

STATE OF NEW JERSEY  
EXECUTIVE DEPARTMENT

September 10, 2014

ASSEMBLY BILL NO. 3310

ADVANCE COPY

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Assembly Bill No. 3310 without my approval.

This bill requires that, beginning with the July 1, 2015 actuarial valuations of the five State-administered defined benefit retirement systems, the increased employee contributions resulting from the employee rate increases required by P.L.2011, c.78 will be credited as additional contributions to those retirement systems. As a result, they will not be used to reduce the normal contributions of the State and the other public employers.

Throughout the course of my tenure as Governor, I have endeavored to work with the Legislature on reforming the State's pension and health benefit programs in order to ensure that the programs provide appropriate benefits to public employees, but do not imperil the financial future of the State and other public employers. Although the historic pension and health benefit reform measure enacted in 2011 will save the taxpayers \$120 billion by 2041, it has always been my Administration's position that further reform is necessary in order to ensure the stability and sustainability of the pension and health benefit programs and to make certain that taxpayer dollars are properly expended for those benefits.

While I continue to encourage the Legislature to consider further comprehensive reforms to the pension and health benefit programs, to date the Legislature has declined to do so and instead has passed this bill that reflects a piecemeal approach to reform.

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Because it is critical that the pension and health benefit programs be properly balanced to both protect the taxpayers and to ensure that public employees will continue to have sustainable pension and health benefits, I recently established the non-partisan New Jersey Pension and Health Benefit Study Commission ("Study Commission"). The Study Commission has been charged with conducting a holistic review of the pension and health benefits programs and with recommending comprehensive adjustments to ensure a more financially stable and appropriately calibrated system of benefits. I believe the Study Commission's careful review of the pension and health benefit programs and recommendations regarding adjustments to the programs will aid the Legislature's consideration of necessary reforms.

Therefore, I herewith return Assembly Bill No. 3310 without my approval, and urge the Legislature to give serious consideration to the recommendations the Study Commission will develop. I look forward to working with the Legislature on enacting comprehensive and carefully crafted pension and health benefit reform measures that will benefit public employees, public employers, and the taxpayers of the State.

Respectfully,

[seal] /s/ Chris Christie  
Governor

Attest:

/s/ Christopher S. Porrino  
Chief Counsel to the Governor