



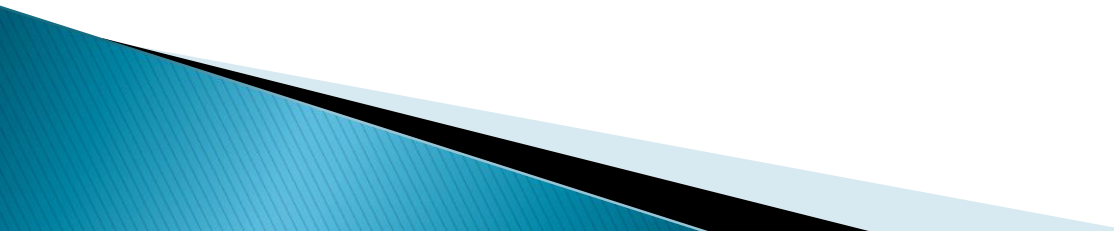
**NJPSA**

NEW JERSEY PRINCIPALS  
AND SUPERVISORS ASSOCIATION

# NJ Pension Constitutional Amendment

*A Confidential Discussion on the Pension Constitutional Amendment*

# THE ROCKY HISTORY OF PENSION FUNDING IN NJ

- ▶
  - ▶ OVER 2 DECADES OF UNDERFUNDING – BOTH PARTIES
  - ▶
  - ▶ PENSION REFORMS ENACTED – OVER TIME – LED TO A 5 TIERED SYSTEM, BUT STILL DID NOT RESOLVE FUNDING CRISIS
  - ▶
  - ▶ MULTIPLE COURT CHALLENGES – BUT NO SATISFACTORY RESULT THAT HAS LED TO SUSTAINED FUNDING
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## Constitutional Amendment Concerning State Pension Payments & Public Employee Pension Benefits

Do you approve amending the Constitution to require the State to make its payment to the pension systems for public employees each year and to establish in the Constitution the rights of public employees vested in these pension systems to receive earned pension benefits?

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The State would have until July 1, 2021 to start making each year's pension payment in full. Until then, the State would make a partial, but increasing, payment each year. The payment would be made on a quarterly basis.



## INTERPRETIVE STATEMENT

This amendment to the Constitution concerns the State's payment to the pension systems for public employees and the pension benefits of those employees.

Current law, adopted in 2011, required the State to make its pension payment each year. The New Jersey Supreme Court ruled that the State could not be compelled to make the payment because of certain provisions in the Constitution. This amendment is a response to that ruling.



## INTERPRETIVE STATEMENT (cont)

This amendment would require the State to make its pension payment each year as a constitutional obligation. The obligation would be enforceable in the State courts. Payment of the full amount would start July 1, 2021. Until then, partial, but increasing, payments would be made each year. Quarterly payments would be made on the first day of August, November, February, and May of each year.



## INTERPRETIVE STATEMENT (cont)

This amendment requires the annual State budget law to include the pension payment.

Current law provides a non-forfeitable right to receive a pension benefit for vested public employees who were employed before May 21, 2010. This amendment would incorporate that right into the Constitution. This amendment would establish the right of vested public employees hired after May 21, 2010 to receive earned pension benefits after ten years of service. These rights would be enforceable in the State courts. This amendment does not increase any pension benefit.

# ACTIONS NEEDED:

- ▶ Begin to develop a relationship with your legislators – contact info in your packets;
- ▶ Contact them to support this amendment – New number ACR 109. SCR- \_\_\_\_\_. (prior number SCR 184);
- ▶ Ask them to **sponsor** the amendment;
- ▶ Invite them to your school this spring or to county meeting or individual meeting in their office;
- ▶ NJPSA GR staff – here to assist you.
- ▶ Keep up to date on this issue – and tell others!
- ▶ Attend the NJPSA Legislative Conference on March 18<sup>th</sup>.
- ▶ QUESTIONS?