

NEW JERSEY STATE AFL-CIO

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March 9, 2017

Dear Members of the Senate Budget & Appropriations Committee:

RE: S-3040 – Transfers Management of PFRS to new Board of Trustees of PFRS

On behalf of our affiliated union, the Professional Firefighters Association of New Jersey (IAFF), the New Jersey State AFL-CIO is expressing our opposition to S-3040, which seeks to separate the management of PFRS from the other state managed pension systems.

This legislation would establish a new administrative Board of Trustees that skews the management of PFRS to a single union. While we respect any individual union's right to govern the pensions of their own members if they so choose, we do not support the concept of structuring a Board of Trustees to clearly favor one union over another.

While the bill grants a representative to each of the four police and fire unions enrolled in PFRS, the way this board will actually be governed heavily favors the largest of the four unions, because that union will gain two additional Trustees via the elected retiree seat and the elected active member seat. Therefore, this Board will have a built in prejudice against the members represented by the PFANJ-IAFF. The PFANJ-IAFF will only have a token role in the new governance structure – one representative on a 12 member Board.

We respect the concept of unions governing their own pensions if they desire to do so – as is currently done in the Building Trades and other private sector unions. However, it should be understood that a single union governing the pensions of only their own members is a very different model than what is being presented here.

Having four different unions jointly manage each other's pensions is a recipe for chaos and confusion, not to mention disenfranchising the voice of the smaller unions enrolled in PFRS.

We respectfully ask you to take into consideration these issues and not advance this legislation.

Sincerely,

Charles Wowkanech
President

Laurel Brennan
Secretary-Treasurer

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