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FOR IMMEDIATE RELEASE

Bankruptcy Update: Settlement Reached with Police Safety Retirees

SAN BERNARDINO, CA – May 4, 2016 – On Monday, May 2, the Mayor and Common Council approved another settlement, moving the bankruptcy process closer to confirmation. The settlement reached with Public Agency Retirement Systems (PARS) participants will save the City approximately \$2.4 million and close the enhanced PARS plan indefinitely.

The PARS plan was a supplemental enhancement retirement plan made available to full-time police safety personnel who met specific conditions. The employee had to be 50 years of age, with 20 years of service, employed as of January 1, 2004 and retired before December 31, 2008. The plan functioned as the equivalent of a 3 percent at 50 plan for those who retired before the City formally adopted the 3 percent at 50 structure.

The agreement provides for the distribution of approximately \$1.7 million remaining in the PARS Trust Plan accounts and an additional disbursement of \$580,000 amongst the 23 participants. This alleviates the City from having to contribute approximately \$2.974 million to fully fund the plan.

“We are pleased with the steady progress in the case and appreciate the police safety retirees’ willingness to compromise,” City Attorney Gary Saenz said. “This compromise is in the best interests of all involved and assists in ensuring the City is fiscally and service solvent for generations to come.”

Upon plan confirmation, the City will be discharged from all PARS claims, including but not limited to any PARS remaining obligations.

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