

Article VI, Section VI, Paragraph 6 New Jersey Constitution

LEGISLATIVE HISTORY CHECKLIST

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(Judges' salaries – employee benefits contributions)

New Jersey Constitution: Article VI, Section VI, Paragraph 6

BILL NO: SCR110

SPONSOR: Bate, Martin, Flynn

DATE INTRODUCED: 5/14/2012

COMMITTEE: **Assembly:** Judiciary

Senate: Budget and Appropriations; Labor

AMENDED DURING PASSAGE: No

DATE OF PASSAGE: **ASSEMBLY:** 7/30/2012

SENATE: 7/30/2012

FILED WITH SECRETARY OF STATE: 7/30/2012

DATE OF ADOPTION: 11/6/2012

EFFECTIVE: 12/6/2012

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL (Introduced bill enacted) Yes

SPONSOR'S STATEMENT: Yes

COMMITTEE STATEMENT: **ASSEMBLY:** No

SENATE: Yes

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL ESTIMATE: Yes

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: No

FOLLOWING WERE PRINTED:

To check for circulating copies, contact New Jersey State Government
Publications at the State Library (609) 278-2640 ext. 103 or <mailto:refdesk@njstatelib.org>.

REPORTS: No

HEARINGS:

Yes

974.90 Public hearing before Senate Labor Committee : the public hearing will be held in accordance with Rule 24:3 L415 of the New Jersey Senate on Senate Concurrent Resolution SCR-11 : [July 26, 2012, Trenton, New Jersey 2012b

NEWSPAPER ARTICLES:

Yes

STATEHOUSE BUREAU, S. (2012, June 22). ACTION IN TRENTON. *Star-Ledger, The (Newark, NJ)*, p. 003.

Bureau, S. (2012, June 22). News. *Times, The (Trenton, NJ)*, p. A05.

CAMPISI, A. (2012, July 24). Update: NJ Supreme Court rules state judges don't have to pay more into pensions, health care. *northjersey.com (NJ)*

Spoto, M. (2012, July 25). Court sides with judges in pension dispute Christie blasts ruling that lets jurists skip higher benefits' contributions. *Star-Ledger, The (Newark, NJ)*, p. 001.

LINHORST and MELISSA HAYES, M. (2012, July 26). LAWMAKERS RACE FOR AMENDMENT ON JUDGE BENEFITS. *Herald News (West Paterson, NJ)*, p. A03

Friedman, M. (2012, July 26). N.J. voters may get to decide if judges must pay more for pension and benefits It's pension reform for all, lawmakers say. *Star-Ledger, The (Newark, NJ)*, p. 001

NEXT STEP ON JUDGE BENEFITS AMEND THE CONSTITUTION SO JURISTS CAN BE PROTECTED AND STILL PAY THEIRFAIR SHARE. (2012, July 26). *Star-Ledger, The (Newark, NJ)*, p. 014.

bureau, s. (2012, July 26). This N.J. court's ruling won't be the last word It's pension reform for all, lawmakers say. *Times, The (Trenton, NJ)*, p. A07

Press of Atlantic City (Unpublished, T. (2012, July 29). Our View: Judges and benefits / Protect independence. *Press of Atlantic City, The (NJ)*, p. A14

LINHORST, M. (2012, July 30). NJ Legislature approves putting question on ballot about judge's pensions, benefits. *northjersey.com (NJ)*

JUDGES AND BENEFITS. (2012, July 31). *Herald News (West Paterson, NJ)*, p. D07.

Spoto, M. (2012, July 31). Voters to resolve who can change how much judges pay for benefits. *Star-Ledger, The (Newark, NJ)*, p. 009

NJ voters could decide on judge's benefits. (2012, August 2). *Sparta Independent, The (NJ)*.

H. Handlin, A. (2012, August 2). People will hand down decision in judges' pension. *Times, The (Trenton, NJ)*, p. A11.

Record, T. (2012, August 5). Opinion: Don't tamper with judges' benefits. *northjersey.com (NJ)*

HARRISON, B. (2012, August 5). AN INDEPENDENT JUDICIARY. *Record, The (Hackensack, NJ)*, p. O01

Press, A. (2012, October 6). State briefs. *Press of Atlantic City, The (NJ)*, p. C5.

Press of Atlantic City (Unpublished, T. (2012, October 15). Our View: Public Question No. 2 / Poorly crafted. *Press of Atlantic City, The (NJ)*, p. A8.

DELLI SANTI Associated Press, A. (2012, October 17). NJ voters to decide if judges should pay more. *Associated Press State Wire: New Jersey (NJ)*.

Voters are highly likely to OK a measure to ensure that judges can't exempt themselves from higher health benefit and retirement contributions that have been imposed on all other state workers in New Jersey. One poll puts support at 70 percent.. (2012, October 23). *Today's Sunbeam (Salem, NJ)*.

KA

**SENATE CONCURRENT
RESOLUTION No. 110**

**STATE OF NEW JERSEY
215th LEGISLATURE**

INTRODUCED MAY 14, 2012

Sponsored by:

Senator SHIRLEY K. TURNER

District 15 (Hunterdon and Mercer)

Senator STEPHEN M. SWEENEY

District 3 (Cumberland, Gloucester and Salem)

Co-Sponsored by:

Senators Beck, Oroho and Thompson

SYNOPSIS

Proposes constitutional amendment clarifying Legislature's authority to pass laws taking contributions from justices' and certain judges' salaries for employee benefits.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 7/31/2012)

1 A **CONCURRENT RESOLUTION** proposing to amend Article VI,
2 Section VI, paragraph 6 of the New Jersey Constitution.

3

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

6

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

9

10 PROPOSED AMENDMENT

11

12 Amend Article VI, Section VI, paragraph 6 to read as follows:

13 6. The Justices of the Supreme Court and the Judges of the
14 Superior Court shall receive for their services such salaries as may
15 be provided by law, which shall not be diminished during the term
16 of their appointment, except for deductions from such salaries for
17 contributions, established by law from time to time, for pensions as
18 provided for under paragraphs 3 and 5 of Section VI of this Article,
19 health benefits, and other, similar benefits. They shall not, while in
20 office, engage in the practice of law or other gainful pursuit.

21 (cf: Art. VI, Sec. VI, par. 6)

22

23 2. When this proposed amendment to the Constitution is finally
24 agreed to pursuant to Article IX, paragraph 1 of the Constitution, it
25 shall be submitted to the people at the next general election
26 occurring more than three months after the final agreement and
27 shall be published at least once in at least one newspaper of each
28 county designated by the President of the Senate, the Speaker of the
29 General Assembly and the Secretary of State, not less than three
30 months prior to the general election.

31

32 3. This proposed amendment to the Constitution shall be
33 submitted to the people at that election in the following manner and
34 form:

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

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

39 If you favor the proposition printed below make a cross (X), plus
40 (+), or check (✓) in the square opposite the word "Yes." If you are
41 opposed thereto make a cross (X), plus (+) or check (✓) in the
42 square opposite the word "No."

43 b. In every municipality the following question:

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1

	<p>YES</p>	<p>CONSTITUTIONAL AMENDMENT ALLOWING CONTRIBUTIONS TO BE TAKEN FROM JUSTICES' AND JUDGES' SALARIES FOR THEIR EMPLOYEE BENEFITS</p> <p>Do you approve an amendment to the New Jersey Constitution, as agreed to by the Legislature, to allow contributions set by law to be taken from the salaries of Supreme Court Justices and Superior Court Judges for their employee benefits?</p>
	<p>NO</p>	<p>INTERPRETIVE STATEMENT</p> <p>This amendment clarifies the Legislature's authority to pass laws requiring contributions be taken from the salaries of Supreme Court Justices and Superior Court Judges for their employee benefits. These benefits include their pension and health care coverage.</p> <p>The amendment responds to a question raised in a 2011 lawsuit filed by a judge after the Legislature passed and the Governor signed into law P.L.2011, c.78. That law increased the contributions taken from current and future justices' and judges' salaries for their benefits, starting in October 2011. The lawsuit, which was appealed to the New Jersey Supreme Court, argued against taking the higher contributions from currently appointed justices and judges, citing language in the Constitution that their salaries cannot be reduced during their appointed terms.</p> <p>The amendment clarifies that such contributions, set by law, may be taken from justices' and judges' salaries during their terms. It would also allow for the higher contributions set by P.L.2011, c.78 to be deducted from current and future justices' and judges' salaries.</p>

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SCHEDULE

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This constitutional amendment shall become part of the New Jersey Constitution immediately upon approval by the voters, and

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1 shall make the benefit contribution requirements of P.L.2011, c.78
2 (C.43:3C-16 et al.) applicable to all current and future Justices of
3 the Supreme Court and Judges of the Superior Court as of that date.

4
5
6 STATEMENT
7

8 This constitutional amendment clarifies the Legislature's
9 authority to enact laws that deduct contributions from the salaries of
10 Supreme Court Justices and Superior Court Judges to help fund
11 their employee benefits, which include their pension and health care
12 coverage. The amendment specifically concerns only these justices
13 and judges, as only their salaries are referenced and protected from
14 various reductions, during their terms of appointment, under the
15 current provisions of Article VI, Section VI, paragraph 6 of the
16 New Jersey Constitution.

17 The amendment responds to a question raised in a 2011 lawsuit,
18 DePascale v. State, MER-L-1893-11 (Law. Div., filed July 21,
19 2011), filed after the Legislature passed and the Governor signed
20 into law P.L.2011, c.78 (C.43:3C-16 et al.). That law increased the
21 contributions to be deducted from the salaries of current and future
22 Supreme Court Justices and Superior Court Judges (as well as other
23 public employees), starting in October 2011. The lawsuit, which
24 was appealed to the State's Supreme Court (docket # A-34-11,
25 certif. granted, Nov. 11, 2011), argued for stopping the higher
26 contributions with respect to currently appointed justices and
27 judges, citing to the Constitution's Article VI, Section VI,
28 paragraph 6, which states that salaries for justices and judges "shall
29 not be diminished during the term of their appointment."

30 The amendment adds language to that provision to clarify that
31 benefit contributions may be deducted from justices' and judges'
32 salaries during their terms, as set from time to time by law. It
33 would become part of the New Jersey Constitution immediately
34 upon approval by the voters, and make the higher benefit
35 contribution requirements of P.L.2011, c.78 (C.43:3C-16 et al.)
36 applicable to all current and future justices and judges as of that
37 date.

**ASSEMBLY CONCURRENT
RESOLUTION No. 152**

**STATE OF NEW JERSEY
215th LEGISLATURE**

INTRODUCED MAY 24, 2012

Sponsored by:

Assemblywoman AMY H. HANDLIN

District 13 (Monmouth)

Assemblywoman CAROLINE CASAGRANDE

District 11 (Monmouth)

Assemblywoman DONNA M. SIMON

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

Co-Sponsored by:

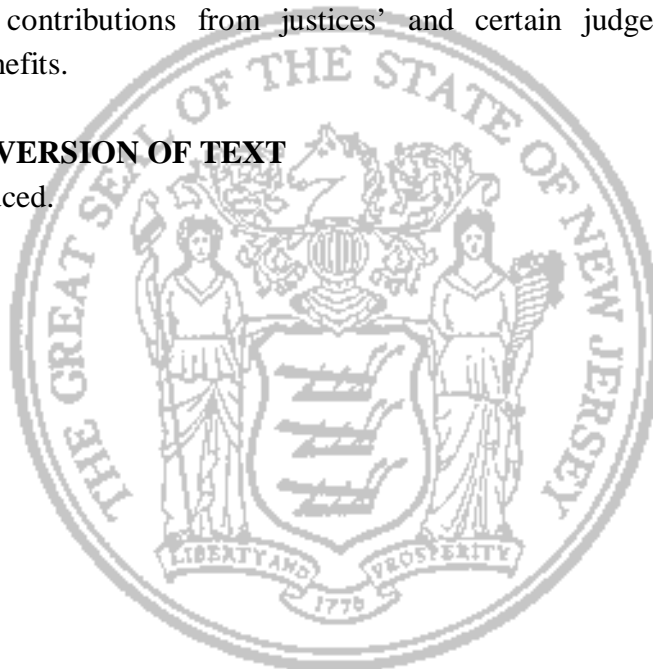
**Assemblyman O'Scanlon, Assemblywomen Angelini, McHose,
Assemblymen Chiusano and DiMaio**

SYNOPSIS

Proposes constitutional amendment clarifying Legislature's authority to pass laws taking contributions from justices' and certain judges' salaries for employee benefits.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 7/31/2012)

1 A **CONCURRENT RESOLUTION** proposing to amend Article VI,
2 Section VI, paragraph 6 of the New Jersey Constitution.

3

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

6

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

9

10 PROPOSED AMENDMENT

11

12 Amend Article VI, Section VI, paragraph 6 to read as follows:

13 6. The Justices of the Supreme Court and the Judges of the
14 Superior Court shall receive for their services such salaries as may
15 be provided by law, which shall not be diminished during the term
16 of their appointment, except for deductions from such salaries for
17 contributions, established by law from time to time, for pensions as
18 provided for under paragraphs 3 and 5 of Section VI of this Article,
19 health benefits, and other, similar benefits. They shall not, while in
20 office, engage in the practice of law or other gainful pursuit.

21 (cf: Art. VI, Sec. VI, par. 6)

22

23 2. When this proposed amendment to the Constitution is finally
24 agreed to pursuant to Article IX, paragraph 1 of the Constitution, it
25 shall be submitted to the people at the next general election
26 occurring more than three months after the final agreement and
27 shall be published at least once in at least one newspaper of each
28 county designated by the President of the Senate, the Speaker of the
29 General Assembly and the Secretary of State, not less than three
30 months prior to the general election.

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32 3. This proposed amendment to the Constitution shall be
33 submitted to the people at that election in the following manner and
34 form:

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

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

39 If you favor the proposition printed below make a cross (X), plus
40 (+), or check (✓) in the square opposite the word "Yes." If you are
41 opposed thereto make a cross (X), plus (+) or check (✓) in the
42 square opposite the word "No."

43 b. In every municipality the following question:

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1

	<p>YES</p>	<p>CONSTITUTIONAL AMENDMENT ALLOWING CONTRIBUTIONS TO BE TAKEN FROM JUSTICES' AND JUDGES' SALARIES FOR THEIR EMPLOYEE BENEFITS</p> <p>Do you approve an amendment to the New Jersey Constitution, as agreed to by the Legislature, to allow contributions set by law to be taken from the salaries of Supreme Court Justices and Superior Court Judges for their employee benefits?</p>
	<p>NO</p>	<p>INTERPRETIVE STATEMENT</p> <p>This amendment clarifies the Legislature's authority to pass laws requiring contributions be taken from the salaries of Supreme Court Justices and Superior Court Judges for their employee benefits. These benefits include their pension and health care coverage.</p> <p>The amendment responds to a question raised in a 2011 lawsuit filed by a judge after the Legislature passed and the Governor signed into law P.L.2011, c.78. That law increased the contributions taken from current and future justices' and judges' salaries for their benefits, starting in October 2011. The lawsuit, which was appealed to the New Jersey Supreme Court, argued against taking the higher contributions from currently appointed justices and judges, citing language in the Constitution that their salaries cannot be reduced during their appointed terms.</p> <p>The amendment clarifies that such contributions, set by law, may be taken from justices' and judges' salaries during their terms. It would also allow for the higher contributions set by P.L.2011, c.78 to be deducted from current and future justices' and judges' salaries.</p>

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SCHEDULE

5

6

This constitutional amendment shall become part of the New Jersey Constitution immediately upon approval by the voters, and

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1 shall make the benefit contribution requirements of P.L.2011, c.78
2 (C.43:3C-16 et al.) applicable to all current and future Justices of
3 the Supreme Court and Judges of the Superior Court as of that date.

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6 STATEMENT
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8 This constitutional amendment clarifies the Legislature's
9 authority to enact laws that deduct contributions from the salaries of
10 Supreme Court Justices and Superior Court Judges to help fund
11 their employee benefits, which include their pension and health care
12 coverage. The amendment specifically concerns only these justices
13 and judges, as only their salaries are referenced and protected from
14 various reductions, during their terms of appointment, under the
15 current provisions of Article VI, Section VI, paragraph 6 of the
16 New Jersey Constitution.

17 The amendment responds to a question raised in a 2011 lawsuit,
18 DePascale v. State, MER-L-1893-11 (Law. Div., filed July 21,
19 2011), filed after the Legislature passed and the Governor signed
20 into law P.L.2011, c.78 (C.43:3C-16 et al.). That law increased the
21 contributions to be deducted from the salaries of current and future
22 Supreme Court Justices and Superior Court Judges (as well as other
23 public employees), starting in October 2011. The lawsuit, which
24 was appealed to the State's Supreme Court (docket # A-34-11,
25 certif. granted, Nov. 11, 2011), argued for stopping the higher
26 contributions with respect to currently appointed justices and
27 judges, citing to the Constitution's Article VI, Section VI,
28 paragraph 6, which states that salaries for justices and judges "shall
29 not be diminished during the term of their appointment."

30 The amendment adds language to that provision to clarify that
31 benefit contributions may be deducted from justices' and judges'
32 salaries during their terms, as set from time to time by law. It
33 would become part of the New Jersey Constitution immediately
34 upon approval by the voters, and make the higher benefit
35 contribution requirements of P.L.2011, c.78 (C.43:3C-16 et al.)
36 applicable to all current and future justices and judges as of that
37 date.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE CONCURRENT RESOLUTION No. 110

STATE OF NEW JERSEY

DATED: JUNE 21, 2012

The Senate Budget and Appropriations Committee reports favorably Senate Concurrent Resolution No. 110.

The concurrent resolution proposes a constitutional amendment that clarifies the Legislature's authority to enact laws that deduct contributions from the salaries of Supreme Court Justices and Superior Court Judges to help fund their employee benefits, which include their pension and health care coverage. The amendment specifically concerns only these justices and judges, as only their salaries are referenced and protected from various reductions, during their terms of appointment, under the current provisions of Article VI, Section VI, paragraph 6 of the New Jersey Constitution.

The amendment responds to a question raised in a 2011 lawsuit, *DePascale v. State*, MER-L-1893-11 (Law. Div., filed July 21, 2011), filed after the Legislature passed and the Governor signed into law P.L.2011, c.78 (C.43:3C-16 et al.). That law increased the contributions to be deducted from the salaries of current and future Supreme Court Justices and Superior Court Judges (as well as other public employees), starting in October 2011. The lawsuit, which was appealed to the State's Supreme Court (docket # A-34-11, certif. granted, Nov. 11, 2011), argued for stopping the higher contributions with respect to currently appointed justices and judges, citing to the Constitution's Article VI, Section VI, paragraph 6, which states that salaries for justices and judges "shall not be diminished during the term of their appointment."

The amendment adds language to that provision to clarify that benefit contributions may be deducted from justices' and judges' salaries during their terms, as set from time to time by law. It would become part of the New Jersey Constitution immediately upon approval by the voters, and make the higher benefit contribution requirements of P.L.2011, c.78 (C.43:3C-16 et al.) applicable to all current and future justices and judges as of that date.

FISCAL IMPACT:

Based on information provided by the Judicial Branch, the OLS estimates that, if this proposed constitutional amendment is approved by the voters at the general election held in 2012 and if the collection of the additional contribution begins January 1, 2013, the members of

the JRS would contribute \$987,534 during the second half of State Fiscal Year 2013, \$2.962 million during Fiscal Year 2014, and \$3.950 million in Fiscal Year 2015.

P.L.2011, c.78 increased the JRS member contribution rate by an additional nine percent of salary to be phased-in, in equal increments, over a period of seven years. The current contribution rate is three percent of the amount of any difference between the salary on or after January 19, 1982 for any judicial position held by a member and the salary for that position on January 18, 1982. For each new member initially enrolled on or after January 1, 1996 in the JRS, the rate is three percent of the salary for the judicial position held by the member.

This additional contribution by the members of the JRS would result in lowering the contributions that the State would otherwise have been required to make, beginning in State Fiscal Year 2015, to the JRS as an employer. However, the savings cannot be determined without data and calculations from the Division of Pensions and Benefits in the Department of the Treasury and the actuaries for the JRS.

These savings would be realized as a result of the approval by the voters of this constitutional amendment only if the State Supreme Court rules, before that approval, that the contribution required by P.L.2010, c.78 cannot be collected because it is unconstitutional under the current provision of the constitution. If the Supreme Court rules that the contribution is constitutional, then the collection of the contribution from the members of the JRS could commence as a result of that ruling.

P.L.2011, c.78 also required all public employees to contribute toward the cost of health care benefits coverage, with the contribution based on the percentage of premium as set forth in the law. The justices and judges covered by this proposed constitutional amendment are already making that contribution according to the Division of Pensions and Benefits; therefore, the approval of the amendment by the voters at the 2012 general election would have no fiscal impact in that regard.

LEGISLATIVE FISCAL ESTIMATE
SENATE CONCURRENT RESOLUTION No. 110
STATE OF NEW JERSEY
215th LEGISLATURE

DATED: JUNE 25, 2012

SUMMARY

Synopsis: Proposes constitutional amendments clarifying Legislature’s authority to pass laws taking contributions from justices’ and certain judges’ salaries for employee benefits.

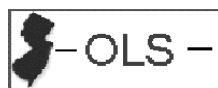
Type of Impact: Potential expenditure decrease, State General Fund.

Agencies Affected: Department of the Treasury, Judicial Branch

Office of Legislative Services Estimate

Fiscal Impact	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>
State Savings	Indeterminate – See comments below		

- Proposes constitutional amendment to clarify the Legislature’s authority to pass laws taking contributions from justices’ and certain judges’ salaries for employee benefits, such as required employee contributions for pensions plans and for health care benefits programs.
- P.L.2011, c.78, enacted June 28, 2011, increased the contribution rate by an additional nine percent of salary for justices and judges who are members of the Judicial Retirement System (JRS), with the increase in the contribution rate to be phased-in, in equal increments, over a period of seven years. However, this additional contribution is not being collected at this time due to a lawsuit, currently pending before the State Supreme Court.
- Based on information provided by the Judicial Branch, the Office of Legislative Services (OLS) estimates that, if this constitutional amendment is approved by the voters at the general election held in 2012 and, if as a result, the collection of the required contribution begins January 1, 2013, the members of the JRS would contribute \$987,534 during the second half of State Fiscal Year 2013, \$2.962 million during Fiscal Year 2014, and \$3.950 million in Fiscal Year 2015.
- This additional member contribution to the JRS would result, beginning in State Fiscal Year 2015, in reducing the amount of the annual contribution to the JRS that the State, as an employer, would otherwise have been required to make. However, the amount of the



reduction cannot be determined without data and calculation from the Division of Pensions and Benefits in the Department of the Treasury and the actuaries for the JRS.

- These savings would be realized as a result of the approval by the voters of this constitutional amendment only if the State Supreme Court rules before that approval that the contribution required by P.L.2010, c.78 cannot be collected because it is unconstitutional under the current provision of the constitution.
- P.L.2010, c.78 also required all public employees to pay, for a period of time, a percentage of the premium for health care benefits coverage provided by the employer. The justices and judges covered by this proposed constitutional amendment are already making such payment according to the Division of Pensions and Benefits; therefore, the approval of this constitutional amendment by the voters at the 2012 general election would have no fiscal impact in that regard.

BILL DESCRIPTION

Senate Concurrent Resolution No. 110 of 2012 specifies that the Legislature has the authority to enact laws that require the deduction of contributions from the salaries of Supreme Court Justices and Superior Court Judges to help fund their employee benefits. Such benefits include pensions plans and health care benefits programs. The amendment specifically concerns only these justices and judges, as only their salaries are referenced and protected from various reductions, during their terms of appointment, under the current provisions of Article VI, Section VI, paragraph 6 of the New Jersey Constitution.

The amendment responds to a question raised in a 2011 lawsuit, DePascale v. State, MER-L-1893-11 (Law. Div., filed July 21, 2011), filed after the Legislature passed and the Governor signed into law P.L.2011, c.78 (C.43:3C-16 et al.). That law increased the contributions to be deducted from the salaries of current and future Supreme Court Justices and Superior Court Judges, as well as other public employees, starting in October 2011. The lawsuit, which was appealed to the State's Supreme Court, argued for stopping the higher contributions with respect to currently appointed justices and judges, citing to the Constitution's Article VI, Section VI, paragraph 6, which states that salaries for justices and judges "shall not be diminished during the term of their appointment."

The amendment adds language to that provision to specify that benefit contributions may be deducted from justices' and judges' salaries during their terms, as set from time to time by law. It would become part of the New Jersey Constitution immediately upon approval by the voters, and make the higher benefit contribution requirements of P.L.2011, c.78 applicable to all current and future justices and judges as of that date.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None provided.

OFFICE OF LEGISLATIVE SERVICES

Based on information provided by the Judicial Branch, the OLS estimates that, if this proposed constitutional amendment is approved by the voters at the general election held in 2012 and if the collection of the additional contribution begins January 1, 2013, the members of the JRS would contribute \$987,534 during the second half of State Fiscal Year 2013, \$2.962 million during Fiscal Year 2014, and \$3.950 million in Fiscal Year 2015.

P.L.2011, c.78 increased the JRS member contribution rate by an additional nine percent of salary to be phased-in, in equal increments, over a period of seven years. The current contribution rate is three percent of the amount of any difference between the salary on or after January 19, 1982 for any judicial position held by a member and the salary for that position on January 18, 1982. For each new member initially enrolled on or after January 1, 1996 in the JRS, the rate is three percent of the salary for the judicial position held by the member.

This additional contribution by the members of the JRS would result in lowering the contributions that the State would otherwise have been required to make, beginning in State Fiscal Year 2015, to the JRS as an employer. However, the savings cannot be determined without data and calculations from the Division of Pensions and Benefits in the Department of the Treasury and the actuaries for the JRS.

These savings would be realized as a result of the approval by the voters of this constitutional amendment only if the State Supreme Court rules, before that approval, that the contribution required by P.L.2010, c.78 cannot be collected because it is unconstitutional under the current provision of the constitution. If the Supreme Court rules that the contribution is constitutional, then the collection of the contribution from the members of the JRS could commence as a result of that ruling.

P.L.2011, c.78 also required all public employees to contribute toward the cost of health care benefits coverage, with the contribution based on the percentage of premium as set forth in the law. The justices and judges covered by this proposed constitutional amendment are already making that contribution according to the Division of Pensions and Benefits; therefore, the approval of the amendment by the voters at the 2012 general election would have no fiscal impact in that regard.

Section: State Government
Analyst: Kimberly McCord Clemmensen
Senior Fiscal Analyst
Approved: David J. Rosen
Legislative Budget and Finance Officer

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).