



# State of New Jersey

Department of the Treasury

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## **Details of Pension System Contribution Deferral Proposed by Governor Corzine Released to Municipalities**

TRENTON – The Division of Pension and Benefits today released and posted revised estimates of local government pension contributions due in April of 2009 – estimates that reflect Governor Corzine’s proposal to ease the resulting property tax impact through a phasing in of the full required payment.

The information breaks out the proposed 50 percent pension contribution to the Public Employees Retirement System (PERS) and the Police and Fire Retirement System (PFRS) required of the participating local government by April 1, 2009. Under the proposal, which still requires Legislative action, the total payments of \$1 billion that would have been owed by the municipalities would be cut in half.

“Governor Corzine made the extraordinary proposal in recognition of the enormous financial burden the full payments would have placed on local property taxpayers and local budgets during this historically difficult economic period,” said Treasurer David Rousseau. “The phase-in would provide relief to communities that otherwise would possibly have had to make sacrifices in the delivery of critical municipal services.”

Full pension contributions would also not be required in the two years after 2009 under the proposal. There would be a phase-in period so that the contributions required would be 60 percent of the full amount in 2010, and 80 percent in 2011. Contributions would return to 100 percent in 2012.

In addition to the pension contribution deferment, Governor Corzine remains committed to providing economic relief to New Jersey residents by promoting business and job growth. A stimulus program moving through the legislature includes food, housing and heating relief; a job creation incentive program for businesses; corporate tax reforms; and the acceleration of \$4 billion in public works projects to create new jobs.

The projected reduced bills that municipalities would receive under Governor Corzine’s proposal can be found at:

<http://www.state.nj.us/treasury/pensions/2009-employer-billing-50revised.htm>

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