

Pension News Updates

Aug. 10 - Governor Christie vetoes legislation to pay \$300 million surplus towards unfunded liability. Also vetoes bill that would mandate quarterly payments towards pensions so that payments are not left until the end of the year when budget shortfalls become apparent.

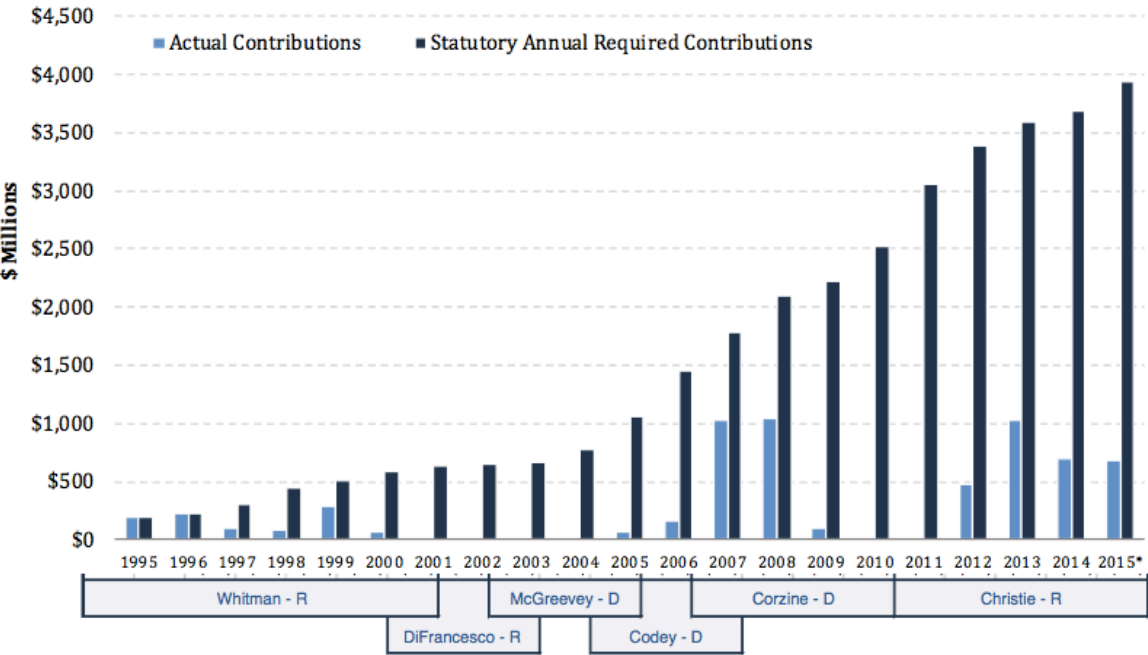
July 26 - Pension fund trustees sue Governor Christie for billions in damages due to underfunding system.

In the Next Bulletin

Coming September 22:

- What is the Deal with Pensions?
- How to Fix the State's Economy and Pension System
- Litigating the Right to Pensions
- What is the Public Employee Council (PEC) of labor unions?
- Chart it: Unfunded Liability Skyrockets Under Christie

Chart It: Pension System Underfunding



Chris Christie is hardly the first Governor to short the pension system, but his underpayments and broken promises have increased the unfunded liability the most. *Source: pension360.org.*



Funding the Pension: The Right Thing To Do

Donna M. Chiera
AFTNJ President



Governor Chris Christie claims taxpayers cannot afford to provide public workers defined benefits pensions most private sector workers no longer enjoy. Instead his appointed task force has proposed shifting to defined contribution 401(k)-style retirement benefits for public workers.

The difference between defined benefits (true pensions) and defined contributions 401(k)-style could prove the difference between retiring with dignity or continuing to scramble for a living after decades of service.



The Governor and his administration are advancing an agenda of austerity with low-paid public workers and diminished services for citizens. The coordinated attack on pensions could strip away a narrow measure of security and dignity for workers. What eliminating the pension won't do is cut into the billions in excessive investment management fees earned by Christie's Wall Street cronies.

Join your union in the struggle to save the public pension system and dignity for workers into retirement at www.aftnj.org.

Pension Action Bulletin

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Bad Faith: Christie 'Agreement' with NJEA Merely 'Roadmap'

In his budget address in February 2015, Governor Chris Christie announced reaching an agreement with the New Jersey Education Association (NJEA) to modify the pension system in accordance with the recommendations of his task force.

That proposal called for:

- freezing defined benefit pensions,
- enrolling new public workers in 401(k) style investment plans, and
- increased health insurance costs.

The retirement plan would be managed by the NJEA.

NJEA leadership immediately disclaimed Governor Christie's announcement of an "unprecedented accord," characterizing it as an exaggeration of preliminary discussions and merely a "roadmap" for discussions of changes.

Instead of engaging in good faith discussions to fix the pension system and working to identify win-win solutions, the Governor insisted on implementing solutions that would do away with defined benefit pensions. That approach would penalize those currently in the system, dramatically cutting retirement benefits for many who have been making their pension payments for years and costing the state \$41 billion to implement, hardly a cost savings for anyone.

In April, NJEA broke off further talks with the Governor's office.

Labor Produced.

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The Last Six Months of Pension Activism

AFTNJ members, leaders and staff have been working tirelessly to save public worker pensions and advocate for paying towards the unfunded liability. We are continuing to work with legislative leaders for fiscally responsible policies, cultivating favorable public opinion through press outreach, rallying in Trenton and petitioning elected leaders.

Members involvement is our greatest source of power. Can we count on you to help save the pension system?

July 22 (Research) AFT and Hedge Clippers Find Billions in Pension Funds Lost



“Despite the poor returns, spending on hedge fund investment costs have amounted to \$1.3 billion, compared to \$150 million in all other external and internal investment costs combined using a same sized total fund portfolio. Proportionately, New Jersey has spent nearly eight times as much to manage hedge funds than it has for all other investments.”

July 18 (Press) Labor offers realistic path toward meeting N.J.'s pension obligation



State AFL-CIO President Charles Wowkanecch says in *Trenton Times* op-ed that New Jersey's public pension system has been “a punching bag for a governor seeking the national spotlight” and demands funding for the sake of the state's economy.

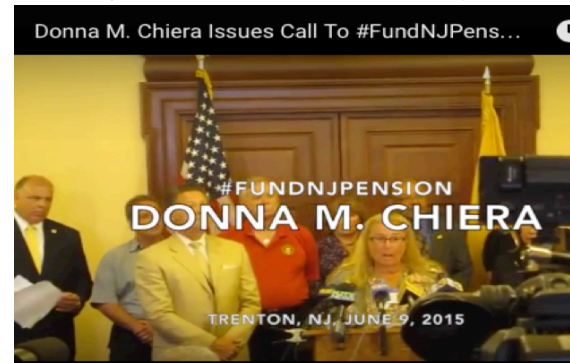
July 2 (Education) AFTNJ Training Day

AFTNJ leaders and activists dedicate a day to organizing strategies and encouraging members to get active in the fight for pensions and building union strength. Montclair State AFT Local 1904's Jennifer Higgins gave a presentation on those seeking to profit while taking away workers rights.



Higgins exposes links behind Governor Christie's doings, including outrageous investment fees going to Wall Street cronies who “coincidentally” donate to the Republican Governors' Association.

June 9 (Press) Chiera Denounces Court Decision Allowing Christie to Skip Pension Payments



“Hard working educators, nurses and public workers ability to retire with dignity after long careers of caring for NJ residents has been dealt a blow by this decision. Gov. Christie created this problem by reneging on pension payments on what he claimed as his signature achievement--legislation designed to find a middle ground to paying the pensions unfunded liability.”

May 12 (Advocacy) **AFTNJ At Legislative Lobby Day #SaveNJPensions at New Jersey Statehouse** Members and retirees came from locals statewide to meet with elected representatives asking them to support a budget with full pension funding.



(left to right): URA-AFT President Lucye Millerand, Jose Rivera, Miriam Banks, Fran Harrelson, Senator Linda Greenstein, Committee on Political Education (COPE) chair Kay Schechter and AFTNJ Political Director Seth Anderson-Oberman.

May 6 (Campaign) Tell Christie to Keep His Promise Ad and Petition Campaign



AFT ran radio advertising calling on Governor Christie to live up to his promise to fund the pension prompting members to call and email the Governor's office. Thousands followed the call to action.

April 21 (Press) Chiera Statement on Legislative Leadership Supporting Pension Funding

“I welcome the news that Senate President Stephen Sweeney and General Assembly Speaker Vincent Prieto are joining our action to fix the unfunded liability

ty created by Gov. Christie irresponsibly and illegally skipping pension payments. We need legislators in Trenton who are planning long-term to stabilize the pension system and invest in people and projects that will fuel growth and fund services for citizens.” Democratic majorities in the Senate and Assembly passed responsible budgets that balanced the needs of residents with fiscal responsibilities including millionaires' taxes. Gov. Christie vetoed fair taxes and line itemed out the pension payments.

April 10 (Education) Pension Workshop at AFTNJ Legislative Conference



John Abraham, manager of AFT's Research and Strategic Initiatives, has been closely reviewing the state's pension system. He offered his analysis and a plan of action for saving the pension system.

March 3 (Legal) Unions sue Christie over short-changed pension payment in 2016 budget

More than a dozen unions, including AFTNJ, filed suit to force Gov. Chris Christie to increase next year's payment into the public worker pension systems. Subsequent cases affirmed the right to pensions earned, but failed to force the Governor to make necessary payments.

Additional cases are going forward to protect pensions including the PERS board suing for billions in damages caused by the Governor skipping payments. The next issue of this pension bulletin will have an update on legal attempts to preserve pensions and latest news on rulings.