

RESOLUTION #65-21
Resolution Supporting S-3522 Creating Local Part of the Public Employees'
Retirement System (PERS)

WHEREAS, county, municipal, and other local governments have met their pension obligations as employers for more than a decade while the State of New Jersey has continued to underfund the pension systems in varying degrees since 1996 and thus created one of the worst publicly funded retirement systems in the entire nation; and,

WHEREAS, despite fulfilling their fiduciary duties in meeting their pension obligations, local governments across the State will experience double digit percentage increases in total employer pension contributions in 2021 as determined in figures recently published by the Division of Pension and Benefits in the State Department of Treasury; and,

WHEREAS, even more alarming for local government employers is the fact that the unfunded accrued liability once again increased in 2021 to a staggering \$26.6 billion for the Public Employee's Retirement System ("PERS") alone, causing in part, a decrease in the funded ratio for the Local Part of PERS to 65.4%, the State Part to 31.2%, and the combined rate to a disconcerting 52.2% far below the target funded ratio of 75.0%; and,

WHEREAS, S-3522 would divide PERS into two parts; A State Part for state employees, and a Local Part for all other employees; and

WHEREAS, the legislation creates a seven member board consisting of; three labor employee representatives, three management representatives, and one determined by the Board, tasked with operating the retirement system and directing policies and investments to achieve and maintain full funding; and

WHEREAS, S-3522 would protect local governing bodies from the State of New Jersey further directing property taxpayer dollars to subsidize its long mismanagement and underfunding of the pension systems as it would provide the new balanced board of trustees of PERS with the ability to determine or modify member benefits, direct policies and investments to achieve full funding, and serve as fiduciary of the system;

Now, Therefore, Be it Resolved that the governing body (*insert the name of the municipality*) does in fact hereby support S-3522, which would establish a new board of trustees for the Local Part of PERS to preserve the structure and integrity of the more solvent Local Part.

Be it Further Resolved that certified copies of this Resolution shall be forwarded to Governor Phil Murphy, Senate President Stephen M. Sweeney, Speaker of the General Assembly Craig Coughlin, The Town of Clinton's *Senator Doherty and Assemblymen Dimaio and Peterson*, and the New Jersey League of Municipalities.

Janice Kovach, Mayor

