



## Thinking Big On Reform

*Governor Christie Creates Study Commission To Address New Jersey's Unfunded Liabilities Crisis*

### Non-Partisan Study Commission To Think Big And Be Bold:

Governor Christie today signed Executive Order 161 creating a non-partisan "New Jersey Pension and Health Benefit Study Commission."

A panel of experts are tasked with thinking big and being bold when it comes to developing recommendations for how New Jersey can create a sustainable retirement and health benefits system. The Commission's charge is to think long term and outside of the box when it comes combating these ever growing entitlement costs. The Study Commission will review:

- The history of the State's pension and health benefit systems in order to understand what has led to the current crisis;
- The soon-to-be-completed Department of the Treasury's Division of Pensions and Benefits' exhaustive review of potential public employee entitlement reform proposals;
- Reforms proposed and enacted by other states or government entities;
- Pension and health benefits provided in the private sector; and
- Other factors it deems relevant in order to develop recommendations regarding reform that will lead to the systems being in better financial shape with less cost to the taxpayers while providing public employees and retirees with an appropriate level of benefits.

*The Commission will report its initial findings and recommendations to the Governor within thirty days.*

### Building On 2011's Historic, Bipartisan Reforms:

In June 2011, Governor Chris Christie signed into law landmark pension and health benefit reform, marking months of hard work, negotiation, compromise and ultimately bipartisan support. The bipartisan pension reforms of 2011 are expected to save New Jersey's state and local governments \$122 billion in the 30 years from 2011 to 2041. It accomplished this with tough, responsible choices that served as a national model for bipartisanship and real reform:

- Raising the ages for early and regular retirement for the pension systems
- Increasing employee contributions

**More Pension Contributions Than Any NJ Governor In History:**

Governor Christie made the difficult but responsible choice to make a pension payment of \$681 million in fiscal year 2015 which pays the costs of benefits earned by active employees – those currently working for the State of New Jersey – while maintaining programs and services New Jerseyans rely on. This payment also keeps Governor Christie’s promise to retirees. State of New Jersey retirees will not see any impact to the benefits they are currently receiving.

*Through FY ‘15, Governor Christie Will Have Contributed More To The Pension System Than Any Other Governor In New Jersey History.*

Governor	Total Pension Contributions
Whitman	\$963.9 Million
DiFrancesco	\$563,000
McGreevey	\$101.4 Million
Codey	\$165 Million
Corzine	\$2.17 Billion
<b><i>Christie</i></b>	<b><i>\$2.89 Billion</i></b>

**Responsible Management Of The Pension Fund:**

Through responsible management led by the Christie Administration, the New Jersey Pension Fund is projected to produce a positive return on its investments of over 16 percent for Fiscal Year 2014 once year-end valuations are completed. This marks the fourth consecutive year of positive returns and the second year in a row that the fund has produced double-digit returns.

- The pension fund’s strong performance doubled the assumed, long-term rate of return is 7.9 percent, providing the fund with unanticipated additional assets of \$6.1 billion for the fiscal year.
- Since June 30, 2010, the fund has experienced gains and income through investments totaling more than \$35 billion.

**A Smaller, More Efficient State Workforce:**

Governor Christie has acted on his commitment to building a more common-sense state government that works smarter and better. The Christie Administration’s government reorganization in fiscal year 2013 focused resources and services on the individual, creating new reformed agencies to provide for the holistic needs of New Jersey’s most vulnerable populations.

- Governor Christie’s efforts have resulted in a more efficient and streamlined state government. There are over **6,000 fewer** state government employees today than in December 2009.

**A Constitutional Amendment On Judicial Pensions:**

Following a ruling by the New Jersey Supreme Court exempting current judges from the increased contributions under pension reform, Governor Christie supported a constitutional amendment to ensure that the judges play by the same rules as other public employees and not sticking taxpayers with the bill for an

unaffordable and unbalanced retirement for judges.

- On Election Day 2012, the amendment was overwhelmingly approved by voters with over 83% support.