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## Probation Association of New Jersey

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## Benefits Review Task Force

By

**George P. Christie**

On December 1, 2005 a task force provided Governor Codey with a sixty page report and recommendations on improving the Pension and Benefits system in New Jersey State Government.

I will tell you all that if there are any recommendations that you disapprove of you should contact your legislators by phone, mail or e-mail and let them know your feelings. As your president I will be reporting to legislators that there are a number of recommendations that we will not be able to accept without protest. You should also know that we have the support of other state unions on this subject and I plan to call for joint meetings with another union to help explain the report to any state employee who would care to know.

The Task Force claims that the state pension and benefits system is approximately 12 billion dollars in debt. The reasons for this debt is simply due to poor management of the pension system. New Jersey had a great pension system since 1919, but in the early 1990s administrations started using the pension funds to balance the state budget.

Administrations used the pension funds to give local and state government a free ride on funding the system over the course of several years. This combined with poor market returns on investments led to the problems we experience today. Management now wants to fix the pension system on the backs of the workers who had nothing to do with creating the problem.

The recommendations I have arranged in two categories, negative to state workers and those that are positive.

## Negative:

1. Raising the retirement age from 55 to 60 (a cost of 3% average of your pension) (saves the state 175 Million)
2. Everyone working and retired pays 5% for health benefits (saves the state 348 million)
3. End Traditional and NJ Plus- Go to a managed PPO Provider for all
4. Average Retirement benefit over last 5 years of employment instead of the last 3 years (Saves the state 26 million)
5. No pension loans (saves state 11 million)
6. No two tier system
7. No early retirement
8. Pension and Health Benefits Review Commission to review everything every 3 years
9. End COLA for vested people

## Positive:

1. Employers to fund pension system
2. Restore integrity
3. Eliminate benefits for the politically connected
4. Use more generic drugs
5. Stop abuses
6. Restrict end of career hikes (Pension Boosting)
7. Use sound pension principals ( Generally accepted standards)
8. Sale of public assets (Turnpike)
9. End sick day manipulation
10. Change vesting from 10 years to 5 years
11. Spouses get 50% of pension if employee dies or can defer it until the employee would have reached retirement
12. No dual pensions
13. End dual health care

I believe that these are the key issues with the Task Force recommendations. While some of the recommendations seem acceptable they don't cost a great deal and may save some money for the state. It the items that we find negative where all of us will have to pay. It shameful that people who have taken these state jobs knowing, at least, that they would receive certain benefits may be deprived of those benefits and promises may not be kept. It is especially shameful that our retired workers, many of whom are on fixed incomes, will be made to sacrifice after they put in their many years of hard work and dedication to New Jersey.

As your president I will promise to fight against any bill that is proposed which I believe will hurt our members. I will join with the other independent and AFL unions to bring one unified voice to our law makers to protect our employees.