

NEWS FROM THE CWA

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CWA Statement on Proposed Pension and Health Care Legislation:

Don't Rush Unfair Legislation

WOODBIDGE, NJ -- CWA is carefully reviewing the pension, health care and other legislation proposed late Friday by Governor Christie and Senate President Sweeney. Taken together, these bills would unilaterally implement sweeping changes to collective bargaining, retirement and health care security, for over 600,000 working families. They must be carefully reviewed by the Legislature before any votes are taken. They must not be railroaded to passage in the next two weeks.

State and local government workers and teachers did not cause New Jersey's fiscal crisis -- Wall Street did. And the changes proposed in these bills will do nothing to close budget gaps now or in next year's budget. All these bills would do is reduce the retirement and health care security of future New Jersey public workers.

Over the last three years, public workers have stepped up to do our share -- nearly half a billion dollars -- to help New Jersey address the state's ongoing fiscal crisis. In 2007, we negotiated significant modifications -- new health care contributions, an increased retirement age and an increased pension contribution -- to the healthcare and pension plans that saved the state several hundred million dollars. Last year, state workers agreed to an unprecedented re-opening of contracts, deferred a 3.5% wage increase for 18 months and accepted 10 unpaid furlough days, amounting to an additional 4% pay cut, in an effort to protect jobs and public services. These additional changes took another \$250 million out of the pockets of the unionized state workforce.

"Now these proposals target our members again and attack the very people who have been willing to step up to help. They reduce modest cost pensions for low and moderately-paid workers far more than higher cost pensions for higher-paid workers. That's just unfair," said Hetty Rosenstein, CWA New Jersey Area Director.

“We are also particularly concerned that the brunt of the proposed changes falls upon lower cost pension plans and imposes the greatest burden on lower paid workers, particularly women and people of color.”

Numerous questions must be answered before these bills are taken up:

- What budgetary savings will they generate to close this year’s budget gap? (We believe the answer is zero)
- What effect will they have on the unfunded pension liability?
- What savings will they generate for New Jersey taxpayers?
- Are all public employees being asked to share equally in the sacrifices?
- What effect will they have on the pension and health care security of future generations of public workers?
- What is the actual deficit and projections of revenue calculated by the State?

Governor Christie should lead with transparency and give New Jersey a chance to study the facts.

The Communications Workers of America (AFL-CIO) represents more than 70,000 working families in New Jersey, including more than 40,000 state workers, 15,000 county and municipal workers, and thousands of workers in the telecommunications and direct care industries.