

**SENATE CONCURRENT
RESOLUTION No. 1**

STATE OF NEW JERSEY

214th LEGISLATURE

INTRODUCED FEBRUARY 8, 2010

Sponsored by:

Senator STEPHEN M. SWEENEY

District 3 (Salem, Cumberland and Gloucester)

Senator THOMAS H. KEAN, JR.

District 21 (Essex, Morris, Somerset and Union)

Co-Sponsored by:

**Senators Van Drew, Vitale, Lesniak, Oroho, Codey, Cunningham, Beach,
Gordon, Bateman, O'Toole, A.R.Bucco, Cardinale, Baroni, Stack, Doherty,
Scutari, Madden, Buono, Ruiz, Sarlo, Gill and Pennacchio**

SYNOPSIS

Amends State Constitution to require annual contributions by the State to State-administered retirement systems.

CURRENT VERSION OF TEXT

As introduced.



1 A **CONCURRENT RESOLUTION** proposing to amend Article VIII,
2 Section II of the Constitution of the State of New Jersey by the
3 addition of a new paragraph 8.

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5 **BE IT RESOLVED** by the Senate of the State of New Jersey (the
6 General Assembly concurring):

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8 1. The following proposed amendment to the Constitution of
9 the State of New Jersey is agreed to:

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11 **PROPOSED AMENDMENT**

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13 Amend Article VIII, Section II by the addition of a new
14 paragraph 8 to read as follows:

15 8. Commencing July 1, 2011 and thereafter, the contribution
16 required, by law, to be made by the State to any defined benefit
17 retirement system or fund administered by the State for public
18 officers and employees in the State shall be made in full each year
19 to each system or fund in the manner and at the time provided by
20 law. The contribution shall be computed by actuaries for each
21 system or fund based on an annual valuation of the assets and
22 liabilities of the system or fund pursuant to consistent and generally
23 accepted actuarial standards and shall include the normal
24 contribution and the unfunded accrued liability contribution. The
25 State, with regard to its obligations funded through the annual
26 appropriations act, shall be in compliance with this requirement
27 provided the State makes a payment, to each State-administered
28 retirement system or fund, of at least 1/7th of the full contribution,
29 as computed by the actuaries, in the State fiscal year commencing
30 July 1, 2011 and a payment in each subsequent fiscal year that
31 increases by at least an additional 1/7th until payment of the full
32 contribution is made in the seventh fiscal year and thereafter.

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34 2. When this proposed amendment to the Constitution is finally
35 agreed to pursuant to Article IX, paragraph 1 of the Constitution, it
36 shall be submitted to the people at the next general election
37 occurring more than three months after the final agreement and
38 shall be published at least once in at least one newspaper of each
39 county designated by the President of the Senate, the Speaker of the
40 General Assembly and the Secretary of State, not less than three
41 months prior to the general election.

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43 3. This proposed amendment to the Constitution shall be
44 submitted to the people at that election in the following manner and
45 form:

46 There shall be printed on each official ballot to be used at the
47 general election, the following:

1 a. In every municipality in which voting machines are not used, a
2 legend which shall immediately precede the question as follows:

3 If you favor the proposition printed below make a cross (X), plus
4 (+), or check (✓) in the square opposite the word "Yes." If you are
5 opposed thereto make a cross (X), plus (+) or check (✓) in the
6 square opposite the word "No."

7 b. In every municipality the following question:
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	YES	<p style="text-align: center;">CONSTITUTIONAL AMENDMENT TO REQUIRE THE STATE TO PAY IN FULL ITS ANNUAL CONTRIBUTION TO PENSION PLANS FOR PUBLIC EMPLOYEES</p> <p>Shall the amendment to Article VIII, Section II of the New Jersey Constitution, agreed to by the Legislature, requiring the State to pay each year, beginning July 1, 2011, the full amount of the contribution it is required to pay, as calculated by actuaries, to any pension plan operated by the State for public employees, and requiring the contribution to be computed by actuaries based on an annual valuation of the assets and liabilities of each plan, except that the State could comply with this requirement by making a payment of at least 1/7th of the full contribution in the first year and increasing its payment by at least an additional 1/7th in each of the six years thereafter, be approved?</p>
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		<p style="text-align: center;">INTERPRETIVE STATEMENT</p> <p>This constitutional amendment requires the State to pay each year, beginning on July 1, 2011, the full amount of the contribution that it is required by law to pay to any pension plan operated by the State for public employees. The amendment requires the amount of the contribution to be determined by actuaries for each plan based on an annual report, prepared by the actuaries, that calculates the assets and liabilities of the plan. The amendment permits the State to comply with this requirement by making a payment of at least 1/7th of the contribution in the first year and increasing its payment by at least an additional 1/7th in each of the following six years in order to permit the State to gradually adjust the annual appropriations act to accommodate these payments.</p>
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STATEMENT

This concurrent resolution proposes a constitutional amendment to require the State to pay each year the full amount of the contribution it is required to make to any defined benefit pension plan operated by the State for public employees. This requirement would commence July 1, 2011. The amendment requires the amount of the contribution to be determined by actuaries for each plan based on an annual report, prepared by the actuaries pursuant to consistent and generally accepted actuarial standards, that sets forth the assets and liabilities of the plan. This amendment permits the State, for the first seven years, to phase in this requirement, for the payments it is required to make, by paying at least 1/7th of the contribution in the first year with payments increasing by at least an additional 1/7th in each year thereafter in order to permit the State to gradually adjust the annual appropriations act to accommodate these payments.