



INTERNATIONAL FEDERATION OF PROFESSIONAL & TECHNICAL ENGINEERS AFL-CIO & CLC

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March 31, 2021

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Mr. Timothy Rudolph, President
IFPTE Atlantic Council
895 Green Street
Iselin, NJ 08830

Dear Brother Rudolph,

We are writing regarding legislation that could be considered in the New Jersey legislature to reform the New Jersey Public Employees Retirement System (PERS). The bill, S-3522, calls for radical changes to the pension fund that would dramatically reduce the solvency of PERS. As the executive officers of the International Federation of Professional and Technical Engineers (IFPTE), we are writing to express our concern and opposition to this legislation.

As we understand it, the legislation is being promoted by both the New Jersey Association of Counties (NJAC) and the New Jersey League of Municipalities (NJLM). Specifically, they are proposing that lawmakers remove local governments from PERS by creating a new Board of Trustees to oversee a newly established pension fund made up of localities only. The impact of such a move would be dire for the PERS and the State workers who would remain part of the PERS, as it would take the PERS pension fund, which is currently funded at 52.2%, down to 31.2%, an even more unsustainable number when it comes to preserving the PERS fund, and therefore the full pension benefit earned by New Jersey's state workers. Simply stated, this proposal would threaten the retirement security of current and future IFPTE members and other New Jersey state workers.

IFPTE applauds Governor Murphy for committing to fully fund PERS as a part of his Fiscal Year 2022 (FY22) budget submission released last month. While we realize that funding the PERS at \$6.4 billion in FY22 is just the start, and that such a commitment to fully fund PERS in the years ahead is required to bring the fund back to a funding ratio of 75% or greater, we believe that this is a monumental first step toward PERS solvency. Contrarily, passing a bill like S-3522 will completely undercut the long-term commitment made by the Murphy Administration to restore PERS back to solvency.

We at the International stand ready to work along-side the Atlantic Council to defeat this misguided effort. As such, IFPTE urges the Atlantic Council to work closely with the Murphy Administration and the New Jersey legislature, and in coordination with our friends at the New Jersey AFL-CIO and like-minded Sister and Brother unions, to defeat this legislation. Please keep us apprised of your efforts and do not hesitate to reach out for any assistance that you, and the Locals that make up the IFPTE Atlantic Council may need.

In Solidarity,

Paul Shearon,
President

Matthew Biggs,
Secretary-Treasurer/Legislative Director

Cc: Gerald Newsome, Executive Vice President/Atlantic Area Vice President
Sean McBride, Atlantic Area Vice President/Local 196 President
Charlie Wowkanech, NJ AFL-CIO President