



Taxpayers watchdog since 1945

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September 24, 2012

The Honorable Jerry Brown
Governor
State of California
State Capitol, Suite 1173
Sacramento, CA 95814

Re: Opposition to Senate Bill 1234

Dear Governor Brown,

I am writing on behalf of the San Diego County Taxpayers Association (SDCTA), a nonprofit, non-partisan organization, dedicated to promoting accountable, cost-effective and efficient government. For the past 67 years, our organization has saved the region's taxpayers billions of dollars, as well as generated information to help educate the community on public policy matters.

SDCTA urges you to veto Senate Bill (SB) 1234, which will require private sector employees to be enrolled within a state sponsored retirement plan if they do not opt out.

The State has enough challenges providing existing services; it does not need to compete with the private sector for retirement plans already available to individuals. The fiscal and legal implications of this legislation pose significant liability to small businesses. The U.S. Department of Labor advisory legal opinion concludes that employer sponsors of retirement plans under SB 1234 would be subject to ERISA's fiduciary provisions.

SB 1234 would establish an unelected, unaccountable commission to determine program specifics that will have an impact on every private sector employer sponsor in the State.

As an organization dedicated to serving the interests of our region's taxpayers, SDCTA takes seriously proposed legislation that could negatively impact taxpayers. There is absolutely no reason California needs to establish a new state-run pension system when the state can't support its existing services and anyone under age 70 with taxable income and a bank account can open an Individual Retirement Account or another retirement savings plan.

We urge you to veto SB 1234.

Sincerely,

A handwritten signature in black ink, appearing to read "Lani Lutar", written in a cursive style.

Lani Lutar
President and CEO

LL/cjc