$3.20 billion.

Aggregate fund investment return exceeded the aggregate fund benchmark return (7.89 percent compared to 7.43 percent) during the same one year period ending January 31, 2014.

**BUDGET AND FISCAL IMPACTS**

Not Applicable

**ATTACHMENTS**

Attachment 1 – Performance Statistics

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