

Bond Case Briefs

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BENEFITS - NEW JERSEY

Berg v. Christie

Superior Court of New Jersey, Appellate Division - June 26, 2014 - A.3d - 2014 WL 2883872

Retired government attorneys filed complaint seeking judgment declaring that statute suspending cost of living increases (COLA) was unconstitutional, and alleging suspension of their COLAs constituted breach of express and implied contract and violated Contract Clause of federal and state constitutions.

The Superior Court, Appellate Division, held that:

- Decision upholding constitutionality of statute suspending COLAs was incorrectly premised on Debt Limitation and Appropriations Clauses;
- Statute reserving right in legislature to alter retirement systems did not defeat breach of contract claim;
- Arguments asserted by PFRS members were properly rejected;
- Non-forfeitable right statute applied to COLAs; but
- Remand was required on constitutional impairment-of-contract claim.