

**<PRESS RELEASE>**  
**<FOR RELEASE ON WEDNESDAY, DECEMBER 10, 2014>**

PUBLIC STATEMENT FROM THE CHAIRMEN OF THE BOARDS OF TRUSTEES  
OF  
THE STATE RETIREMENT SYSTEMS (PERS, PFRS & TPAF)

Today is a somber day for the Boards of Trustees of Public Employees' Retirement System (PERS), the Police and Fire Retirement System (PFRS), and the Teachers' Pension and Annuity Fund (TPAF) and the hundreds of thousands of New Jersey citizens who work daily caring for our veterans, our developmentally disabled, our mentally ill and our elderly, who keep our streets safe; who keep our communities clean and healthy, and who educate our children. Despite proclamations to the contrary, the Governor has usurped the authority of the State Legislature and has shamelessly broken his word by derailing the proper funding of the pension funds, while at the same time demanding participants endure benefit reductions and higher employee contributions.

In his 2014 Budget Message, the Governor claimed the funding legislation he has now violated was his signature achievement. At that time he stated:

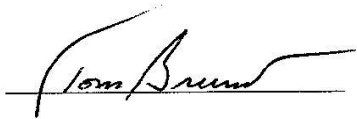
*"And one message to those naysayers and perpetual cynics who refused to fund the pension on their own watches and opposed our reforms to protect the monied special interests: our citizens are fortunate that your type of politics is dying in Trenton. Our pension system is alive as a result."*

Sadly, nothing could be further from the truth. This willful disobedience of the law is not limited to the Governor alone. The Boards of Trustees have been abandoned by their counsel, the Attorney General, who has chosen to side with the Governor by claiming the funding law is invalid. As provided by statute, the Boards have retained separate counsel to collect the money owed to the pension funds and which have been diverted to more politically popular causes. As part of this terrible betrayal, the Attorney General has advised the State Treasurer to withhold payment of the Systems' own money to pay its lawyers in the hopes that the challenge will disappear. It will not.

The Boards have not entered into litigation lightly. We would much prefer that the Governor had kept his word, since each participant has dutifully paid their employee contributions which increased from 3% of salary to 7.1%, currently and are scheduled to reach 7.5% (PERS and TPAF) and from 8.5% to 10% currently (PFRS). During this same time, the participants were forced to accept benefits cost/value reductions of more than 32% (PERS and TPAF) and as much as 36% (PFRS).

The funding problems of the pension funds are, to quote the Governor himself, the fault of prior administrations. And now, by scrapping his own promises while demanding sacrifices from public workers, the Governor has claimed this breach of faith as his and his alone. The Governor's sins of political expediency have now been visited on the active and retired employees and their families who seek only the deferred compensation earned through a lifetime of loyal service. Without the legally required funding, the benefits earned are in danger of being one more hollow political promise.

As trustees of the Systems, the Boards have a solemn duty to the hundreds of thousands of our respective funds' participants, who are also our neighbors, who daily serve the citizens of our beloved state, to require the Governor to honor his constitutional oath to faithfully execute the laws of New Jersey. The legal and ethical responsibility of the Boards of Trustees to safeguard the pension systems must now be entrusted to the Judicial Branch of our state government to order the Executive Branch to fulfill the constitutional duty it has knowingly abandoned.



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