

## The Christie Commission report

For 20 years, public workers have been subsidizing tax relief for the rest of New Jersey most of which benefitted the wealthiest among us. It started in 1996, when Governor Whitman skipped the pension payment for the first time in order to fund her income tax cuts. 2/3 of the benefit of that cut went to the wealthiest 10% of New Jersey tax filers.

Governor Christie mandated that the commission study how to fund pensions and benefits where workers bear the sole burden for all changes. Christie's commission has therefore taken a position that a debt of \$83 billion must be paid through only cuts to benefits. The commission has not even considered new revenues or other savings.

The result is that the "Roadmap" document is a completely one-sided road to destroying public services in New Jersey.

### Health Benefits:

- Increase the percentage of premium paid by the worker by 32%
- Decrease the benefit plan by 17%, to a plan valued at the same level as an ACA "Gold" plan
- Do nothing to make health care or insurance delivery more cost-efficient. Because these are the largest health care plan in the State of New Jersey, this could benefit all New Jerseyans.
- Total savings in Health Benefits: \$1.9 billion in the first year

### Pension:

- Take the savings from the Health Benefits and use the money to fund the accrued unfunded liability in the defined-benefit pension.
- Freeze the current pension plan at the benefit level a worker currently has.
- Transfer cost of pensions to the employer, local government will pay for Teachers' Pensions
- Create a "cash balance" plan moving forward.
- "Cash balance" plan = worker contributes 4% of salary annually, employer contributes 4% annually (8% and 8% for workers who aren't in Social Security, like some police and fire). That money is invested in individual accounts. At the end of a career, that amount is put into an annuity and paid out to the individual worker.
  - Note: It's not quite 4 and 4 or 8 and 8. There will be a commission set up to determine what payments need to be made—and whether payments from the employer will be made.
- Transfer pensions to unions, including the unfunded liability.
- Eliminate the "non-forfeitable right" to any benefit level.
- No recommendations about better governance of any of the plans.

**Summary: Reduce active workers' pensions 20%--45%. Increase workers' health benefit premiums by one-third, reduce the value of the benefits by 17%. Use the savings to pay for pension payments the state didn't make for 20 years, and off-load the state's liabilities for failure to make payments onto the unions.**