



Q: Even before the recession, New Jersey had a serious problem keeping its pension fund adequately funded. Explain what you will do to make sure that the state does not go bankrupt as the baby boomers retire and it must pay their pensions.

Chris Christie (Republican) - As recently as 2001, our pension funds were sound and virtually fully funded. Eight years later, the funds have reserves that are less than 25% of the accrued liability. The magnitude of this financial obligation requires that action be taken immediately to begin the long process of restoring the funds. I will seek legislative support to reduce the growth of this liability by reducing the abuses by part-time employees and political appointees, who have driven up the pension liability by inappropriate manipulations of the system. I will restore the tradition of professional management of these systems and end the appointment of political insiders to these critical positions. I have called for a transition of all future state PERS eligible employees to a defined contribution plan

Jon Corzine (Democratic) - I have reformed the budget process, focusing on improving the long-term fiscal health of the State. I required that recurring expenses be matched by recurring revenues, reprioritized spending decisions, eliminated “Christmas tree” spending items, and brought accountability and transparency to the budget process. By working to protect the long-term solvency of the State, New Jersey is now in a better position to meet its annual financial obligations to fund the retirement system.

I have also demonstrated my commitment to funding the pension system. During my first term, I allocated more than \$3 billion to the pension fund, more than other administrations did over the previous 15 years combined. This commitment to the pension fund improves its sustainability, and I will continue to demonstrate that commitment

Jason Cullen (People Not Politics) - Honestly, the state has taken on more than it could handle. Any business that grows beyond its means must find ways to reduce its size and cost structure. I would bring the idea of privatized retirement accounts in place of pensions and eliminate the abusive tactic of “double-dipping.” I also believe that if part-time employees cannot receive benefits in comparable private sector jobs, we should eliminate part-time benefits that cost our citizens more in taxes.

Christopher Daggett (Independent for New Jersey) – Government in New Jersey has been living beyond its means for far too long. We need to sit down with unions representing public employees at all levels – state, county, local and school districts – and convince them tough choices have to be made across the board if we are going to preserve their pension and health

care benefits. This may mean a cycle where workers pay is frozen or even cut; employees contributing more to pension and health care plans; and new and less expensive benefits being given to new employees. The only way to do this is to endure it is done in a fair and shared basis. All workers will have to share and sacrifice some if the state is going to make its

Kenneth Kaplan (Libertarian Party) – Previous administrations have negotiated labor contracts with state workers that were unconscionable to NJ taxpayers. That said, we must fulfill these contractual obligations. We have a state rich in assets which we must not continue to squander. I will take an inventory of state properties and auction those off which are not required to fulfill mandates of the State Constitution. The money realized from these sales will not be used as a short term stop-gap to meet current expenses, including those pensions. I also envision a much smaller state government with thousands fewer workers, and those savings can also go toward paying retired workers.

Joshua Leinsdorf (Fair Election Party) - Too late. The state is bankrupt. I spent nine years on the finance committee of the Princeton Regional School board. I have been saying since 2004 that the state is bankrupt. Like all bankrupt entities, the state needs to restructure its obligations. The retirement age must be raised. No economy can afford to keep people in school until they are 25, then retire them at 55 when they will live until 85. Thirty years of employment can not fund 55 years of education and retirement. Also, some of the pension fund money has been wasted with investments in hedge funds (which were never considered investment grade vehicles) and in elimination contributions during the stock market boom of the late 1990's. This is plain old mismanagement.

Alvin Lindsay (Lindsay for Governor) - When it comes to the pension fund, I would implement a law where no one could touch the pension or go into the pension fund to use money for something else. Taxes always come up when trying to stop the state from going bankrupt, but I do not want to tax the people. I would have to use some alternative fund, rather than thinking along the lines of taxes.

David Meiswinkle (Middle Class Empowerment) - The State will not go bankrupt if New Jersey is able to keep its job base and increase upon it. Without business there are few jobs, and less tax revenue. With no tax revenue there will be no pensions. All future contract negotiations should be done within the economic context in which we presently live. No one should double dip. No employees should be temporarily promoted to inflate final 3 years of wages for retirement purposes. Our Pension overly invested in the stock market. A more balanced investment approach should be utilized.

New Jersey's epidemic political corruption, including the unmonitored bond issues from numerous bonding authorities with no oversight is economically crippling our State. Honest government would save taxpayers millions of dollars.

Gregory Pason (Socialist Party USA) - First, we also must lessen New Jersey's dependence on Wall Street. We also need to push for a federal single-payer healthcare system. Such a system will save New Jersey \$2.5 billion per year and our un-funded post-retirement health benefits obligation would disappear. That's \$58 billion less debt!

Kostas Petris (For the People) – One of the benefits that the State makes with an employee is a pension upon their retirement. Both Democratic and Republican administrations have raided the pension system to balance the state budget and it will take both sides to remedy this situation. The current public employees deserve no less than to have a safe and stable pension system. I believe that the above initiatives will allow the state pension system to be funded fully and allow for the beginning to repay the funds that in my opinion have been misappropriated for use in General State Revenues.

To begin to regain the lost revenues and maintain a consistent level of funding, the State must start to do the following:

1. Eliminate programs – not just reduce the

Gary Steele (Leadership, Independence, Vision) – My plan for the State of New Jersey is to reduce spending to the level of six years ago. That level was approximately \$7 billion less than what it is today. The additional revenue that is not spent, will be used to pay down the debt so that it will be fully paid in less than five years. The last three administrations have not been making adequate payments to the State pension fund. Under my plan, once the State debt has been paid off, billions can be funneled into the State pension plan, which will protect all retirees.

Gary Stein (Independent, multiple slogans) - Follow this logic. If we took the steps outlined at the end of question #1, and cut the gov't payroll through attrition, eliminated several cabinet agencies,...and retrained those employees to replace all the baby boomers retiring soon in the remaining departments-maybe, a skittish investors would give New Jersey a fresh look and back an enormous state bond at a reasonable rate of interest. That could provide the proceeds to pay for the unfunded portion of the state pension plan. If the state employees where smart, they'd grab it, because as things stand now nothing is guaranteed.