

Bond Case Briefs

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PENSIONS - NEW JERSEY

Berg v. Christie

Supreme Court of New Jersey - June 9, 2016 - A.3d - 2016 WL 3189778

Retired government employees brought action against the State alleging that a statute suspending pension cost of living adjustments (COLAs) violated the Contract Clause of the Federal and State Constitutions.

The Superior Court entered summary judgment in favor of the State. Employees appealed. The Superior Court, Appellate Division, affirmed in part, reversed in part, and remanded. Employee and the State petitioned for certification to appeal, which was granted.

The Supreme Court of New Jersey held that:

- Determining whether there was a legislative contractual right to pension COLAs required a finding that the legislature expressed an unequivocal intent to contract;
- Statute granting non-forfeitable-right for government employees to receive benefits “provided under the laws governing the retirement system or fund” did not include pension COLAs;
- State was not equitably estopped from terminating pension COLAs; and
- Employees did not have a due process right to pension COLAs.