

**To: The Governors' commission on "Public Employment Post-Employment Benefits"**

**From: Paul Smith, retiree with SDCERA  
San Diego, CA**

**re.: Suggestions for consideration**

- 1. It would be very helpful if the independent retirement boards could be included in the definition of "employer" for purposes of them establishing 401(h) health care accounts. With this independent retirement boards could act with the true independence that they were intended to have. *Allow the boards to be "plan sponsors".***
- 2. Removing the 3 percent cap on cost of living increases, especially since U.S. inflation has generally been over 3 percent for many decades. The 10 percent cap on *loan* interest was lifted several decades ago. Lifting the 3 percent cap might reduce the corrosive effect of inflation on the earnings value of retirees and active labor.**