

APPENDIX

Judicial Retirement System of New Jersey

**GASB 67 Report
as of June 30, 2025**

Produced by Cheiron

March 2026

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**JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
GASB 67 REPORTING FOR JUNE 30, 2025 MEASUREMENT DATE**

SECTION I – BOARD SUMMARY

The purpose of this report is to provide accounting and financial disclosure information under Governmental Accounting Standards Board Statement 67 for the Judicial Retirement System of New Jersey (JRS, Plan, or System). This information includes:

- Projection of the Total Pension Liability (TPL) from the valuation date to the measurement date,
- Calculation of the Net Pension Liability (NPL) at the discount rate as well as discount rates 1% higher and lower than the discount rate, and
- Changes in the Net Pension Liability.

Highlights

The reporting date for JRS is June 30, 2025. Measurements as of the reporting date are based on the fair value of assets as of June 30, 2025 and the Total Pension Liability as of the valuation date, July 1, 2024, updated to June 30, 2025. As a result of the Experience Study covering the period July 1, 2021 – June 30, 2024, the mortality assumption was updated. We are not aware of any other significant events between the valuation date and the measurement date that are measurable at this time, so the update procedures only included the addition of service cost and interest cost offset by actual benefit payments, and an adjustment to reflect the change in the mortality assumption.

The following table provides a summary of the key results during this reporting period.

Table I-1 Summary of Results		
Measurement Date	June 30, 2025	June 30, 2024
Total Pension Liability	\$ 955,588,291	\$ 947,065,606
Plan Fiduciary Net Position	<u>282,466,642</u>	<u>246,203,745</u>
Net Pension Liability	\$ 673,121,649	\$ 700,861,861

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SECTION II – CERTIFICATION

The purpose of this report is to provide accounting and financial reporting information under GASB 67 for the Judicial Retirement System of New Jersey (JRS). This report is for the use of JRS, the Division of Pensions and Benefits (DPB) and their auditors in preparing financial reports in accordance with applicable law and accounting requirements. This report is not appropriate for other purposes, including the measurement of funding requirements for JRS and estimating the price to settle JRS's obligations.

In preparing our report, we relied on information (some oral and some written) supplied by the DPB. This information includes, but is not limited to, the plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23, *Data Quality*.

Future actuarial measurements may differ significantly from the current measurements due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; and changes in plan provisions or applicable law.

For purposes of this report, the calculation of the Total Pension Liability and the projection of the Plan's contributions and benefit payments as of June 30, 2025 were based on the recommended demographic assumptions of the July 1, 2021 – June 30, 2024 Experience Study, which was approved by the State House Commission on September 29, 2025.

This report was prepared using census data as of the July 1, 2024 valuation date and financial information as of the June 30, 2025 measurement date.

Chapter 56, P.L. 2024 amended the retirement provisions so that a retired member of JRS can be appointed as a county prosecutor but cannot be enrolled in any other State-administered retirement system based on that service. This legislation did not impact the Total Pension Liability for this report. The impact of Chapter 56, P.L. 2024 will be recognized in subsequent years as experience emerges.

Based on the State Treasurer's recommendation, the investment return assumption used to determine the actuarially determined contributions is 7.00% per annum.

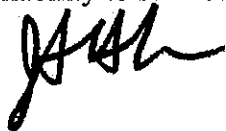
In accordance with Paragraph 40 of GASB Statement No. 67, the projection of the Plan's fiduciary net position is based on a long-term expected rate of return of 7.00% per annum. The discount rate used to measure the Total Pension Liability is 7.00% as of June 30, 2025 and is described in Section III of the report.

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SECTION II – CERTIFICATION

This report and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices and our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board as well as applicable laws and regulations. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this report. This report does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

This report was prepared for JRS for the purposes described herein and for the use by the plan auditor in completing an audit related to the matters herein. Other users of this report are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to such other users.



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Principal Consulting Actuary



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SECTION III – DETERMINATION OF DISCOUNT RATE

The discount rate used to measure the Total Pension Liability was 7.00% as of June 30, 2024 and June 30, 2025. As discussed with the Division of Pensions and Benefits, the projection of cash flows used to determine the discount rate as of June 30, 2025 assumed:

- In accordance with Paragraph 40 of GASB Statement No. 67, the projection of the Plan's fiduciary net position is based on a long-term expected rate of return of 7.00% per annum.
- In accordance with Paragraph 41 of GASB Statement No. 67, the projection of the Plan's contributions and benefit payments are based on the same assumptions used to determine the expected contributions for the System. The demographic assumptions are based on the recommendations of the July 1, 2021 – June 30, 2024 Experience Study, which was approved by the State House Commission on September 29, 2025.

Based on the State Treasurer's recommendation, the investment return assumption used to determine the actuarially determined contributions is 7.00% per annum.

- It is assumed that the State will contribute 100% of the actuarially determined contribution and Non-Contributory Group Insurance Premium Fund (NCGIPF) contribution. The 100% contribution rate is the total State contribution rate expected to be paid in fiscal year ending June 30, 2026 with respect to the actuarially determined contribution for the fiscal year ending June 30, 2026 for all State-administered retirement systems.
- Consistent with Chapter 83, P.L. 2016, it is assumed that the State will make pension contributions in equal amounts at the end of each quarter.
- The NCGIPF contributions are assumed to be paid monthly.
- Annual administrative expenses are assumed to be 0.37% of expected pension benefit payments.

In the event the Plan's fiduciary net position was no longer sufficient to make future benefit payments, municipal bond rates of 3.93% as of June 30, 2024 and 5.20% as of June 30, 2025 would be used to develop the blended GASB discount rate. As selected by the State Treasurer, the rates are based on the Bond Buyer GO 20-Bond Municipal Bond Index.

As of June 30, 2025, based on the assumptions above, the pension Plan's fiduciary net position is expected to be sufficient to make all projected future benefit payments for current Plan members; therefore, the GASB discount rate as of June 30, 2025 is equal to the long-term rate of return of 7.00%. Similarly, the GASB discount rate as of June 30, 2024 was equal to the long-term rate of return of 7.00%. The assumed discount rates have been determined in accordance with the method prescribed by GASB Statement No. 67. See Appendix D for the determination of the discount rate.

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SECTION IV – PROJECTION OF TOTAL PENSION LIABILITY

The Total Pension Liability (TPL) at the end of the measurement year, June 30, 2025, is measured as of a valuation date of July 1, 2024 and projected to June 30, 2025. The TPL and service cost were calculated using the Entry Age Normal Cost Method as prescribed by GASB 67. All TPL amounts shown in Table IV-1 below include liabilities attributable to the NCGIPF. In addition, employer transfer contributions and member transfer contributions with accumulated interest have been added to the June 30, 2025 TPL.

During the measurement year there was a change in the mortality assumption. There were no other significant events during the projection period of which we are aware. Because the TPL shown in the prior report was measured as of July 1, 2023 and projected to June 30, 2024, it will not match the amounts measured as of July 1, 2024 that are shown in this exhibit.

The following table shows the projection of the TPL at discount rates equal to the rate used for disclosure and plus and minus one percent from the rate used for disclosure.

Table IV-1 Projection of Total Pension Liability from Valuation to Measurement Date			
Discount Rate	6.00%	7.00%	8.00%
Total Pension Liability, 7/1/2024			
Actives	\$ 297,431,759	\$ 263,825,164	\$ 235,263,735
Deferred Vested	9,377,766	8,442,455	7,658,407
Retirees	<u>711,352,016</u>	<u>660,697,338</u>	<u>616,424,263</u>
Total	\$ 1,018,161,541	\$ 932,964,957	\$ 859,346,405
 Service Cost	 34,229,974	 28,913,479	 24,565,660
 Benefit Payments	 (73,520,817)	 (73,520,817)	 (73,520,817)
 Transfer Contributions - Employer	 1,260,621	 1,260,621	 1,260,621
 Transfer Contributions - Member	 1,087,475	 1,087,475	 1,087,475
 Interest	 <u>61,039,411</u>	 <u>64,882,576</u>	 <u>67,920,825</u>
 Total Pension Liability, 6/30/2025	 \$ 1,042,258,205	 \$ 955,588,291	 \$ 880,660,169

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SECTION V – NOTE DISCLOSURES

The following table shows the changes in the Total Pension Liability, the Plan Fiduciary Net Position (i.e., fair value of System assets), and the Net Pension Liability during the Measurement Year. The mortality assumption was updated as a result of the 2025 Experience Study. The impact of this assumption change is displayed in the following table.

Table V-1 Change in Net Pension Liability			
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/2024	\$ 947,065,606	\$ 246,203,745	\$ 700,861,861
Changes for the year:			
Service cost	29,069,944		29,069,944
Interest	65,880,574		65,880,574
Changes of benefits	0		0
Differences between expected and actual experience	(1,073,320)		(1,073,320)
Changes of assumptions	(14,181,792)		(14,181,792)
Contributions - employer		71,406,631	(71,406,631)
Contributions - member		10,358,875	(10,358,875)
Transfers from other systems - employer	1,260,621	1,260,621	0
Transfers from other systems - member	1,087,475	1,087,475	0
Net investment income		25,936,695	(25,936,695)
Benefit payments	(73,520,817)	(73,520,817)	0
Administrative expense		(266,583)	266,583
Net changes	8,522,685	36,262,897	(27,740,212)
Balances at 6/30/2025	<u>\$ 955,588,291</u>	<u>\$ 282,466,642</u>	<u>\$ 673,121,649</u>

Changes in the discount rate affect the measurement of the TPL. Lower discount rates produce a higher TPL and higher discount rates produce a lower TPL. Because the discount rate does not affect the measurement of assets, the percentage change in the NPL can be very significant for a relatively small change in the discount rate. The following table shows the sensitivity of the NPL to the discount rate.

Table V-2 Sensitivity of Net Pension Liability to Changes in Discount Rate			
	1% Decrease 6.00%	Discount Rate 7.00%	1% Increase 8.00%
Total Pension Liability	\$ 1,042,258,205	\$ 955,588,291	\$ 880,660,169
Plan Fiduciary Net Position	<u>282,466,642</u>	<u>282,466,642</u>	<u>282,466,642</u>
Net Pension Liability	<u>\$ 759,791,563</u>	<u>\$ 673,121,649</u>	<u>\$ 598,193,527</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	27.1%	29.6%	32.1%

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SECTION VI – REQUIRED SUPPLEMENTARY INFORMATION

The schedule below shows the changes in NPL and related ratios required by GASB for the current and prior years.

Table VI-1		
Schedule of Changes in Net Pension Liability and Related Ratios		
	FYE 2025	FYE 2024
<u>Total Pension Liability</u>		
Service cost	\$ 29,069,944	\$ 26,865,890
Interest (includes interest on service cost)	65,880,574	64,178,104
Changes of benefit terms	0	0
Differences between expected and actual experience	(1,073,320)	696,941
Changes of assumptions	(14,181,792)	0
Transfers from other systems - employer	1,260,621	1,064,351
Transfers from other systems - member	1,087,475	1,570,678
Benefit payments, including refunds of member contributions	(73,520,817)	(70,761,781)
Net change in total pension liability	\$ 8,522,685	\$ 23,614,183
Total pension liability - beginning	947,065,606	923,451,423
Total pension liability - ending	\$ 955,588,291	\$ 947,065,606
<u>Plan fiduciary net position</u>		
Contributions - employer	\$ 71,406,631	\$ 69,337,962
Contributions - member	10,358,875	10,335,174
Transfers from other systems - employer	1,260,621	1,064,351
Transfers from other systems - member	1,087,475	1,570,678
Net investment income	25,936,695	22,299,705
Benefit payments, including refunds of member contributions	(73,520,817)	(70,761,781)
Administrative expense	(266,583)	(276,759)
Net change in plan fiduciary net position	\$ 36,262,897	\$ 33,569,330
Plan fiduciary net position - beginning	246,203,745	212,634,415
Plan fiduciary net position - ending	\$ 282,466,642	\$ 246,203,745
Net pension liability - ending	\$ 673,121,649	\$ 700,861,861
 Plan fiduciary net position as a percentage of the total pension liability	 29.56%	 26.00%
Covered payroll	\$ 85,427,536	\$ 79,782,076
Net pension liability as a percentage of covered payroll	787.94%	878.47%

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SECTION VI – REQUIRED SUPPLEMENTARY INFORMATION

Because an Actuarially Determined Contribution (ADC) is calculated, the following schedule is required. An ADC is a contribution amount determined in accordance with Actuarial Standards of Practice. Amounts shown for the ADC and actual contributions in the table below include the Non-Contributory Group Insurance Premium Fund costs.

Table VI-2 Schedule of Employer Contributions			
	FYE 2025		FYE 2024
Actuarially Determined Contribution	\$	71,406,395	\$ 69,337,827
Contributions in Relation to the Actuarially Determined Contribution		71,406,631	69,337,962
Contribution Deficiency/(Excess)	\$	(236)	\$ (135)
Covered Payroll	\$	85,427,536	\$ 79,782,076
Contributions as a Percentage of Covered Payroll		83.59%	86.91%

The following summarizes key methods and assumptions used to determine the Actuarially Determined Contribution for FYE 2025.

Valuation Date:	July 1, 2023
Timing:	Actuarial determined contributions are calculated as of the July 1 preceding the fiscal year in which contributions are made.
Actuarial cost method:	Projected Unit Credit
Amortization method:	Level dollar
Remaining amortization period:	26 years
Asset valuation method:	5-year smoothing of difference between market value and expected actuarial value
Investment rate of return:	7.00%
Salary increases:	Salaries are assumed to increase 2.0% per year through 2025 and 2.75% per year thereafter.
Mortality:	<i>Healthy Retirees (Healthy Annuitants):</i> The Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table [<i>PubT-2010(A) Healthy Retiree</i>] as published by the Society of Actuaries (SOA), unadjusted, and with future improvement from the base year of 2010 on a generational basis using SOA's Scale MP-2021. <i>Disabled Retirees (Disabled Annuitants):</i> The Pub-2010 Non-Safety Disabled Retiree mortality table [<i>PubNS-2010 Disabled Retiree</i>] as published by the SOA unadjusted, and with future improvement from the base year of 2010 on a generational basis using SOA's Scale MP-2021. <i>Pre-Retirement (Non-Annuitants):</i> The Pub-2010 Teachers Above-Median Income Employee mortality table [<i>PubT-2010(A) Employee</i>] as published by the SOA, unadjusted, and with future improvement from the base year of 2010 on a generational basis using SOA's Scale MP-2021.

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APPENDIX A – MEMBERSHIP INFORMATION

Plan Membership		
	July 1, 2024	July 1, 2023
Contributing Actives	415	396
Non-Contributing Actives	5	3
Terminated Vested	10	13
Inactive Receiving Benefits	<u>707</u>	<u>687</u>
Total	1,137	1,099
Annual Compensation for Contributing Actives	\$ 85,427,536	\$ 79,782,076
Annual Retirement Allowances for Those Receiving Benefits	\$ 70,783,241	\$ 67,991,147

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APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

A. Actuarial Assumptions

1. **Investment Rate of Return for determining Actuarially Determined Contributions** 7.00% per annum, compounded annually.
2. **Long-Term Expected Rate of Return** 7.00% per annum, compounded annually.
3. **Interest Crediting Rate on Accumulated Deductions** 7.00% per annum, compounded annually. Interest credits are assumed to end upon termination.
4. **GASB 67 Effective Discount Rate**
 - June 30, 2024: 7.00% per annum, compounded annually.
 - June 30, 2025: 7.00% per annum, compounded annually.
5. **Price Inflation** 2.75% per annum, compounded annually.
6. **Wage Inflation** 3.25% per annum, compounded annually.
7. **Cost-of-Living Adjustments (COLAs)** No future COLA is assumed. Previously granted COLAs are included in the data.
8. **Salary Increases**

Salaries are assumed to increase 2.0% per year through calendar year 2027 and 2.75% per year thereafter.

Salary increases are assumed to occur on January 1.
9. **401(a)(17) Pay Limit** \$345,000 in 2024 increasing 2.75% per annum, compounded annually.
10. **Termination** None assumed.
11. **Disability** Representative disability rates are as follows:

Age	Rates
30	0.022%
35	0.026
40	0.033
45	0.064
50	0.114
55	0.197
60	0.326
65	0.473

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APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

12. Mortality

Healthy Retiree Mortality (Healthy Annuitants): The Pub-2016 Teachers Above-Median Income Healthy Retiree mortality table [*PubT-2016(A) Healthy Retiree*] as published by the Society of Actuaries (SOA), unadjusted, and with future improvement from the base year of 2016 on a generational basis using SOA's Scale MP-2021.

Disabled Retiree Mortality (Disabled Annuitants): The Pub-2016 Non-Safety Disabled Retiree mortality table [*PubNS-2016 Disabled Retiree*] as published by the SOA, unadjusted, and with future improvement from the base year of 2016 on a generational basis using SOA's Scale MP-2021.

Pre-Retirement Mortality (Non-Annuitants): The Pub-2016 Teachers Above-Median Income Employee mortality table [*PubT-2016(A) Employee*] as published by the SOA, unadjusted, and with future improvement from the base year of 2016 on a generational basis using SOA's Scale MP-2021.

13. Retirement

Retirement rates are as follows:

Age	Less than 15 Years of Judicial Service	15-19 Years of Judicial Service	20 or more Years of Judicial Service
< 60	0.0%	0.0%	0.0%
60	2.0	2.0	20.0
61	2.0	2.0	20.0
62	2.0	2.0	20.0
63	2.0	2.0	20.0
64	2.0	2.0	20.0
65	5.0	40.0	30.0
66	2.0	40.0	20.0
67	2.0	40.0	20.0
68	2.0	40.0	20.0
69	2.0	40.0	20.0
70	100.0	100.0	100.0

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APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

14. Family Composition Assumptions

For members not currently in receipt, 90% of members are assumed married to spouses of the opposite sex. Males are assumed to be two years older than females.

For purposes of the optional form of payment death benefit for members currently in receipt, beneficiary status is based on the beneficiary allowance reported. If no beneficiary date of birth is provided, the beneficiary is assumed to be the member's spouse of the opposite sex with males assumed to be two years older than females.

For purposes of the statutory death benefit for members currently in receipt, 100% of participants are assumed married to spouses of the opposite sex, with the exception of those members who elected Optional Forms A, B, C or D and are currently in receipt of their maximum retirement allowance. The spouse is assumed to be the reported beneficiary. If no beneficiary date of birth is provided, males are assumed to be two years older than females.

No additional dependent children or parents are assumed.

Current dependents under age 21 are assumed to receive a benefit until age 21. Current dependents over age 21 are assumed to receive a benefit for the remainder of their lifetime.

15. Form of Payment

Current actives are assumed to elect the Maximum Option.

16. Data

Information provided by the prior actuary was relied upon for the purposes of valuing certain deferred vested members.

For current beneficiaries with missing data, reasonable assumptions were made based on the information available in prior years.

Inactives receiving benefits according to the 2023 data but omitted from the 2024 data are assumed to have died without a beneficiary.

17. Rationale for Assumptions

The demographic and economic assumptions used in this report, except for the investment return assumption, reflect the results of the July 1, 2021 – June 30, 2024 Experience Study, which was approved by the State House Commission on September 29, 2025. The investment return assumption was recommended by the State Treasurer. We find the investment return assumption to be reasonable based on the System's current asset allocation and the capital market outlook of the New Jersey Division of Investment.

The combined effect of the assumptions in aggregate is expected to have no significant bias.

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APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

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|---|---|
| 18. Projection Basis | <p>This report includes projections of future assets, benefit payments and contributions for the purpose of determining the GASB 67 discount rate.</p> <p>The projections are based on the census data as of July 1, 2024 and the financial information as of June 30, 2025. The projections assume continuation of the plan provisions and actuarial assumptions in effect as of July 1, 2025 and do not reflect the impact of any changes in benefits or actuarial assumptions that may be adopted after July 1, 2025 unless otherwise indicated. While the assumptions individually are reasonable for the underlying valuation that supports the projections, specifically for projection purposes, they are also considered reasonable in the aggregate.</p> |
| 19. Changes in Assumption since Last Valuation | <p>Mortality rates were updated based on the July 1, 2021 – June 30, 2024 Experience Study, which was approved by the State House Commission on September 29, 2025.</p> |

APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

B. Actuarial Methods

The actuarial methods used for determining State contributions are described below.

1. Actuarial Cost Method

The actuarial cost method for funding calculations is the Projected Unit Credit Cost Method.

The actuarial liability is calculated as the actuarial present value of the projected benefits linearly allocated to periods prior to the valuation year based on judicial service. Refunds are valued as the reported Accumulated Deductions as provided by the DPB. The unfunded actuarial liability is the actuarial liability on the valuation date less the actuarial value of assets.

In accordance with Chapter 78, P.L. 2011:

- Beginning with the July 1, 2010 actuarial valuation, the accrued liability contribution shall be computed so that if the contribution is paid annually in level dollars, it will amortize the unfunded accrued liability over an open 30-year period.
- Beginning with the July 1, 2019 actuarial valuation, the accrued liability contribution shall be computed so that if the contribution is paid annually in level dollars, it will amortize the unfunded accrued liability over a closed 30-year period (i.e., for each subsequent actuarial valuation the amortization period shall decrease by one year).
- Beginning with the July 1, 2029 actuarial valuation, when the remaining amortization period reaches 20 years, any increase or decrease in the unfunded accrued liability as a result of actuarial losses or gains for subsequent valuation years shall serve to increase or decrease, respectively, the amortization period for the unfunded accrued liability, unless an increase in the amortization period will cause it to exceed 20 years. If an increase in the amortization period as a result of actuarial losses for a valuation year would exceed 20 years, the accrued liability contribution shall be computed for the valuation year using a 20-year amortization period.

To the extent that the amortization period remains an open period in future years and depending upon the specific circumstances, it should be noted that in the absence of emerging actuarial gains or contributions made in excess of the actuarially determined contribution, any existing unfunded accrued liability may not be fully amortized in the future.

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2. Asset Valuation Method

For the purposes of determining contribution rates, an actuarial value of assets is used that dampens the volatility in the market value of assets, resulting in a smoother pattern of contributions.

The actuarial value of assets is adjusted to reflect actual contributions, benefit payments and administrative expenses, and an assumed return on the previous year's assets and the current year's cash flow at the prior year's actuarial valuation interest rate, with a further adjustment to reflect 20% of the difference between the resulting value and the actual market value of Plan assets.

3. State Contribution Payable Dates

Chapter 83, P.L. 2016 requires the State to make the required pension contributions on a quarterly basis in each fiscal year according to the following schedule: at least 25 percent by September 30, at least 50 percent by December 31, at least 75 percent by March 31, and at least 100 percent by June 30. As such, contributions are assumed to be made on a quarterly basis with the first contribution 15 months after the associated valuation date.

4. Valuation Software

Cheiron utilizes ProVal, an actuarial valuation software leased from Winklevoss Technologies (WinTech) to calculate liabilities, normal costs, and project benefit payments. We have relied on WinTech as the developer of ProVal. We have reviewed ProVal and have used ProVal in accordance with its original intended purpose. We have not identified any material inconsistencies in Proval assumptions or output that would affect this actuarial valuation.

5. Changes in Methods since Last Valuation

None.

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APPENDIX C – SUMMARY OF PLAN PROVISIONS

This summary of Plan provisions provides an overview of the major provisions of the JRS used in the actuarial valuation. It is not intended to replace the more precise language of the NJ State Statutes, Title 43, Chapter 6A, and if there is any difference between the description of the plan herein and the actual language in the NJ State Statutes, the NJ State Statutes will govern.

1. Eligibility for Membership

Chief Justice and Associate Justices of the State Supreme Court, and judges of the Appellate Court, Superior Court and Tax Court of the State of New Jersey.

2. Plan Year

The 12-month period beginning on July 1 and ending on June 30.

3. Service Credit

A year is credited for each year of service as a public employee in the State of New Jersey. Any service, for which the member did not receive annual salary of at least \$500, shall be excluded. Judicial service credit is based on biweekly pay periods for which member contributions are made to JRS.

4. Final Salary

Annual salary received by the member at the time of retirement or other termination of service. (Effective June 30, 1996, Chapter 113, P.L. 1997 provided that the amount of compensation used for employer and member contributions and benefits under the program cannot exceed the compensation limitation of Section 401(a)(17) of the Internal Revenue Code.)

5. Accumulated Deductions

The sum of all amounts deducted from the compensation of a member or contributed by him or on his behalf.

6. Interest Credits on Accumulated Deductions

Members receive interest credits while contributing and for the first two years of inactivity. Prior to July 1, 2018, members received interest credits for the entire period of inactivity until retirement or death.

7. Employee Contributions

Any member enrolled prior to January 1, 1996 contributes 3% of the difference between current salary and salary for the position on January 18, 1982. Members enrolled on or after January 1, 1996 contribute 3% of their full salary.

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APPENDIX C – SUMMARY OF PLAN PROVISIONS

Chapter 78, P.L. 2011 increases Member Contributions by 9% of salary phased in over a period of seven years beginning October 2011. (The additional 9% of salary was fully recognized in July 2017.)

a) For Members enrolled prior to January 1, 1996:

- (1) Member contributes 9% (phased in over a period of seven years beginning October 2011) of the salary for that position on January 18, 1982.
- (2) Member contributes 12% (9% of that phased in over a period of seven years beginning October 2011) of the difference between current salary and salary for that position on January 18, 1982.

b) For members enrolled on or after January 1, 1996, Member contributes 12% (9% of that phased in over a period of seven years beginning October 2011) of full salary.

8. Retirement Allowance

Benefit comprised of a member annuity plus an employer pension.

Chapter 56, P.L. 2024 amended the retirement provisions so that a retired member of JRS can be appointed as a county prosecutor but cannot be enrolled in any other State-administered retirement system based on that service. The retired JRS member can continue to receive the JRS retirement allowance while receiving the full salary as a county prosecutor.

9. Benefits

a) Service Retirements

Mandatory retirement at age 70. Voluntary retirement prior to that age.

Chapter 105, P.L. 2021 removed the mandatory retirement at age 70 for a member who has been appointed by the Governor, with the advice and consent of the Senate, to the position of county prosecutor.

- (1) Age 70 and 10 years of judicial service; or

Age 65 and 15 years of judicial service; or

Age 60 and 20 years of judicial service.

Benefit is an annual retirement allowance equal to 75% of final salary.

- (2) Age 65 while serving as a judge, 5 consecutive years of judicial service and 15 years in the aggregate of public service; or

Age 60 while serving as a judge, 5 consecutive years of judicial service and 20 years in the aggregate of public service.

Benefit is an annual retirement allowance equal to 50% of final salary.

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APPENDIX C – SUMMARY OF PLAN PROVISIONS

- (3) Age 60 while serving as a judge, 5 consecutive years of judicial service and 15 years in the aggregate of public service.

Benefit is an annual retirement allowance equal to 2% of final salary for each year of public service up to 25 years plus 1% of final salary for each year of public service in excess of 25 years.

- (4) Age 60 while serving as a judge.

Benefit is an annual retirement allowance equal to 2% of final salary for each year of judicial service up to 25 years plus 1% for each year of public service in excess of 25 years.

b) **Early Retirement**

Prior to age 60 while serving as a judge, 5 consecutive years of judicial service and 25 or more years in the aggregate of public service.

Benefit is an annual retirement allowance equal to 2% of final salary for each year of public service up to 25 years plus 1% of final salary for each year of public service in excess of 25 years, actuarially reduced for commencement prior to age 60.

c) **Deferred Retirement**

Termination of service prior to age 60, with 5 consecutive years of judicial service and 10 years in the aggregate of public service.

Benefit is a refund of accumulated deductions, or a deferred life annuity beginning at age 60 equal to 2% of final salary for each year of public service up to 25 years, plus 1% of final salary for each year of public service in excess of 25 years.

Chapter 329, P.L. 2021 amended the retirement provisions to permit a Judge serving as Administrative Director of the Courts to apply for deferred retirement and be appointed as Administrative Director of the Courts, if the member is at least 65 years old and has service for 20 years as a judge in any court in New Jersey.

d) **Non-Vested Termination**

Termination of service prior to age 60, with less than 5 years of judicial service or less than 10 years in the aggregate of public service.

Benefit is a refund of accumulated deductions.

e) **Disability Retirement**

Physically or otherwise incapacitated for the full and efficient service to State in his judicial capacity and such incapacity is likely to be permanent.

Benefit is an annual retirement allowance of 75% of final salary.

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APPENDIX C – SUMMARY OF PLAN PROVISIONS

f) Death Benefits

(1) Before Retirement: Death of an active member of the plan. Benefit is equal to:

- a) Lump sum payment equal to 150% of final salary, also known as the non-contributory group life insurance benefit, plus
- b) Spousal life annuity of 25% of final salary payable until spouse's remarriage plus 10% (15%) to one (two or more) dependent child(ren). If there is no surviving spouse, or upon death or remarriage, a total of 15% (20%, 30%) of final salary payable to one (two, three or more) dependent child(ren). If there is no surviving spouse or dependent child(ren), 20% (30%) of final salary to one (two) dependent parent(s). If there is no surviving spouse, dependent child(ren) or parent(s), the benefit is a refund of accumulated deductions with credited interest. This is also known as the statutory death benefit.

(2) After Retirement: Death of a retired member of the plan. The benefit is equal to:

- a) Lump sum of 25% of final salary for a member retired under service or early retirement. For a member receiving a disability benefit, a lump sum of 150% of final salary if death occurred before the member attained age 60 and 25% of final salary if death occurred after age 60. This is also known as the non-contributory group life insurance benefit, plus
- b) Spousal life annuity of 25% of final salary adjusted for any previously granted Cost-of-Living Adjustments, or the salary of an active judge in the member's final position at retirement, if larger, payable until spouse's remarriage plus 10% (15%) to one (two or more) dependent child(ren). If there is no surviving spouse, or upon death or remarriage, a total of 15% (20%, 30%) of final salary payable to one (two, three or more) dependent child(ren). This is also known as the statutory death benefit.

10. Forms of Payment

In addition to the postretirement death benefits listed above, the member may elect the following forms of payment.

- a) Maximum Option: Single life annuity with a return of the balance of the member accumulated deductions with credited interest.
- b) Option 1: Single life annuity with a return of the balance of the initial reserve.
- c) Option 2: 100% joint and survivor annuity.
- d) Option 3: 50% joint and survivor annuity.
- e) Option 4: Other percentage joint and survivor annuity.
- f) Option A: 100% pop-up joint and survivor annuity.
- g) Option B: 75% pop-up joint and survivor annuity.
- h) Option C: 50% pop-up joint and survivor annuity.
- i) Option D: 25% pop-up joint and survivor annuity.

JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
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APPENDIX C – SUMMARY OF PLAN PROVISIONS

11. Changes in Plan Provisions since Last Valuation

Chapter 56, P.L. 2024 amended the retirement provisions so that a retired member of JRS can be appointed as a county prosecutor but cannot be enrolled in any other State-administered retirement system based on that service. The retired JRS member can continue to receive the JRS retirement allowance while receiving the full salary as a county prosecutor.

JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
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APPENDIX D – DETERMINATION OF DISCOUNT RATE

Table 1 - Projection of the Pension Plan's Fiduciary Net Position
(In Thousands)
Projections Commence June 30, 2025

Year	Projected Beginning Fiduciary Net Position	Projected Member Contributions	Projected Employer Contributions	Projected Benefit Payments	Projected Administrative Expenses	Projected Investment Earnings	Projected Ending Fiduciary Net Position (g) = (a) + (b) + (c) - (d) - (e) + (f)
	(a)	(b)	(c)	(d)	(e)	(f)	
1	\$ 282,467	\$ 9,641	\$ 72,285	\$ 75,074	\$ 273	\$ 19,391	\$ 308,436
2	308,436	9,092	70,431	77,092	280	21,072	331,660
3	331,660	8,655	70,158	78,967	287	22,611	353,830
4	353,830	8,240	69,545	80,729	293	24,072	374,665
5	374,665	7,891	69,050	81,834	297	25,468	394,943
6	394,943	7,420	69,104	83,614	304	26,812	414,361
7	414,361	6,940	68,520	85,148	309	28,087	432,451
8	432,451	6,266	67,807	87,584	318	29,227	447,849
9	447,849	5,666	66,216	89,680	326	30,171	459,896
10	459,896	5,051	64,631	91,678	333	30,883	468,451
11	468,451	4,466	62,983	93,278	339	31,364	473,647
12	473,647	3,948	61,478	94,306	343	31,636	476,061
13	476,061	3,382	60,278	95,462	347	31,714	475,625
14	475,625	2,915	58,872	95,817	348	31,619	472,866
15	472,866	2,348	57,819	96,645	351	31,350	467,388
16	467,388	1,854	56,436	96,835	352	30,908	459,398
17	459,398	1,522	55,242	95,823	348	30,341	450,332
18	450,332	1,208	54,511	94,578	344	29,720	440,849
19	440,849	895	53,829	93,226	339	29,074	431,082
20	431,082	664	53,129	91,230	331	28,433	421,747
21	421,747	474	52,629	88,897	323	27,841	413,472
22	413,472	331	52,258	86,192	313	27,340	406,896
23	406,896	235	51,985	83,120	302	26,976	402,670
24	402,670	131	51,806	80,058	290	26,777	401,037
25	401,037	84	51,618	76,604	278	26,776	402,633
26	402,633	31	51,537	73,168	265	27,002	407,770
27	407,770	21	51,447	69,446	251	27,488	417,028
28	417,028	10	35,319	65,752	238	27,845	414,212
29	414,212	0	2,909	62,072	224	26,936	381,761
30	381,761	0	1,434	58,363	211	24,754	349,377
31	349,377	0	1,336	54,703	197	22,611	318,424
32	318,424	0	1,296	51,100	184	20,568	289,003
33	289,003	0	1,255	47,563	171	18,629	261,153
34	261,153	0	1,211	44,103	159	16,798	234,901
35	234,901	0	1,165	40,730	146	15,075	210,265
36	210,265	0	1,115	37,453	134	13,462	187,255
37	187,255	0	1,062	34,283	123	11,959	165,871
38	165,871	0	1,007	31,229	112	10,566	146,103
39	146,103	0	949	28,301	101	9,281	127,932
40	127,932	0	890	25,508	91	8,104	111,327
41	111,327	0	829	22,857	81	7,031	96,248
42	96,248	0	767	20,356	72	6,060	82,647
43	82,647	0	705	18,011	64	5,187	70,463
44	70,463	0	643	15,827	56	4,407	59,631
45	59,631	0	583	13,806	49	3,717	50,076
46	50,076	0	524	11,950	42	3,110	41,718
47	41,718	0	467	10,258	36	2,582	34,472
48	34,472	0	413	8,731	31	2,125	28,249
49	28,249	0	362	7,363	26	1,735	22,957
50	22,957	0	314	6,151	22	1,405	18,503

JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
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APPENDIX D – DETERMINATION OF DISCOUNT RATE

Table 1 - Projection of the Pension Plan's Fiduciary Net Position
(In Thousands)
Projections Commence June 30, 2025

Year	Projected Beginning Fiduciary Net Position (a)	Projected Member Contributions (b)	Projected Employer Contributions (c)	Projected Benefit Payments (d)	Projected Administrative Expenses (e)	Projected Investment Earnings (f)	Projected Ending Fiduciary Net Position (g) = (a) + (b) + (c) - (d) - (e) + (f)
51	\$ 18,503	\$ 0	\$ 269	\$ 5,089	\$ 18	\$ 1,129	\$ 14,794
52	14,794	0	226	4,168	15	899	11,736
53	11,736	0	256	3,380	12	713	9,313
54	9,313	0	270	2,714	9	566	7,427
55	7,427	0	259	2,158	8	453	5,973
56	5,973	0	236	1,700	6	366	4,869
57	4,869	0	216	1,329	5	301	4,052
58	4,052	0	199	1,032	4	254	3,470
59	3,470	0	186	796	3	221	3,077
60	3,077	0	175	612	2	199	2,837
61	2,837	0	167	469	2	187	2,720
62	2,720	0	14	360	1	178	2,551
63	2,551	0	9	276	1	169	2,453
64	2,453	0	6	212	1	165	2,412
65	2,412	0	4	163	1	163	2,415
66	2,415	0	2	125	0	165	2,457
67	2,457	0	1	97	0	169	2,530
68	2,530	0	1	74	0	175	2,630
69	2,630	0	0	57	0	182	2,756
70	2,756	0	0	44	0	191	2,904
71	2,904	0	0	33	0	202	3,073
72	3,073	0	0	25	0	214	3,262
73	3,262	0	0	18	0	228	3,472
74	3,472	0	0	13	0	243	3,701
75	3,701	0	0	10	0	259	3,950
76	3,950	0	0	7	0	276	4,219
77	4,219	0	0	5	0	295	4,510
78	4,510	0	0	3	0	316	4,822
79	4,822	0	0	2	0	337	5,157
80	5,157	0	0	1	0	361	5,517
81	5,517	0	0	1	0	386	5,902
82	5,902	0	0	1	0	413	6,315
83	6,315	0	0	0	0	442	6,756
84	6,756	0	0	0	0	473	7,229
85	7,229	0	0	0	0	506	7,735
86	7,735	0	0	0	0	541	8,276
87	8,276	0	0	0	0	579	8,856
88	8,856	0	0	0	0	620	9,476
89	9,476	0	0	0	0	663	10,139
90	10,139	0	0	0	0	710	10,849
91	10,849	0	0	0	0	759	11,608
92	11,608	0	0	0	0	813	12,420
93	12,420	0	0	0	0	869	13,290
94	13,290	0	0	0	0	930	14,220
95	14,220	0	0	0	0	995	15,216

**JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
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APPENDIX D – DETERMINATION OF DISCOUNT RATE

Table 2 – Actuarial Present Values of Projected Benefit Payments
(In Thousands)

Projections Commence June 30, 2025

* From Table 1 - Projection of the Pension Plan's Fiduciary Net Position, column (a)

** From Table 1 - Projection of the Pension Plan's Fiduciary Net Position, column (d)

Year	Projected Beginning Fiduciary Net Position*	Projected Benefit Payments for current Plan participants**	"Funded" Portion of Benefit Payments (d) = (c) if (b) >= (c)	"Unfunded" Portion of Benefit Payments (e) = (c) - (d)	Present Value of "Funded" Benefit Payments (f) = (d) / (1+7.00%)^[(a) - .5]	Present Value of "Unfunded" Benefit Payments (g) = (e) / (1+5.20%)^[(a) - .5]	Present Value of Benefit Payments Using the Single Discount Rate (h) = (c) / (1+7.00%)^[(a) - .5]
(a)	(b)	(c)	(d) = (c) if (b) >= (c)	(e) = (c) - (d)	(f) = (d) / (1+7.00%)^[(a) - .5]	(g) = (e) / (1+5.20%)^[(a) - .5]	(h) = (c) / (1+7.00%)^[(a) - .5]
1	\$ 282,467	\$ 75,074	\$ 75,074	\$ 0	\$ 72,577	\$ 0	\$ 72,577
2	308,436	77,092	77,092	0	69,652	0	69,652
3	331,660	78,967	78,967	0	66,678	0	66,678
4	353,830	80,729	80,729	0	63,707	0	63,707
5	374,665	81,834	81,834	0	60,354	0	60,354
6	394,943	83,614	83,614	0	57,632	0	57,632
7	414,361	85,148	85,148	0	54,850	0	54,850
8	432,451	87,584	87,584	0	52,729	0	52,729
9	447,849	89,680	89,680	0	50,458	0	50,458
10	459,896	91,678	91,678	0	48,208	0	48,208
11	468,451	93,278	93,278	0	45,840	0	45,840
12	473,647	94,306	94,306	0	43,314	0	43,314
13	476,061	95,462	95,462	0	40,977	0	40,977
14	475,625	95,817	95,817	0	38,438	0	38,438
15	472,866	96,645	96,645	0	36,234	0	36,234
16	467,388	96,835	96,835	0	33,930	0	33,930
17	459,398	95,823	95,823	0	31,379	0	31,379
18	450,332	94,578	94,578	0	28,945	0	28,945
19	440,849	93,226	93,226	0	26,665	0	26,665
20	431,082	91,230	91,230	0	24,387	0	24,387
21	421,747	88,897	88,897	0	22,209	0	22,209
22	413,472	86,192	86,192	0	20,124	0	20,124
23	406,896	83,120	83,120	0	18,137	0	18,137
24	402,670	80,058	80,058	0	16,326	0	16,326
25	401,037	76,604	76,604	0	14,600	0	14,600
26	402,633	73,168	73,168	0	13,033	0	13,033
27	407,770	69,446	69,446	0	11,561	0	11,561
28	417,028	65,752	65,752	0	10,230	0	10,230
29	414,212	62,072	62,072	0	9,025	0	9,025
30	381,761	58,363	58,363	0	7,931	0	7,931
31	349,377	54,703	54,703	0	6,947	0	6,947
32	318,424	51,100	51,100	0	6,065	0	6,065
33	289,003	47,563	47,563	0	5,276	0	5,276
34	261,153	44,103	44,103	0	4,572	0	4,572
35	234,901	40,730	40,730	0	3,946	0	3,946
36	210,265	37,453	37,453	0	3,391	0	3,391
37	187,255	34,283	34,283	0	2,901	0	2,901
38	165,871	31,229	31,229	0	2,470	0	2,470
39	146,103	28,301	28,301	0	2,092	0	2,092
40	127,932	25,508	25,508	0	1,762	0	1,762
41	111,327	22,857	22,857	0	1,476	0	1,476
42	96,248	20,356	20,356	0	1,228	0	1,228
43	82,647	18,011	18,011	0	1,016	0	1,016
44	70,463	15,827	15,827	0	834	0	834
45	59,631	13,806	13,806	0	680	0	680
46	50,076	11,950	11,950	0	550	0	550
47	41,718	10,258	10,258	0	441	0	441
48	34,472	8,731	8,731	0	351	0	351
49	28,249	7,363	7,363	0	277	0	277
50	22,957	6,151	6,151	0	216	0	216

**JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
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APPENDIX D – DETERMINATION OF DISCOUNT RATE

Table 2 - Actuarial Present Values of Projected Benefit Payments
(In Thousands)

Projections Commence June 30, 2025

* From Table 1 - Projection of the Pension Plan's Fiduciary Net Position, column (a)

** From Table 1 - Projection of the Pension Plan's Fiduciary Net Position, column (d)

Year	Projected Beginning Fiduciary Net Position*	Projected Benefit Payments for current Plan participants**	"Funded" Portion of Benefit Payments (d) = (c) if (b) >= (c)	"Unfunded" Portion of Benefit Payments (e) = (c) - (d)	Present Value of "Funded" Benefit Payments (f) = (d) / (1+7.00%)^[(a) - .5]	Present Value of "Unfunded" Benefit Payments (g) = (e) / (1+5.20%)^[(a) - .5]	Present Value of Benefit Payments Using the Single Discount Rate (h) = (c) / (1+7.00%)^[(a) - .5]
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
51	\$ 18,503	\$ 5,089	\$ 5,089	\$ 0	\$ 167	\$ 0	\$ 167
52	14,794	4,168	4,168	0	128	0	128
53	11,736	3,380	3,380	0	97	0	97
54	9,313	2,714	2,714	0	73	0	73
55	7,427	2,158	2,158	0	54	0	54
56	5,973	1,700	1,700	0	40	0	40
57	4,869	1,329	1,329	0	29	0	29
58	4,052	1,032	1,032	0	21	0	21
59	3,470	796	796	0	15	0	15
60	3,077	612	612	0	11	0	11
61	2,837	469	469	0	8	0	8
62	2,720	360	360	0	6	0	6
63	2,551	276	276	0	4	0	4
64	2,453	212	212	0	3	0	3
65	2,412	163	163	0	2	0	2
66	2,415	125	125	0	1	0	1
67	2,457	97	97	0	1	0	1
68	2,530	74	74	0	1	0	1
69	2,630	57	57	0	1	0	1
70	2,756	44	44	0	0	0	0
71	2,904	33	33	0	0	0	0
72	3,073	25	25	0	0	0	0
73	3,262	18	18	0	0	0	0
74	3,472	13	13	0	0	0	0
75	3,701	10	10	0	0	0	0
76	3,950	7	7	0	0	0	0
77	4,219	5	5	0	0	0	0
78	4,510	3	3	0	0	0	0
79	4,822	2	2	0	0	0	0
80	5,157	1	1	0	0	0	0
81	5,517	1	1	0	0	0	0
82	5,902	1	1	0	0	0	0
83	6,315	0	0	0	0	0	0
84	6,756	0	0	0	0	0	0
85	7,229	0	0	0	0	0	0
86	7,735	0	0	0	0	0	0
87	8,276	0	0	0	0	0	0
88	8,856	0	0	0	0	0	0
89	9,476	0	0	0	0	0	0
90	10,139	0	0	0	0	0	0
91	10,849	0	0	0	0	0	0
92	11,608	0	0	0	0	0	0
93	12,420	0	0	0	0	0	0
94	13,290	0	0	0	0	0	0
95	14,220	0	0	0	0	0	0
					\$ 1,137,282	\$ 0	\$ 1,137,282

**JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
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APPENDIX E – GLOSSARY OF TERMS

1. Actuarially Determined Contribution

A target or recommended contribution for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.

2. Actuarial Valuation Date

The date as of which an actuarial valuation is performed. This date may be up to 24 months prior to the measurement date and up to 30 months prior to the employer's reporting date.

3. Entry Age Actuarial Cost Method

The actuarial cost method required for GASB 67 calculations. Under this method, the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit ages. The portion of this actuarial present value allocated to a valuation year is called the Service Cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future service costs is called the Total Pension Liability.

4. Measurement Date

The date as of which the Total Pension Liability and Plan Fiduciary Net Position are measured. The Total Pension Liability may be projected from the Actuarial Valuation Date to the Measurement Date. The Measurement Date must be the same as the Reporting Date for the plan.

5. Net Pension Liability

The liability of employers and nonemployer contributing entities for employees for benefits provided through a defined benefit pension plan. It is calculated as the Total Pension Liability less the Plan Fiduciary Net Position.

6. Plan Fiduciary Net Position

The fair or market value of assets.

7. Reporting Date

The last day of the plan or employer's fiscal year.

**JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
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APPENDIX E – GLOSSARY OF TERMS

8. Service Cost

The portion of the actuarial present value of projected benefit payments that is attributed to the current period of employee service in conformity with the requirements of GASB 67. The Service Cost is the normal cost calculated under the entry age actuarial cost method.

9. Total Pension Liability

The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service in conformity with the requirements of GASB 67. The Total Pension Liability is the actuarial liability calculated under the entry age actuarial cost method. This measurement generally is not appropriate for estimating the cost to settle the Plan's liabilities.

Judicial Retirement System of New Jersey

**GASB 68 Report
as of June 30, 2025**

Produced by Cheiron

March 2026

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**JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
GASB 68 REPORTING FOR JUNE 30, 2025 MEASUREMENT DATE**

SECTION I – BOARD SUMMARY

The purpose of this report is to provide accounting and financial disclosure information under Governmental Accounting Standards Board Statement 68 for the Judicial Retirement System of New Jersey (JRS, Plan or System). This information includes:

- Disclosure of Deferred Inflows and Outflows, and
- Calculation of the Annual Pension Expense.

Highlights

The reporting date for JRS is June 30, 2025. Measurements as of the reporting date are based on the fair value of assets as of June 30, 2025 and the Total Pension Liability (TPL) as of the valuation date, July 1, 2024, updated to June 30, 2025. As a result of the Experience Study covering the period July 1, 2021 – June 30, 2024, the mortality assumption was updated. We are not aware of any other significant events between the valuation date and the measurement date that are measurable at this time, so the update procedures only included the addition of service cost and interest cost offset by actual benefit payments, and an adjustment to reflect the change in the mortality assumption. Additional information about the TPL can be found in the GASB 67 report.

The following table provides a summary of the key results during this reporting period.

Table I-1 Summary of Results		
Measurement Date	6/30/2025	6/30/2024
Net Pension Liability	\$ 673,121,649	\$ 700,861,861
Deferred Outflows	(283,924)	(981,169)
Deferred Inflows	17,180,080	270,562
Net Impact on Statement of Net Position	\$ 690,017,805	\$ 700,151,254
Pension Expense	\$ 61,273,182	\$ 51,716,238
Pension Expense (% of Payroll)	71.73%	64.82%

JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
GASB 68 REPORTING FOR JUNE 30, 2025 MEASUREMENT DATE

SECTION II – CERTIFICATION

The purpose of this report is to provide accounting and financial reporting information under GASB 68 for the Judicial Retirement System of New Jersey (JRS). This report is for the use of JRS, the Division of Pensions and Benefits (DPB) and their auditors in preparing financial reports in accordance with applicable law and accounting requirements. This report is not appropriate for other purposes, including the measurement of funding requirements for JRS and estimating the price to settle JRS's obligations.

In preparing our report, we relied on information (some oral and some written) supplied by the DPB. This information includes, but is not limited to, the plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23, *Data Quality*.

Future actuarial measurements may differ significantly from the current measurements due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; and changes in plan provisions or applicable law.

For purposes of this report, the calculation of the Total Pension Liability and the projection of the Plan's contributions and benefit payments as of June 30, 2025 were based on the recommended demographic assumptions of the July 1, 2021 – June 30, 2024 Experience Study, which was approved by the State House Commission on September 29, 2025.

This report was prepared using census data as of the July 1, 2024 valuation date and financial information as of the June 30, 2025 measurement date.

Chapter 56, P.L. 2024 amended the retirement provisions so that a retired member of JRS can be appointed as a county prosecutor but cannot be enrolled in any other State-administered retirement system based on that service. This legislation did not impact the Total Pension Liability for this report. The impact of Chapter 56, P.L. 2024 will be recognized in subsequent years as experience emerges.

Based on the State Treasurer's recommendation, the investment return assumption used to determine the actuarially determined contributions is 7.00% per annum.

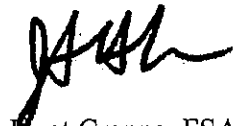
In accordance with Paragraph 40 of GASB Statement No. 67, the projection of the Plan's fiduciary net position is based on a long-term expected rate of return of 7.00% per annum. The discount rate used to measure the Total Pension Liability is 7.00% as of June 30, 2025 and is described in Section III of the report.

JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
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SECTION II – CERTIFICATION

This report and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices and our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board as well as applicable laws and regulations. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this report. This report does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

This report was prepared for JRS for the purposes described herein and for the use by the plan auditors in completing an audit related to the matters herein. Other users of this report are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to such other users.



Janet Cranna, FSA, FCA, MAAA, EA
Principal Consulting Actuary



Jake Libauskas, FSA, FCA, MAAA, EA
Principal Consulting Actuary

**JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
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SECTION III – DETERMINATION OF DISCOUNT RATE

The discount rate used to measure the Total Pension Liability was 7.00% as of June 30, 2024 and June 30, 2025. As discussed with the Division of Pensions and Benefits, the projection of cash flows used to determine the discount rate as of June 30, 2025 assumed:

- In accordance with Paragraph 40 of GASB Statement No. 67, the projection of the Plan's fiduciary net position is based on a long-term expected rate of return of 7.00% per annum.
- In accordance with Paragraph 41 of GASB Statement No. 67, the projection of the Plan's contributions and benefit payments are based on the same assumptions used to determine the expected contributions for the System. The demographic assumptions are based on the recommendations of the July 1, 2021 – June 30, 2024 Experience Study, which was approved by the State House Commission on September 29, 2025.

Based on the State Treasurer's recommendation, the investment return assumption used to determine the actuarially determined contributions is 7.00% per annum.

- It is assumed that the State will contribute 100% of the actuarially determined contribution and Non-Contributory Group Insurance Premium Fund (NCGIPF) contribution. The 100% contribution rate is the total State contribution rate expected to be paid in fiscal year ending June 30, 2026 with respect to the actuarially determined contribution for the fiscal year ending June 30, 2026 for all State-administered retirement systems.
- Consistent with Chapter 83, P.L. 2016, it is assumed that the State will make pension contributions in equal amounts at the end of each quarter.
- The NCGIPF contributions are assumed to be paid monthly.
- Annual administrative expenses are assumed to be 0.37% of expected pension benefit payments.

In the event the Plan's fiduciary net position was no longer sufficient to make future benefit payments, municipal bond rates of 3.93% as of June 30, 2024 and 5.20% as of June 30, 2025 would be used to develop the blended GASB discount rate. As selected by the State Treasurer, the rates are based on the Bond Buyer GO 20-Bond Municipal Bond Index.

As of June 30, 2025, based on the assumptions above, the pension Plan's fiduciary net position is expected to be sufficient to make all projected future benefit payments for current Plan members; therefore, the GASB discount rate as of June 30, 2025 is equal to the long-term rate of return of 7.00%. Similarly, the GASB discount rate as of June 30, 2024 was equal to the long-term rate of return of 7.00%. The assumed discount rates have been determined in accordance with the method prescribed by GASB Statement No. 67. See Appendix D for the determination of the discount rate.

**JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
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SECTION IV – EMPLOYER REPORTING AMOUNTS

Consistent with previous reporting, the schedules in this section will be used by the State for its 2026 reporting.

The impact of experience gains or losses and assumption changes on the TPL are recognized in expense over the average expected remaining service life of all active and inactive members of the System. As of the beginning of the measurement period, this recognition period was 3.31 years.

The following tables summarize the current balances of deferred outflows and deferred inflows of resources along with the net recognition over the next five years.

Table IV-1		
Schedule of Deferred Inflows and Outflows of Resources		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 283,924	\$ 749,054
Changes in assumptions	0	9,897,263
Net differences between projected and actual earnings on pension plan investments	0	6,533,763
Total	\$ 283,924	\$ 17,180,080
Amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:		
Measurement year ended June 30:		
2026	\$ (1,560,016)	
2027	(8,806,605)	
2028	(4,740,132)	
2029	(1,789,403)	
2030	0	
Thereafter	\$ 0	

JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
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SECTION IV – EMPLOYER REPORTING AMOUNTS

Table IV-2
Detailed Schedule of Deferred Inflows and Outflows of Resources

Recognition of liability experience gains and losses									
From Measurement Year Ending	Remaining Recognition Period	Beginning of Year Deferred (Inflows) and Outflows	End of Year Deferred (Inflows) and Outflows	2025	2026	2027	2028	2029	Thereafter
2025	3.31	\$ (1,073,320)	\$ (749,054)	\$ (324,266)	\$ (324,266)	\$ (324,266)	\$ (100,522)	\$ 0	\$ 0
2024	2.19	478,464	259,987	218,477	218,477	41,510	0	0	0
2023	1.05	502,705	23,937	478,768	23,937	0	0	0	0
Total		\$ (92,151)	\$ (465,130)	\$ 372,979	\$ (81,852)	\$ (282,756)	\$ (100,522)	\$ 0	\$ 0
Recognition of assumption changes									
From Measurement Year Ending	Remaining Recognition Period	Beginning of Year Deferred (Inflows) and Outflows	End of Year Deferred (Inflows) and Outflows	2025	2026	2027	2028	2029	Thereafter
2025	3.31	\$ (14,181,792)	\$ (9,897,263)	\$ (4,284,529)	\$ (4,284,529)	\$ (4,284,529)	\$ (1,328,205)	\$ 0	\$ 0
2024	2.19	0	0	0	0	0	0	0	0
2023	1.05	0	0	0	0	0	0	0	0
Total		\$ (14,181,792)	\$ (9,897,263)	\$ (4,284,529)	\$ (4,284,529)	\$ (4,284,529)	\$ (1,328,205)	\$ 0	\$ 0
Recognition of investment gains and losses									
From Measurement Year Ending	Remaining Recognition Period	Beginning of Year Deferred (Inflows) and Outflows	End of Year Deferred (Inflows) and Outflows	2025	2026	2027	2028	2029	Thereafter
2025	5.00	\$ (8,947,007)	\$ (7,157,606)	\$ (1,789,401)	\$ (1,789,401)	\$ (1,789,401)	\$ (1,789,401)	\$ (1,789,403)	\$ 0
2024	4.00	(6,088,022)	(4,566,016)	(1,522,006)	(1,522,006)	(1,522,006)	(1,522,004)	0	0
2023	3.00	(2,783,735)	(1,855,824)	(927,911)	(927,911)	(927,913)	0	0	0
2022	2.00	14,091,364	7,045,683	7,045,681	7,045,683	0	0	0	0
2021	1.00	(5,490,169)	0	(5,490,169)	0	0	0	0	0
Total		\$ (9,217,569)	\$ (6,533,763)	\$ (2,683,806)	\$ 2,806,365	\$ (4,239,320)	\$ (3,311,405)	\$ (1,789,403)	\$ 0
Grand Total		\$ (23,491,512)	\$ (16,896,156)	\$ (6,595,356)	\$ (1,560,016)	\$ (8,806,605)	\$ (4,740,132)	\$ (1,789,403)	\$ 0

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JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
GASB 68 REPORTING FOR JUNE 30, 2025 MEASUREMENT DATE

SECTION IV – EMPLOYER REPORTING AMOUNTS

The annual pension expense recognized by the State can be calculated two different ways. First, it is the change in the amounts reported on the Statement of Net Position that relate to JRS and are not attributable to employer contributions. That is, it is the change in NPL plus the changes in deferred outflows and inflows plus employer contributions.

Alternatively, annual pension expense can be calculated by its individual components. While GASB does not require or suggest the organization of the individual components shown in the following table, we believe it helps to understand the level and volatility of pension expense.

First, there are components referred to as operating expenses. These are items directly attributable to the operation of the plan during the measurement year. Service cost less employee contributions represents the increase in employer-provided benefits attributable to the year, and administrative expenses are the cost of operating JRS for the year.

Second, there are the financing expenses: the interest on the Total Pension Liability less the expected return on assets.

The final category is changes. This category will drive most of the volatility in pension expense from year to year. It includes any changes in benefits made during the year and the recognized amounts due to assumption changes, gains or losses on the TPL, and investment gains or losses.

The following table shows the development of pension expense for the State through both of these methodologies.

JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
GASB 68 REPORTING FOR JUNE 30, 2025 MEASUREMENT DATE

SECTION IV – EMPLOYER REPORTING AMOUNTS

Table IV-3 Calculation of Pension Expense		
Measurement Year Ending	2025	2024
Change in Net Pension Liability	\$ (27,740,212)	\$ (9,955,147)
Change in Deferred Outflows	697,245	8,206,756
Change in Deferred Inflows	16,909,518	(15,873,333)
Employer Contributions	<u>71,406,631</u>	<u>69,337,962</u>
Pension Expense	\$ 61,273,182	\$ 51,716,238
Pension Expense as % of Payroll	71.73%	64.82%
Operating Expenses		
Service cost	\$ 29,069,944	\$ 26,865,890
Employee contributions	(10,358,875)	(10,335,174)
Administrative expenses	<u>266,583</u>	<u>276,759</u>
Total	\$ 18,977,652	\$ 16,807,475
Financing Expenses		
Interest cost	\$ 65,880,574	\$ 64,178,104
Expected return on assets	<u>(16,989,688)</u>	<u>(14,689,677)</u>
Total	\$ 48,890,886	\$ 49,488,427
Changes		
Benefit changes	\$ 0	\$ 0
Recognition of liability experience gains and losses	372,979	733,954
Recognition of assumption changes	(4,284,529)	(16,080,142)
Recognition of investment gains and losses	<u>(2,683,806)</u>	<u>766,524</u>
Total	\$ (6,595,356)	\$ (14,579,664)
Pension Expense	\$ 61,273,182	\$ 51,716,238

JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
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APPENDIX A – MEMBERSHIP INFORMATION

Plan Membership		
	July 1, 2024	July 1, 2023
Contributing Actives	415	396
Non-Contributing Actives	5	3
Terminated Vested	10	13
Inactive Receiving Benefits	<u>707</u>	<u>687</u>
Total	1,137	1,099
Annual Compensation for Contributing Actives	\$ 85,427,536	\$ 79,782,076
Annual Retirement Allowances for Those Receiving Benefits	\$ 70,783,241	\$ 67,991,147

JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
GASB 68 REPORTING FOR JUNE 30, 2025 MEASUREMENT DATE

APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

A. Actuarial Assumptions

1. **Investment Rate of Return for determining Actuarially Determined Contributions** 7.00% per annum, compounded annually.
2. **Long-Term Expected Rate of Return** 7.00% per annum, compounded annually.
3. **Interest Crediting Rate on Accumulated Deductions** 7.00% per annum, compounded annually. Interest credits are assumed to end upon termination.
4. **GASB 67 Effective Discount Rate**
 - June 30, 2024: 7.00% per annum, compounded annually.
 - June 30, 2025: 7.00% per annum, compounded annually.
5. **Price Inflation** 2.75% per annum, compounded annually.
6. **Wage Inflation** 3.25% per annum, compounded annually.
7. **Cost-of-Living Adjustments (COLAs)** No future COLA is assumed. Previously granted COLAs are included in the data.
8. **Salary Increases**

Salaries are assumed to increase 2.0% per year through calendar year 2027 and 2.75% per year thereafter.

Salary increases are assumed to occur on January 1.
9. **401(a)(17) Pay Limit** \$345,000 in 2024 increasing 2.75% per annum, compounded annually.
10. **Termination** None assumed.
11. **Disability** Representative disability rates are as follows:

Age	Rates
30	0.022%
35	0.026
40	0.033
45	0.064
50	0.114
55	0.197
60	0.326
65	0.473

JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
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APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

12. Mortality

Healthy Retiree Mortality (Healthy Annuitants): The Pub-2016 Teachers Above-Median Income Healthy Retiree mortality table [*PubT-2016(A) Healthy Retiree*] as published by the Society of Actuaries (SOA), unadjusted, and with future improvement from the base year of 2016 on a generational basis using SOA's Scale MP-2021.

Disabled Retiree Mortality (Disabled Annuitants): The Pub-2016 Non-Safety Disabled Retiree mortality table [*PubNS-2016 Disabled Retiree*] as published by the SOA, unadjusted, and with future improvement from the base year of 2016 on a generational basis using SOA's Scale MP 2021.

Pre-Retirement Mortality (Non-Annuitants): The Pub-2016 Teachers Above-Median Income Employee mortality table [*PubT-2016(A) Employee*] as published by the SOA, unadjusted, and with future improvement from the base year of 2016 on a generational basis using SOA's Scale MP-2021.

13. Retirement

Retirement rates are as follows:

	Less than 15 Years of Judicial Service	15-19 Years of Judicial Service	20 or more Years of Judicial Service
Age			
< 60	0.0%	0.0%	0.0%
60	2.0	2.0	20.0
61	2.0	2.0	20.0
62	2.0	2.0	20.0
63	2.0	2.0	20.0
64	2.0	2.0	20.0
65	5.0	40.0	30.0
66	2.0	40.0	20.0
67	2.0	40.0	20.0
68	2.0	40.0	20.0
69	2.0	40.0	20.0
70	100.0	100.0	100.0

**JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
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APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

14. Family Composition Assumptions

For members not currently in receipt, 90% of members are assumed married to spouses of the opposite sex. Males are assumed to be two years older than females.

For purposes of the optional form of payment death benefit for members currently in receipt, beneficiary status is based on the beneficiary allowance reported. If no beneficiary date of birth is provided, the beneficiary is assumed to be the member's spouse of the opposite sex with males assumed to be two years older than females.

For purposes of the statutory death benefit for members currently in receipt, 100% of participants are assumed married to spouses of the opposite sex, with the exception of those members who elected Optional Forms A, B, C or D and are currently in receipt of their maximum retirement allowance. The spouse is assumed to be the reported beneficiary. If no beneficiary date of birth is provided, males are assumed to be two years older than females.

No additional dependent children or parents are assumed.

Current dependents under age 21 are assumed to receive a benefit until age 21. Current dependents over age 21 are assumed to receive a benefit for the remainder of their lifetime.

15. Form of Payment

Current actives are assumed to elect the Maximum Option.

16. Data

Information provided by the prior actuary was relied upon for the purposes of valuing certain deferred vested members.

For current beneficiaries with missing data, reasonable assumptions were made based on the information available in prior years.

Inactives receiving benefits according to the 2023 data but omitted from the 2024 data are assumed to have died without a beneficiary.

17. Rationale for Assumptions

The demographic and economic assumptions used in this report, except for the investment return assumption, reflect the results of the July 1, 2021 – June 30, 2024 Experience Study, which was approved by the State House Commission on September 29, 2025. The investment return assumption was recommended by the State Treasurer. We find the investment return assumption to be reasonable based on the System's current asset allocation and the capital market outlook of the New Jersey Division of Investment.

The combined effect of the assumptions in aggregate is expected to have no significant bias.

**JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
GASB 68 REPORTING FOR JUNE 30, 2025 MEASUREMENT DATE**

APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

- | | |
|--|---|
| 18. Projection Basis | <p>This report includes projections of future assets, benefit payments and contributions for the purpose of determining the GASB 67 discount rate.</p> <p>The projections are based on the census data as of July 1, 2024 and the financial information as of June 30, 2025. The projections assume continuation of the plan provisions and actuarial assumptions in effect as of July 1, 2025 and do not reflect the impact of any changes in benefits or actuarial assumptions that may be adopted after July 1, 2025 unless otherwise indicated. While the assumptions individually are reasonable for the underlying valuation that supports the projections, specifically for projection purposes, they are also considered reasonable in the aggregate.</p> |
| 19. Changes in Assumptions since Last Valuation | <p>Mortality rates were updated based on the July 1, 2021 – June 30, 2024 Experience Study, which was approved by the State House Commission on September 29, 2025.</p> |

JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
GASB 68 REPORTING FOR JUNE 30, 2025 MEASUREMENT DATE

APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

B. Actuarial Methods

The actuarial methods used for determining State contributions are described as follows.

1. Actuarial Cost Method

The actuarial cost method for funding calculations is the Projected Unit Credit Cost Method.

The actuarial liability is calculated as the actuarial present value of the projected benefits linearly allocated to periods prior to the valuation year based on judicial service. Refunds are valued as the reported Accumulated Deductions as provided by the DPB. The unfunded actuarial liability is the actuarial liability on the valuation date less the actuarial value of assets.

In accordance with Chapter 78, P.L. 2011:

- Beginning with the July 1, 2010 actuarial valuation, the accrued liability contribution shall be computed so that if the contribution is paid annually in level dollars, it will amortize the unfunded accrued liability over an open 30-year period.
- Beginning with the July 1, 2019 actuarial valuation, the accrued liability contribution shall be computed so that if the contribution is paid annually in level dollars, it will amortize the unfunded accrued liability over a closed 30-year period (i.e., for each subsequent actuarial valuation the amortization period shall decrease by one year).
- Beginning with the July 1, 2029 actuarial valuation, when the remaining amortization period reaches 20 years, any increase or decrease in the unfunded accrued liability as a result of actuarial losses or gains for subsequent valuation years shall serve to increase or decrease, respectively, the amortization period for the unfunded accrued liability, unless an increase in the amortization period will cause it to exceed 20 years. If an increase in the amortization period as a result of actuarial losses for a valuation year would exceed 20 years, the accrued liability contribution shall be computed for the valuation year using a 20-year amortization period.

To the extent that the amortization period remains an open period in future years and depending upon the specific circumstances, it should be noted that in the absence of emerging actuarial gains or contributions made in excess of the actuarially determined contribution, any existing unfunded accrued liability may not be fully amortized in the future.

**JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
GASB 68 REPORTING FOR JUNE 30, 2025 MEASUREMENT DATE**

APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

2. Asset Valuation Method

For the purposes of determining contribution rates, an actuarial value of assets is used that dampens the volatility in the market value of assets, resulting in a smoother pattern of contributions.

The actuarial value of assets is adjusted to reflect actual contributions, benefit payments and administrative expenses, and an assumed return on the previous year's assets and the current year's cash flow at the prior year's actuarial valuation interest rate, with a further adjustment to reflect 20% of the difference between the resulting value and the actual market value of Plan assets.

3. State Contribution Payable Dates

Chapter 83, P.L. 2016 requires the State to make the required pension contributions on a quarterly basis in each fiscal year according to the following schedule: at least 25 percent by September 30, at least 50 percent by December 31, at least 75 percent by March 31, and at least 100 percent by June 30. As such, contributions are assumed to be made on a quarterly basis with the first contribution 15 months after the associated valuation date.

4. Valuation Software

Cheiron utilizes ProVal, an actuarial valuation software leased from Winklevoss Technologies (WinTech) to calculate liabilities, normal costs, and project benefit payments. We have relied on WinTech as the developer of ProVal. We have reviewed ProVal and have used ProVal in accordance with its original intended purpose. We have not identified any material inconsistencies in ProVal assumptions or output that would affect this actuarial valuation.

5. Changes in Methods since Last Valuation

None.

**JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
GASB 68 REPORTING FOR JUNE 30, 2025 MEASUREMENT DATE**

APPENDIX C – SUMMARY OF PLAN PROVISIONS

This summary of Plan provisions provides an overview of the major provisions of the JRS used in the actuarial valuation. It is not intended to replace the more precise language of the NJ State Statutes, Title 43, Chapter 6A, and if there is any difference between the description of the plan herein and the actual language in the NJ State Statutes, the NJ State Statutes will govern.

1. Eligibility for Membership

Chief Justice and Associate Justices of the State Supreme Court, and judges of the Appellate Court, Superior Court and Tax Court of the State of New Jersey.

2. Plan Year

The 12-month period beginning on July 1 and ending on June 30.

3. Service Credit

A year is credited for each year of service as a public employee in the State of New Jersey. Any service, for which the member did not receive annual salary of at least \$500, shall be excluded. Judicial service credit is based on biweekly pay periods for which member contributions are made to JRS.

4. Final Salary

Annual salary received by the member at the time of retirement or other termination of service. (Effective June 30, 1996, Chapter 113, P.L. 1997 provided that the amount of compensation used for employer and member contributions and benefits under the program cannot exceed the compensation limitation of Section 401(a)(17) of the Internal Revenue Code.)

5. Accumulated Deductions

The sum of all amounts deducted from the compensation of a member or contributed by him or on his behalf.

6. Interest Credits on Accumulated Deductions

Members receive interest credits while contributing and for the first two years of inactivity. Prior to July 1, 2018, members received interest credits for the entire period of inactivity until retirement or death.

7. Employee Contributions

Any member enrolled prior to January 1, 1996 contributes 3% of the difference between current salary and salary for the position on January 18, 1982. Members enrolled on or after January 1, 1996 contribute 3% of their full salary.

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APPENDIX C – SUMMARY OF PLAN PROVISIONS

Chapter 78, P.L. 2011 increases Member Contributions by 9% of salary phased in over a period of seven years beginning October 2011. (The additional 9% of salary was fully recognized in July 2017.)

a) For Members enrolled prior to January 1, 1996:

- (1) Member contributes 9% (phased in over a period of seven years beginning October 2011) of the salary for that position on January 18, 1982.
- (2) Member contributes 12% (9% of that phased in over a period of seven years beginning October 2011) of the difference between current salary and salary for that position on January 18, 1982.

b) For members enrolled on or after January 1, 1996, Member contributes 12% (9% of that phased in over a period of seven years beginning October 2011) of full salary.

8. Retirement Allowance

Benefit comprised of a member annuity plus an employer pension.

Chapter 56, P.L. 2024 amended the retirement provisions so that a retired member of JRS can be appointed as a county prosecutor but cannot be enrolled in any other State-administered retirement system based on that service. The retired JRS member can continue to receive the JRS retirement allowance while receiving the full salary as a county prosecutor.

9. Benefits

a) Service Retirements

Mandatory retirement at age 70. Voluntary retirement prior to that age.

Chapter 105, P.L. 2021 removed the mandatory retirement at age 70 for a member who has been appointed by the Governor, with the advice and consent of the Senate, to the position of county prosecutor.

- (1) Age 70 and 10 years of judicial service; or

Age 65 and 15 years of judicial service; or

Age 60 and 20 years of judicial service.

Benefit is an annual retirement allowance equal to 75% of final salary.

- (2) Age 65 while serving as a judge, 5 consecutive years of judicial service and 15 years in the aggregate of public service; or

Age 60 while serving as a judge, 5 consecutive years of judicial service and 20 years in the aggregate of public service.

Benefit is an annual retirement allowance equal to 50% of final salary.

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APPENDIX C – SUMMARY OF PLAN PROVISIONS

- (3) Age 60 while serving as a judge, 5 consecutive years of judicial service and 15 years in the aggregate of public service.

Benefit is an annual retirement allowance equal to 2% of final salary for each year of public service up to 25 years plus 1% of final salary for each year of public service in excess of 25 years.

- (4) Age 60 while serving as a judge.

Benefit is an annual retirement allowance equal to 2% of final salary for each year of judicial service up to 25 years plus 1% for each year of public service in excess of 25 years.

b) **Early Retirement**

Prior to age 60 while serving as a judge, 5 consecutive years of judicial service and 25 or more years in the aggregate of public service.

Benefit is an annual retirement allowance equal to 2% of final salary for each year of public service up to 25 years plus 1% of final salary for each year of public service in excess of 25 years, actuarially reduced for commencement prior to age 60.

c) **Deferred Retirement**

Termination of service prior to age 60, with 5 consecutive years of judicial service and 10 years in the aggregate of public service.

Benefit is a refund of accumulated deductions, or a deferred life annuity beginning at age 60 equal to 2% of final salary for each year of public service up to 25 years, plus 1% of final salary for each year of public service in excess of 25 years.

Chapter 329, P.L. 2021 amended the retirement provisions to permit a Judge serving as Administrative Director of the Courts to apply for deferred retirement and be appointed as Administrative Director of the Courts, if the member is at least 65 years old and has service for 20 years as a judge in any court in New Jersey.

d) **Non-Vested Termination**

Termination of service prior to age 60, with less than 5 years of judicial service or less than 10 years in the aggregate of public service.

Benefit is a refund of accumulated deductions.

e) **Disability Retirement**

Physically or otherwise incapacitated for the full and efficient service to State in his judicial capacity and such incapacity is likely to be permanent.

Benefit is an annual retirement allowance of 75% of final salary.

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APPENDIX C – SUMMARY OF PLAN PROVISIONS

f) Death Benefits

(1) Before Retirement: Death of an active member of the plan. Benefit is equal to:

- a) Lump sum payment equal to 150% of final salary, also known as the non-contributory group life insurance benefit, plus
- b) Spousal life annuity of 25% of final salary payable until spouse's remarriage plus 10% (15%) to one (two or more) dependent child(ren). If there is no surviving spouse, or upon death or remarriage, a total of 15% (20%, 30%) of final salary payable to one (two, three or more) dependent child(ren). If there is no surviving spouse or dependent child(ren), 20% (30%) of final salary to one (two) dependent parent(s). If there is no surviving spouse, dependent child(ren) or parent(s), the benefit is a refund of accumulated deductions with credited interest. This is also known as the statutory death benefit.

(2) After Retirement: Death of a retired member of the plan. The benefit is equal to:

- a) Lump sum of 25% of final salary for a member retired under service or early retirement. For a member receiving a disability benefit, a lump sum of 150% of final salary if death occurred before the member attained age 60 and 25% of final salary if death occurred after age 60. This is also known as the non-contributory group life insurance benefit, plus
- b) Spousal life annuity of 25% of final salary adjusted for any previously granted Cost-of-Living Adjustments, or the salary of an active judge in the member's final position at retirement, if larger, payable until spouse's remarriage plus 10% (15%) to one (two or more) dependent child(ren). If there is no surviving spouse, or upon death or remarriage, a total of 15% (20%, 30%) of final salary payable to one (two, three or more) dependent child(ren). This is also known as the statutory death benefit.

10. Forms of Payment

In addition to the postretirement death benefits listed above, the member may elect the following forms of payment.

- a) Maximum Option: Single life annuity with a return of the balance of the member accumulated deductions with credited interest.
- b) Option 1: Single life annuity with a return of the balance of the initial reserve.
- c) Option 2: 100% joint and survivor annuity.
- d) Option 3: 50% joint and survivor annuity.
- e) Option 4: Other percentage joint and survivor annuity.
- f) Option A: 100% pop-up joint and survivor annuity.
- g) Option B: 75% pop-up joint and survivor annuity.
- h) Option C: 50% pop-up joint and survivor annuity.
- i) Option D: 25% pop-up joint and survivor annuity

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APPENDIX C – SUMMARY OF PLAN PROVISIONS

11. Changes in Plan Provisions since Last Valuation

Chapter 56, P.L. 2024 amended the retirement provisions so that a retired member of JRS can be appointed as a county prosecutor but cannot be enrolled in any other State-administered retirement system based on that service. The retired JRS member can continue to receive the JRS retirement allowance while receiving the full salary as a county prosecutor.

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APPENDIX D – DETERMINATION OF DISCOUNT RATE

Table 1 - Projection of the Pension Plan's Fiduciary Net Position
(In Thousands)
Projections Commence June 30, 2025

Year	Projected Beginning Fiduciary Net Position	Projected Member Contributions	Projected Employer Contributions	Projected Benefit Payments	Projected Administrative Expenses	Projected Investment Earnings	Projected Ending Fiduciary Net Position (g) = (a) + (b) + (c) - (d) - (e) + (f)
	(a)	(b)	(c)	(d)	(e)	(f)	
1	\$ 282,467	\$ 9,641	\$ 72,285	\$ 75,074	\$ 273	\$ 19,391	\$ 308,436
2	308,436	9,092	70,431	77,092	280	21,072	331,660
3	331,660	8,655	70,158	78,967	287	22,611	353,830
4	353,830	8,240	69,545	80,729	293	24,072	374,665
5	374,665	7,891	69,050	81,834	297	25,468	394,943
6	394,943	7,420	69,104	83,614	304	26,812	414,361
7	414,361	6,940	68,520	85,148	309	28,087	432,451
8	432,451	6,266	67,807	87,584	318	29,227	447,849
9	447,849	5,666	66,216	89,680	326	30,171	459,896
10	459,896	5,051	64,631	91,678	333	30,883	468,451
11	468,451	4,466	62,983	93,278	339	31,364	473,647
12	473,647	3,948	61,478	94,306	343	31,636	476,061
13	476,061	3,382	60,278	95,462	347	31,714	475,625
14	475,625	2,915	58,872	95,817	348	31,619	472,866
15	472,866	2,348	57,819	96,645	351	31,350	467,388
16	467,388	1,854	56,436	96,835	352	30,908	459,398
17	459,398	1,522	55,242	95,823	348	30,341	450,332
18	450,332	1,208	54,511	94,578	344	29,720	440,849
19	440,849	895	53,829	93,226	339	29,074	431,082
20	431,082	664	53,129	91,230	331	28,433	421,747
21	421,747	474	52,629	88,897	323	27,841	413,472
22	413,472	331	52,258	86,192	313	27,340	406,896
23	406,896	235	51,985	83,120	302	26,976	402,670
24	402,670	131	51,806	80,058	290	26,777	401,037
25	401,037	84	51,618	76,604	278	26,776	402,633
26	402,633	31	51,537	73,168	265	27,002	407,770
27	407,770	21	51,447	69,446	251	27,488	417,028
28	417,028	10	35,319	65,752	238	27,845	414,212
29	414,212	0	2,909	62,072	224	26,936	381,761
30	381,761	0	1,434	58,363	211	24,754	349,377
31	349,377	0	1,336	54,703	197	22,611	318,424
32	318,424	0	1,296	51,100	184	20,568	289,003
33	289,003	0	1,255	47,563	171	18,629	261,153
34	261,153	0	1,211	44,103	159	16,798	234,901
35	234,901	0	1,165	40,730	146	15,075	210,265
36	210,265	0	1,115	37,453	134	13,462	187,255
37	187,255	0	1,062	34,283	123	11,959	165,871
38	165,871	0	1,007	31,229	112	10,566	146,103
39	146,103	0	949	28,301	101	9,281	127,932
40	127,932	0	890	25,508	91	8,104	111,327
41	111,327	0	829	22,857	81	7,031	96,248
42	96,248	0	767	20,356	72	6,060	82,647
43	82,647	0	705	18,011	64	5,187	70,463
44	70,463	0	643	15,827	56	4,407	59,631
45	59,631	0	583	13,806	49	3,717	50,076
46	50,076	0	524	11,950	42	3,110	41,718
47	41,718	0	467	10,258	36	2,582	34,472
48	34,472	0	413	8,731	31	2,125	28,249
49	28,249	0	362	7,363	26	1,735	22,957
50	22,957	0	314	6,151	22	1,405	18,503

**JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
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APPENDIX D – DETERMINATION OF DISCOUNT RATE

Table 1 - Projection of the Pension Plan's Fiduciary Net Position
(In Thousands)
Projections Commence June 30, 2025

Year	Projected Beginning Fiduciary Net Position (a)	Projected Member Contributions (b)	Projected Employer Contributions (c)	Projected Benefit Payments (d)	Projected Administrative Expenses (e)	Projected Investment Earnings (f)	Projected Ending Fiduciary Net Position (g) = (a) + (b) + (c) - (d) - (e) + (f)
51	\$ 18,503	\$ 0	\$ 269	\$ 5,089	\$ 18	\$ 1,129	\$ 14,794
52	14,794	0	226	4,168	15	899	11,736
53	11,736	0	256	3,380	12	713	9,313
54	9,313	0	270	2,714	9	566	7,427
55	7,427	0	259	2,158	8	453	5,973
56	5,973	0	236	1,700	6	366	4,869
57	4,869	0	216	1,329	5	301	4,052
58	4,052	0	199	1,032	4	254	3,470
59	3,470	0	186	796	3	221	3,077
60	3,077	0	175	612	2	199	2,837
61	2,837	0	167	469	2	187	2,720
62	2,720	0	14	360	1	178	2,551
63	2,551	0	9	276	1	169	2,453
64	2,453	0	6	212	1	165	2,412
65	2,412	0	4	163	1	163	2,415
66	2,415	0	2	125	0	165	2,457
67	2,457	0	1	97	0	169	2,530
68	2,530	0	1	74	0	175	2,630
69	2,630	0	0	57	0	182	2,756
70	2,756	0	0	44	0	191	2,904
71	2,904	0	0	33	0	202	3,073
72	3,073	0	0	25	0	214	3,262
73	3,262	0	0	18	0	228	3,472
74	3,472	0	0	13	0	243	3,701
75	3,701	0	0	10	0	259	3,950
76	3,950	0	0	7	0	276	4,219
77	4,219	0	0	5	0	295	4,510
78	4,510	0	0	3	0	316	4,822
79	4,822	0	0	2	0	337	5,157
80	5,157	0	0	1	0	361	5,517
81	5,517	0	0	1	0	386	5,902
82	5,902	0	0	1	0	413	6,315
83	6,315	0	0	0	0	442	6,756
84	6,756	0	0	0	0	473	7,229
85	7,229	0	0	0	0	506	7,735
86	7,735	0	0	0	0	541	8,276
87	8,276	0	0	0	0	579	8,856
88	8,856	0	0	0	0	620	9,476
89	9,476	0	0	0	0	663	10,139
90	10,139	0	0	0	0	710	10,849
91	10,849	0	0	0	0	759	11,608
92	11,608	0	0	0	0	813	12,420
93	12,420	0	0	0	0	869	13,290
94	13,290	0	0	0	0	930	14,220
95	14,220	0	0	0	0	995	15,216

**JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
GASB 68 REPORTING FOR JUNE 30, 2025 MEASUREMENT DATE**

APPENDIX D – DETERMINATION OF DISCOUNT RATE

Table 2 – Actuarial Present Values of Projected Benefit Payments
(In Thousands)

Projections Commence June 30, 2025

* From Table 1 – Projection of the Pension Plan's Fiduciary Net Position, column (a)

** From Table 1 – Projection of the Pension Plan's Fiduciary Net Position, column (d)

Year	Projected Beginning Fiduciary Net Position*	Projected Benefit Payments for current Plan participants**	"Funded" Portion of Benefit Payments (d) = (c) if (b) >= (c)	"Unfunded" Portion of Benefit Payments (e) = (c) - (d)	Present Value of "Funded" Benefit Payments (f) = (d) / (1+7.00%)^[(n) - .5]	Present Value of "Unfunded" Benefit Payments (g) = (e) / (1+5.20%)^[(n) - .5]	Present Value of Benefit Payments Using the Single Discount Rate (h) = (c) / (1+7.00%)^[(n) - .5]
(a)	(b)	(c)	(d) = (c) if (b) >= (c)	(e) = (c) - (d)	(f) = (d) / (1+7.00%)^[(n) - .5]	(g) = (e) / (1+5.20%)^[(n) - .5]	(h) = (c) / (1+7.00%)^[(n) - .5]
1	\$ 282,467	\$ 75,074	\$ 75,074	\$ 0	\$ 72,577	\$ 0	\$ 72,577
2	308,436	77,092	77,092	0	69,652	0	69,652
3	331,660	78,967	78,967	0	66,678	0	66,678
4	353,830	80,729	80,729	0	63,707	0	63,707
5	374,665	81,834	81,834	0	60,354	0	60,354
6	394,943	83,614	83,614	0	57,632	0	57,632
7	414,361	85,148	85,148	0	54,850	0	54,850
8	432,451	87,584	87,584	0	52,729	0	52,729
9	447,849	89,680	89,680	0	50,458	0	50,458
10	459,896	91,678	91,678	0	48,208	0	48,208
11	468,451	93,278	93,278	0	45,840	0	45,840
12	473,647	94,306	94,306	0	43,314	0	43,314
13	476,061	95,462	95,462	0	40,977	0	40,977
14	475,625	95,817	95,817	0	38,438	0	38,438
15	472,866	96,645	96,645	0	36,234	0	36,234
16	467,388	96,835	96,835	0	33,930	0	33,930
17	459,398	95,823	95,823	0	31,379	0	31,379
18	450,332	94,578	94,578	0	28,945	0	28,945
19	440,849	93,226	93,226	0	26,665	0	26,665
20	431,082	91,230	91,230	0	24,387	0	24,387
21	421,747	88,897	88,897	0	22,209	0	22,209
22	413,472	86,192	86,192	0	20,124	0	20,124
23	406,896	83,120	83,120	0	18,137	0	18,137
24	402,670	80,058	80,058	0	16,326	0	16,326
25	401,037	76,604	76,604	0	14,600	0	14,600
26	402,633	73,168	73,168	0	13,033	0	13,033
27	407,770	69,446	69,446	0	11,561	0	11,561
28	417,028	65,752	65,752	0	10,230	0	10,230
29	414,212	62,072	62,072	0	9,025	0	9,025
30	381,761	58,363	58,363	0	7,931	0	7,931
31	349,377	54,703	54,703	0	6,947	0	6,947
32	318,424	51,100	51,100	0	6,065	0	6,065
33	289,003	47,563	47,563	0	5,276	0	5,276
34	261,153	44,103	44,103	0	4,572	0	4,572
35	234,901	40,730	40,730	0	3,946	0	3,946
36	210,265	37,453	37,453	0	3,391	0	3,391
37	187,255	34,283	34,283	0	2,901	0	2,901
38	165,871	31,229	31,229	0	2,470	0	2,470
39	146,103	28,301	28,301	0	2,092	0	2,092
40	127,932	25,508	25,508	0	1,762	0	1,762
41	111,327	22,857	22,857	0	1,476	0	1,476
42	96,248	20,356	20,356	0	1,228	0	1,228
43	82,647	18,011	18,011	0	1,016	0	1,016
44	70,463	15,827	15,827	0	834	0	834
45	59,631	13,806	13,806	0	680	0	680
46	50,076	11,950	11,950	0	550	0	550
47	41,718	10,258	10,258	0	441	0	441
48	34,472	8,731	8,731	0	351	0	351
49	28,249	7,363	7,363	0	277	0	277
50	22,957	6,151	6,151	0	216	0	216

**JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
GASB 68 REPORTING FOR JUNE 30, 2025 MEASUREMENT DATE**

APPENDIX D – DETERMINATION OF DISCOUNT RATE

Table 2 - Actuarial Present Values of Projected Benefit Payments

(In Thousands)

Projections Commence June 30, 2025

* From Table 1 - Projection of the Pension Plan's Fiduciary Net Position, column (a)

** From Table 1 - Projection of the Pension Plan's Fiduciary Net Position, column (d)

Year	Projected Beginning Fiduciary Net Position*	Projected Benefit Payments for current Plan participants**	"Funded" Portion of Benefit Payments (d) = (c) if (b) >= (c)	"Unfunded" Portion of Benefit Payments (e) = (c) - (d)	Present Value of "Funded" Benefit Payments (f) = (d) / (1+7.00%)^[(a) - .5]	Present Value of "Unfunded" Benefit Payments (g) = (e) / (1+5.20%)^[(a) - .5]	Present Value of Benefit Payments Using the Single Discount Rate (h) = (c) / (1+7.00%)^[(a) - .5]
(a)	(b)	(c)	(d) = (c) if (b) >= (c)	(e) = (c) - (d)	(f) = (d) / (1+7.00%)^[(a) - .5]	(g) = (e) / (1+5.20%)^[(a) - .5]	(h) = (c) / (1+7.00%)^[(a) - .5]
51	\$ 18,503	\$ 5,089	\$ 5,089	\$ 0	\$ 167	\$ 0	\$ 167
52	14,794	4,168	4,168	0	128	0	128
53	11,736	3,380	3,380	0	97	0	97
54	9,313	2,714	2,714	0	73	0	73
55	7,427	2,158	2,158	0	54	0	54
56	5,973	1,700	1,700	0	40	0	40
57	4,869	1,329	1,329	0	29	0	29
58	4,052	1,032	1,032	0	21	0	21
59	3,470	796	796	0	15	0	15
60	3,077	612	612	0	11	0	11
61	2,837	469	469	0	8	0	8
62	2,720	360	360	0	6	0	6
63	2,551	276	276	0	4	0	4
64	2,453	212	212	0	3	0	3
65	2,412	163	163	0	2	0	2
66	2,415	125	125	0	1	0	1
67	2,457	97	97	0	1	0	1
68	2,530	74	74	0	1	0	1
69	2,630	57	57	0	1	0	1
70	2,756	44	44	0	0	0	0
71	2,904	33	33	0	0	0	0
72	3,073	25	25	0	0	0	0
73	3,262	18	18	0	0	0	0
74	3,472	13	13	0	0	0	0
75	3,701	10	10	0	0	0	0
76	3,950	7	7	0	0	0	0
77	4,219	5	5	0	0	0	0
78	4,510	3	3	0	0	0	0
79	4,822	2	2	0	0	0	0
80	5,157	1	1	0	0	0	0
81	5,517	1	1	0	0	0	0
82	5,902	1	1	0	0	0	0
83	6,315	0	0	0	0	0	0
84	6,756	0	0	0	0	0	0
85	7,229	0	0	0	0	0	0
86	7,735	0	0	0	0	0	0
87	8,276	0	0	0	0	0	0
88	8,856	0	0	0	0	0	0
89	9,476	0	0	0	0	0	0
90	10,139	0	0	0	0	0	0
91	10,849	0	0	0	0	0	0
92	11,608	0	0	0	0	0	0
93	12,420	0	0	0	0	0	0
94	13,290	0	0	0	0	0	0
95	14,220	0	0	0	0	0	0
					\$ 1,137,282	\$ 0	\$ 1,137,282

JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
GASB 68 REPORTING FOR JUNE 30, 2025 MEASUREMENT DATE

APPENDIX E – GLOSSARY OF TERMS

1. Actuarially Determined Contribution

A target or recommended contribution for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.

2. Actuarial Valuation Date

The date as of which an actuarial valuation is performed. This date may be up to 24 months prior to the measurement date and up to 30 months prior to the employer's reporting date.

3. Deferred Inflow of Resources

An acquisition of net assets by a government employer that is applicable to a future reporting period. In the context of GASB 68, these are experience gains on the Total Pension Liability, assumption changes reducing the Total Pension Liability, or investment gains that are recognized in future reporting periods.

4. Deferred Outflow of Resources

A consumption of net assets by a government employer that is applicable to a future reporting period. In the context of GASB 68, these are experience losses on the Total Pension Liability, assumption changes increasing the Total Pension Liability, or investment losses that are recognized in future reporting periods.

5. Entry Age Actuarial Cost Method

The actuarial cost method required for GASB 68 calculations. Under this method, the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit ages. The portion of this actuarial present value allocated to a valuation year is called the Service Cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future service costs is called the Total Pension Liability.

6. Measurement Date

The date as of which the Total Pension Liability and Plan Fiduciary Net Position are measured. The Total Pension Liability may be projected from the Actuarial Valuation Date to the Measurement Date. The Measurement Date must be the same as the Reporting Date for the plan.

**JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
GASB 68 REPORTING FOR JUNE 30, 2025 MEASUREMENT DATE**

APPENDIX E – GLOSSARY OF TERMS

7. Net Pension Liability

The liability of employers and nonemployer contributing entities for employees for benefits provided through a defined benefit pension plan. It is calculated as the Total Pension Liability less the Plan Fiduciary Net Position.

8. Plan Fiduciary Net Position

The fair or market value of assets.

9. Reporting Date

The last day of the plan or employer's fiscal year.

10. Service Cost

The portion of the actuarial present value of projected benefit payments that is attributed to the current period of employee service in conformity with the requirements of GASB 68. The Service Cost is the normal cost calculated under the entry age actuarial cost method.

11. Total Pension Liability

The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service in conformity with the requirements of GASB 68. The Total Pension Liability is the actuarial liability calculated under the entry age actuarial cost method. This measurement generally is not appropriate for estimating the cost to settle the Plan's liabilities.



Classic Values, Innovative Advice

Judicial Retirement System of New Jersey

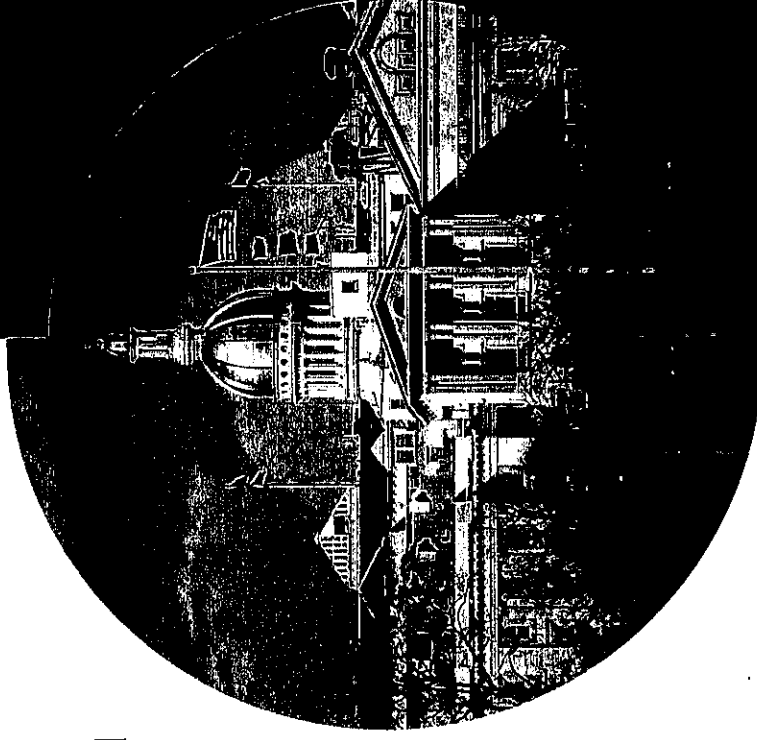
Actuarial Valuation Results July 1, 2025

Presented by:

Janet Cranna, FSA, FCA, EA, MAAA

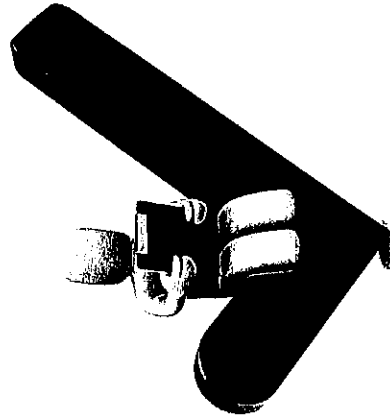
Jake Libauskas, FSA, FCA, EA, MAAA

Jonathan Chipko, FSA, EA, MAAA



Agenda

- Valuation Results
- Overview
- Historical Trends
- Projections
- Appendix



System's financial health is improving

Assets and Liabilities (\$ in millions)				
Valuation Date Fiscal Year End	July 1, 2025 2027	July 1, 2024 2026	% Change	
1. Actuarial Liability	\$ 924	\$ 910		1.6%
2. Actuarial Value of Assets (AVA) ¹	\$ 351	\$ 322		9.0%
3. Unfunded Actuarial Liability (AVA): (1-2)	\$ 573	\$ 588		-2.5%
4. Funded Ratio (AVA): (2÷1)	38.0%	35.4%		2.6%
5. Market Value of Assets (MVA) ¹	\$ 351	\$ 314		11.9%
6. Unfunded Actuarial Liability (MVA): (1-5)	\$ 573	\$ 596		-3.8%
7. Funded Ratio (MVA): (5÷1)	38.0%	34.5%		3.5%

¹Includes discounted State appropriations receivable

Items may not add due to rounding. Percentage change based on unrounded numbers



Overview

- Market asset return was 10.7%, compared to the 7.0% assumed return
- Actuarial asset return (AVA) was 7.0%
 - This resulted in practically no gain or loss
- The System's demographic experience is a liability loss of about \$5 million, or 0.6%
- Mortality assumption was updated in accordance with the July 1, 2021 – June 30, 2024 Experience Study
 - This decreased the liabilities by \$13 million

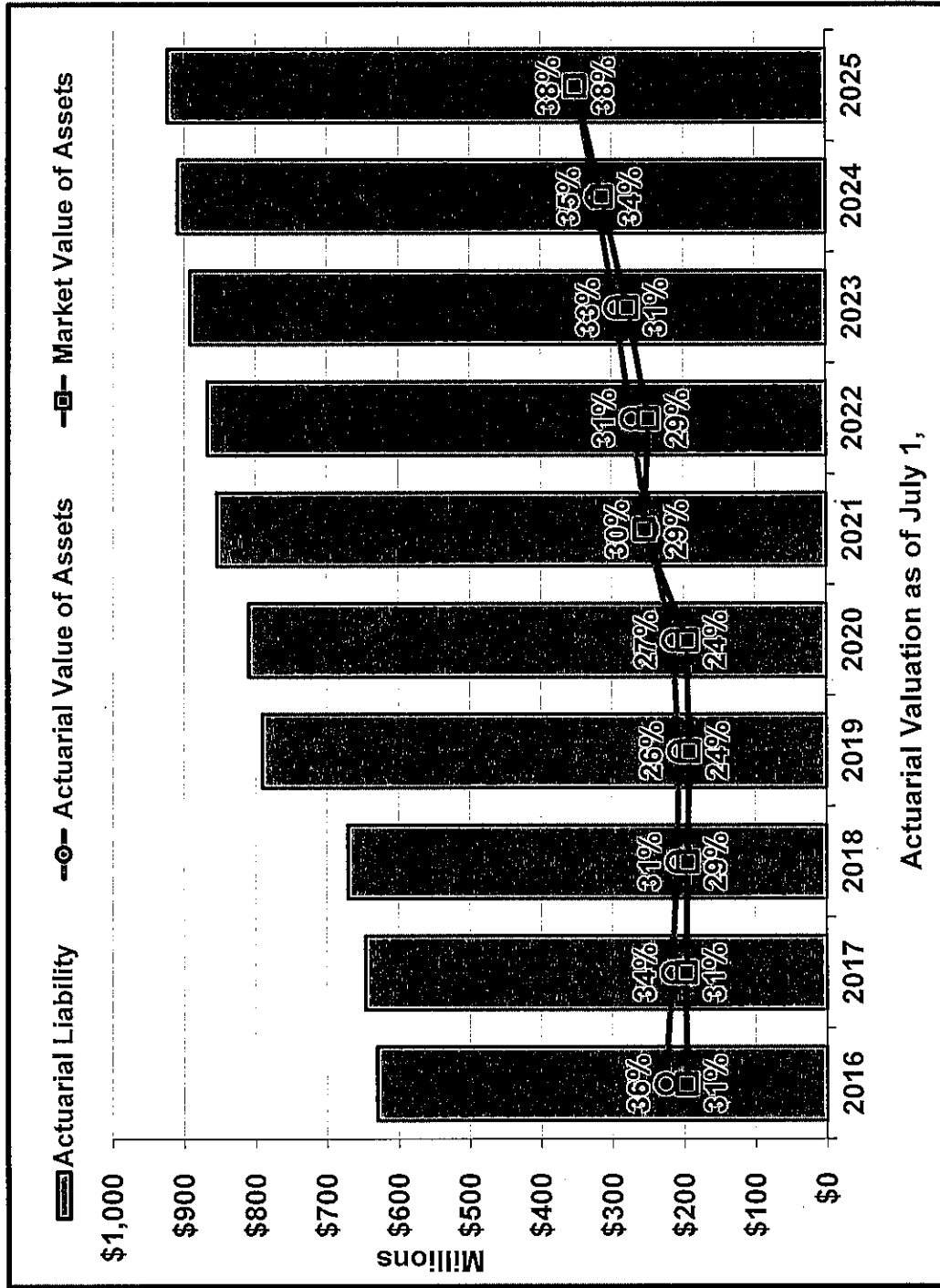
Overview

- FYE 2026 State appropriations are 100% of the Statutory contribution and are included in the assets as of July 1, 2025
 - Other contribution related items, including the timing of contributions, increased the unfunded liability by \$3 million
- The unfunded liability on an AVA basis decreased from \$588 million to \$573 million
- The AVA funded ratio increased from 35.4% to 38.0%

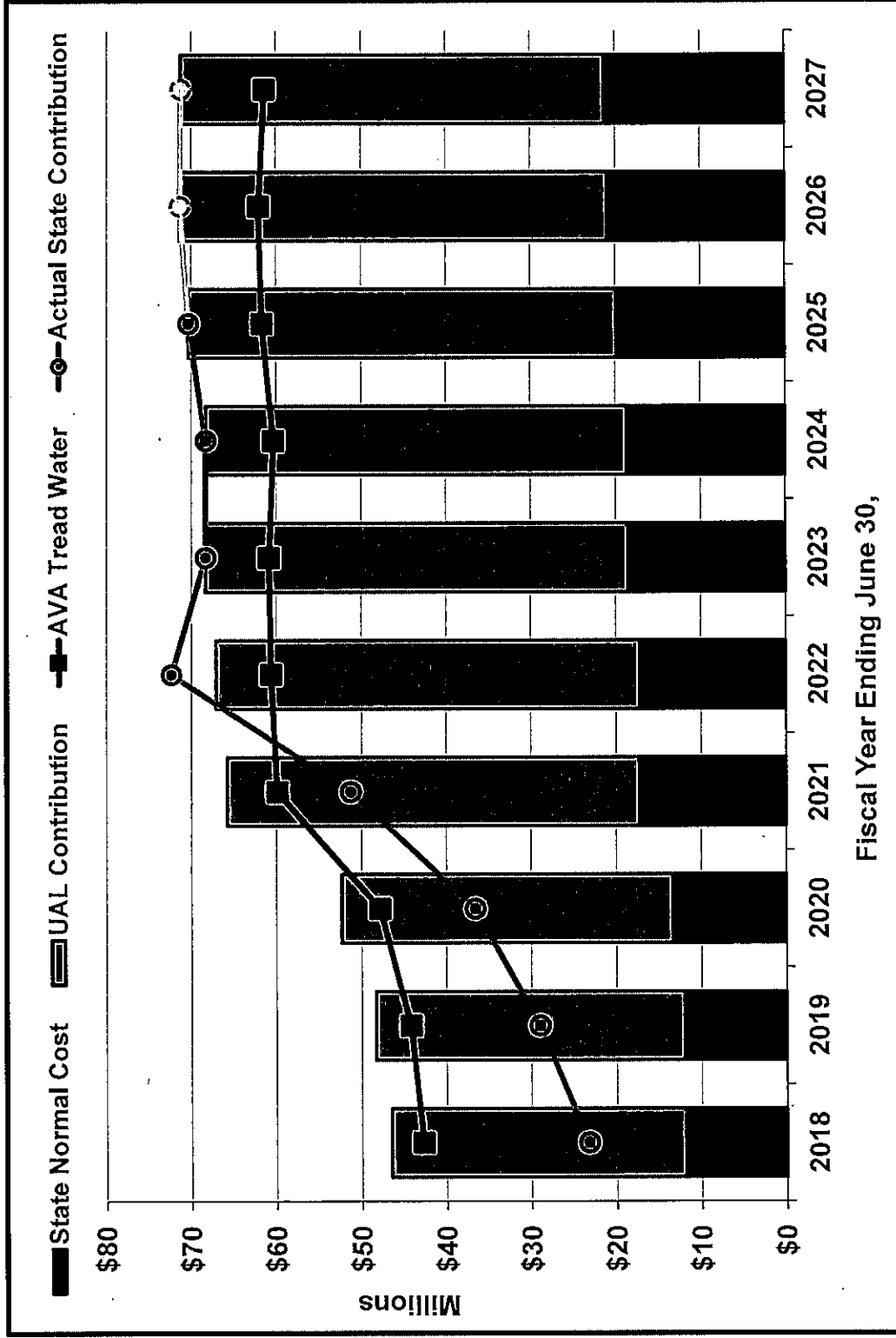
Overview

- Statutory contributions decreased by 0.1% from \$71.3 million for FYE 2026 to \$71.2 million for FYE 2027
- The amortization period as of July 1, 2025 is 24 years
 - It will decrease to 23 years for the July 1, 2026 valuation in accordance with Chapter 78, P.L. 2011
- The anticipated FYE 2027 State appropriations are 100% of the Statutory contribution

Funded ratio continued to improve

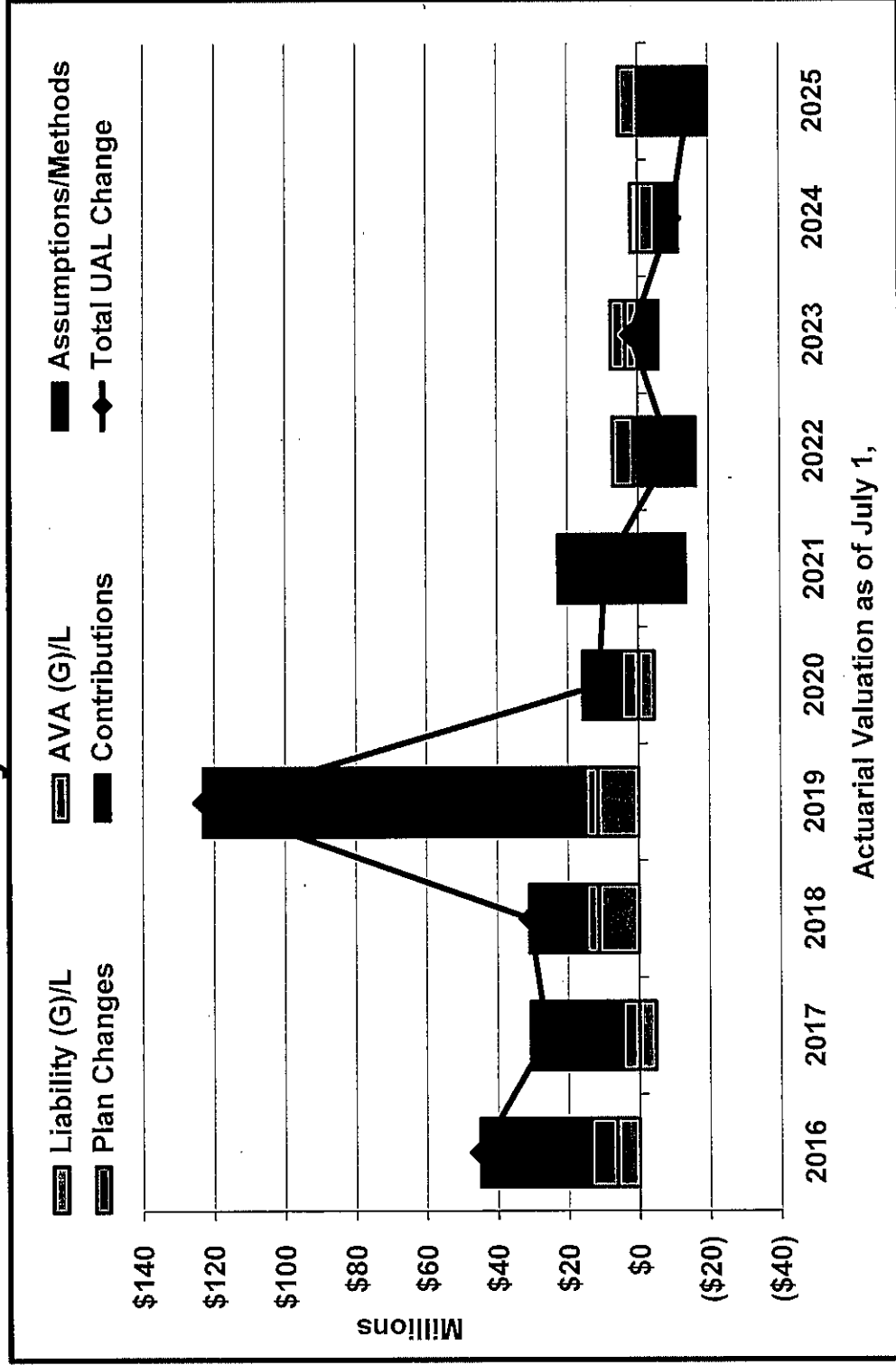


State continues to make full statutory contributions



The bars show the Statutory contribution amounts. The tread water measure is the State normal cost plus the interest on the UAL.

The unfunded liability has decreased in 3 of the last 4 years due to full statutory contributions



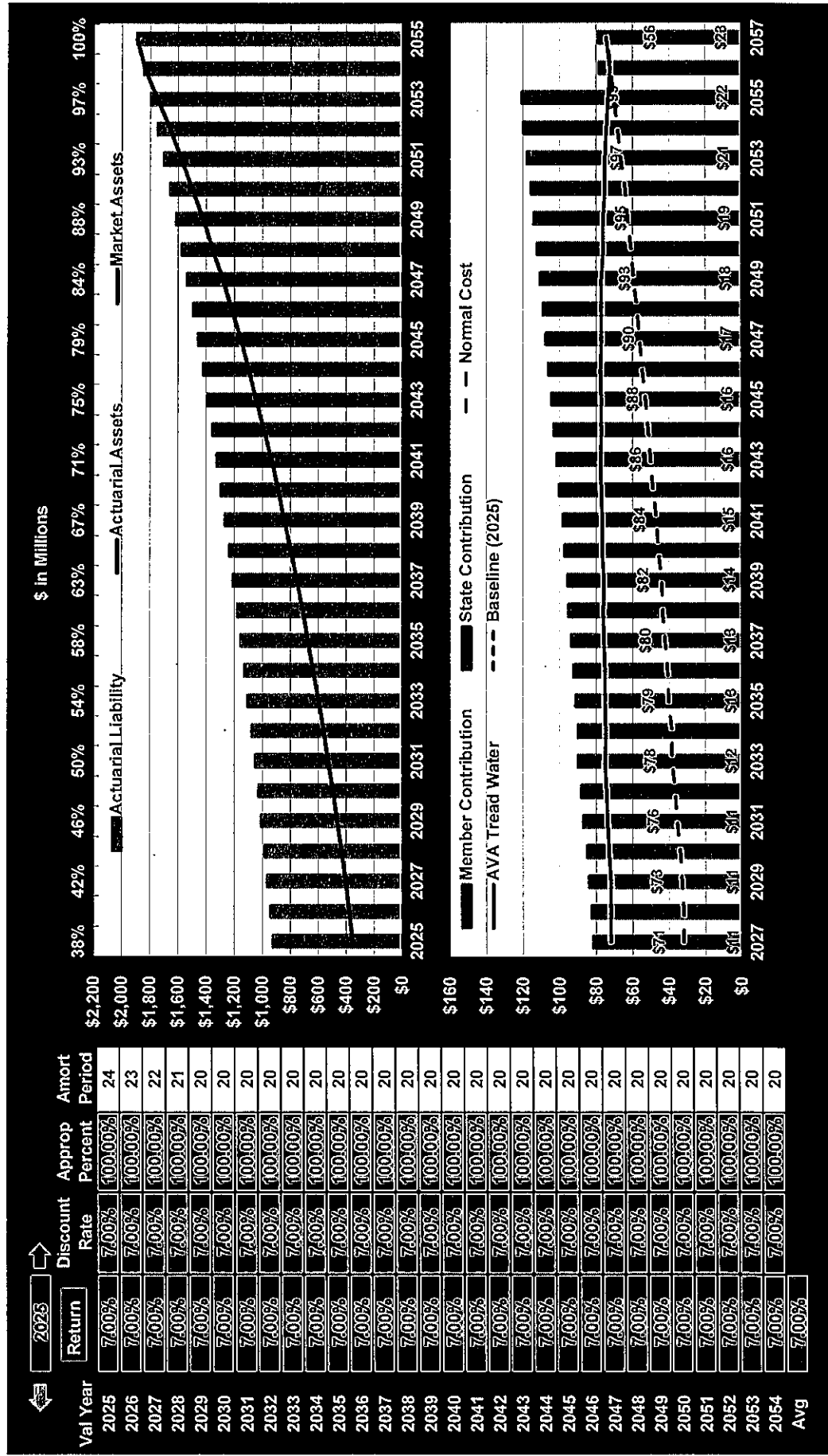
The Contributions amount equals the tread water level less contributions (i.e., the State normal cost plus interest on the UAL minus contributions).

Baseline Projection Assumptions

- Open group
- Investment return assumption
 - 7.00% in all years
- 7.00% actual investment return in all years
- Appropriation percentages
 - 100% of Statutory contribution in FYE 2027 and thereafter
- Administrative expenses
 - Assumed to increase by 2.75% per annum

Funded ratio projected to gradually increase to 100%, then State contributions decrease

Baseline projection

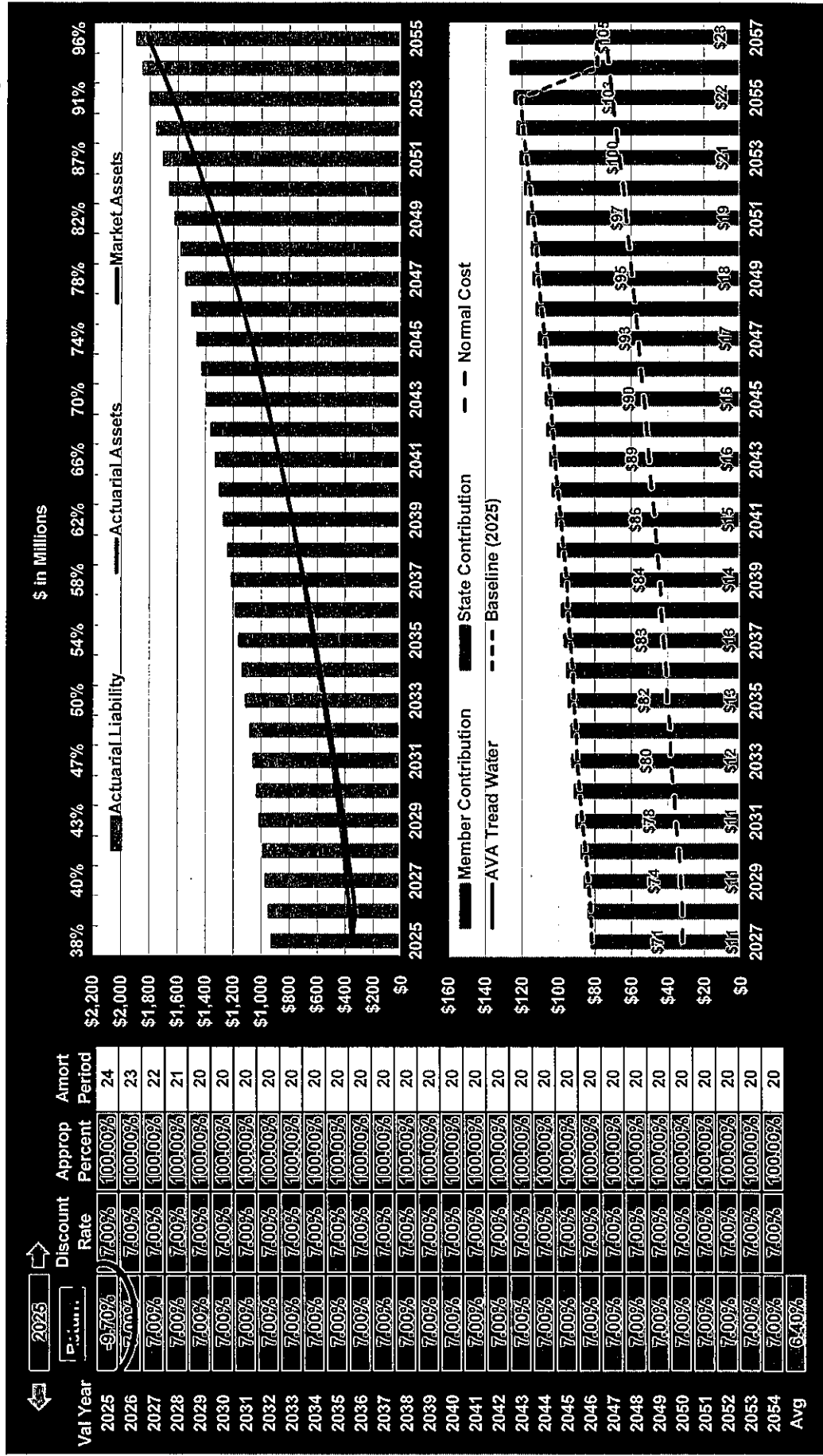


Funded ratio based on Actuarial Value of Assets



A negative investment return will impact the System, but the impact is muted due to current low funded ratio

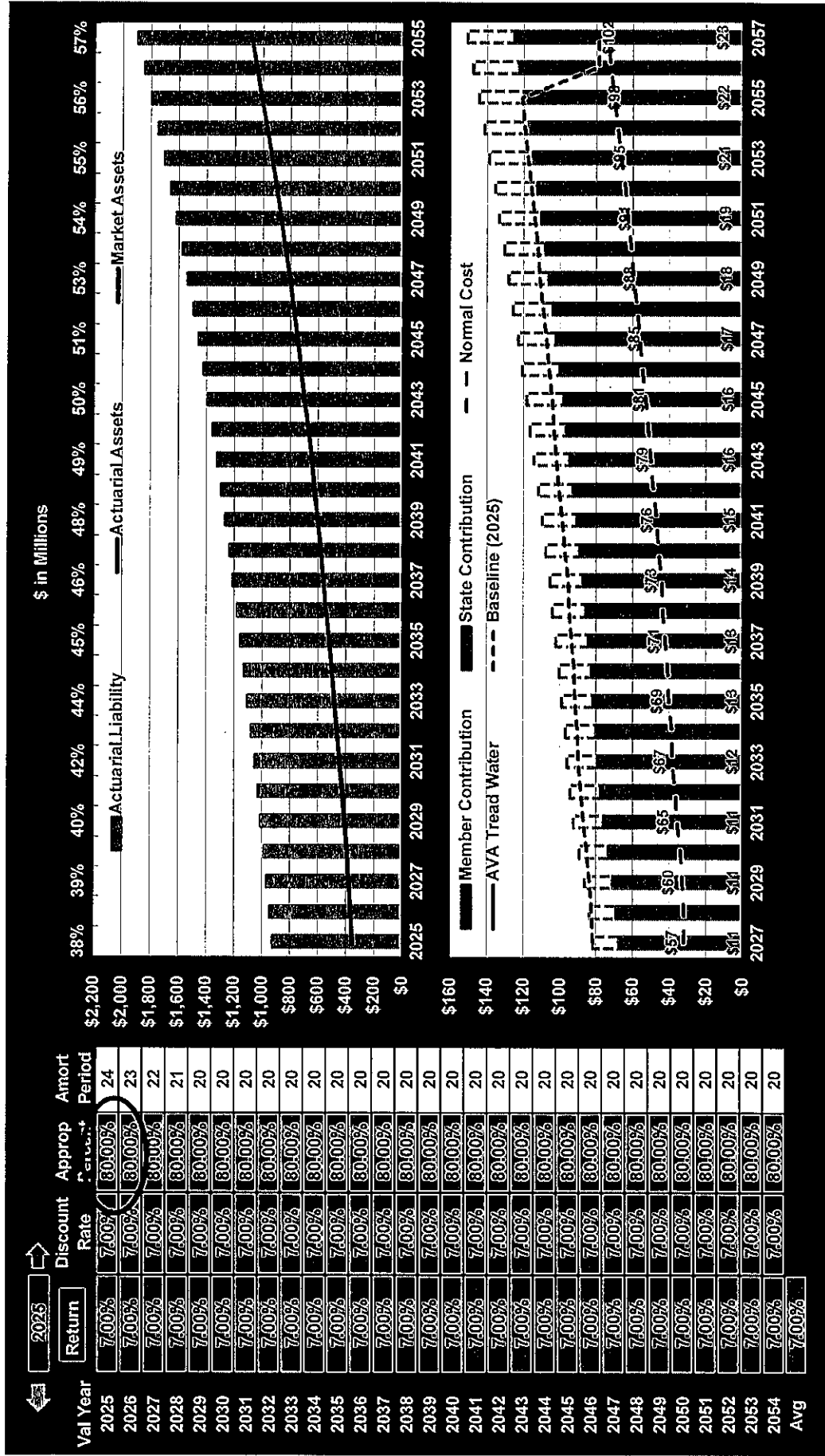
One-Year Negative Shock Scenario



Funded ratio based on Actuarial Value of Assets

Without the full statutory contribution, the funded ratio would stagnate and contributions would increase

Future State Appropriation 80%



Funded ratio based on Actuarial Value of Assets

The purpose of this presentation is to present the July 1, 2025 Actuarial Valuation results for the Judicial Retirement System of New Jersey.

In preparing our presentation, we relied on information (some oral and some written) supplied by the Division of Pensions and Benefits. This information includes, but is not limited to, the plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No.23, Data Quality.

Future valuation results may differ significantly from the current valuation results presented in this presentation due to such factors as the following: plan experience differing from that anticipated by the assumptions; changes in assumptions; and changes in plan provisions or applicable law. For details on the plan provisions and assumptions and methods, refer to the July 1, 2025 Actuarial Valuation Report.

Cheiron utilizes and relies upon ProVal, an actuarial valuation software leased from Winklevoss Technologies for the intended purpose of calculating liabilities and projected benefit payments. Projected expected results of future valuations in this presentation were developed using P-scan, our proprietary tool for the intended purpose of developing projections. As part of the review process for this presentation, we have performed a number of tests to verify that the results are reasonable and appropriate. We are not aware of any material inconsistencies, unreasonable output resulting from the aggregation of assumptions, material limitations or known weaknesses that would affect this presentation.

This presentation and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices and our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board as well as applicable laws and regulations. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this presentation. This presentation does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

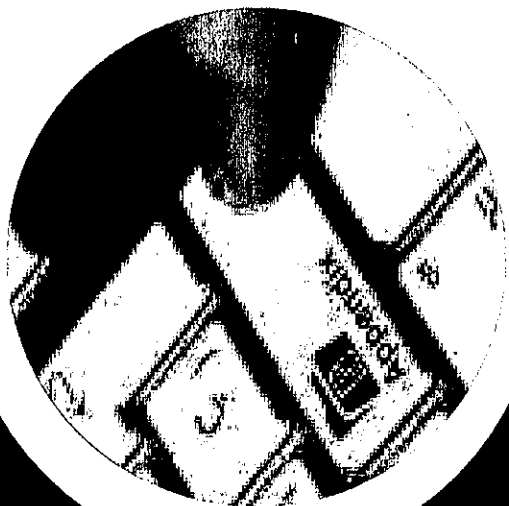
This presentation was prepared exclusively for the Board for the purposes described herein. Other users of this presentation are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to such other users.

Janet Cranna, FSA, FCA, EA, MAAA
Principal Consulting Actuary

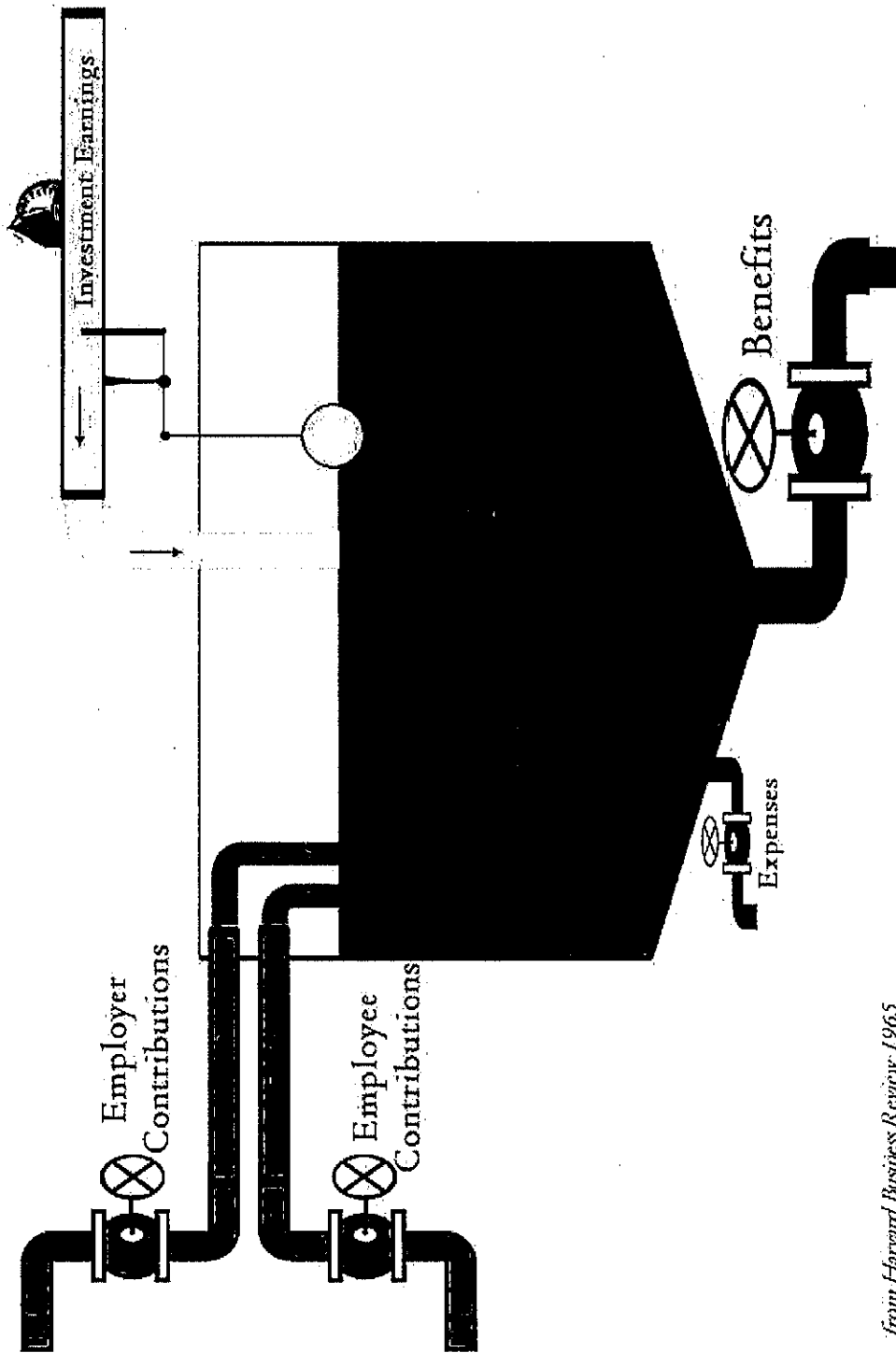
Jake Libauskas, FSA, FCA, EA, MAAA
Principal Consulting Actuary

Jonathan Chipko, FSA, EA, MAAA
Principal Consulting Actuary

Appendix

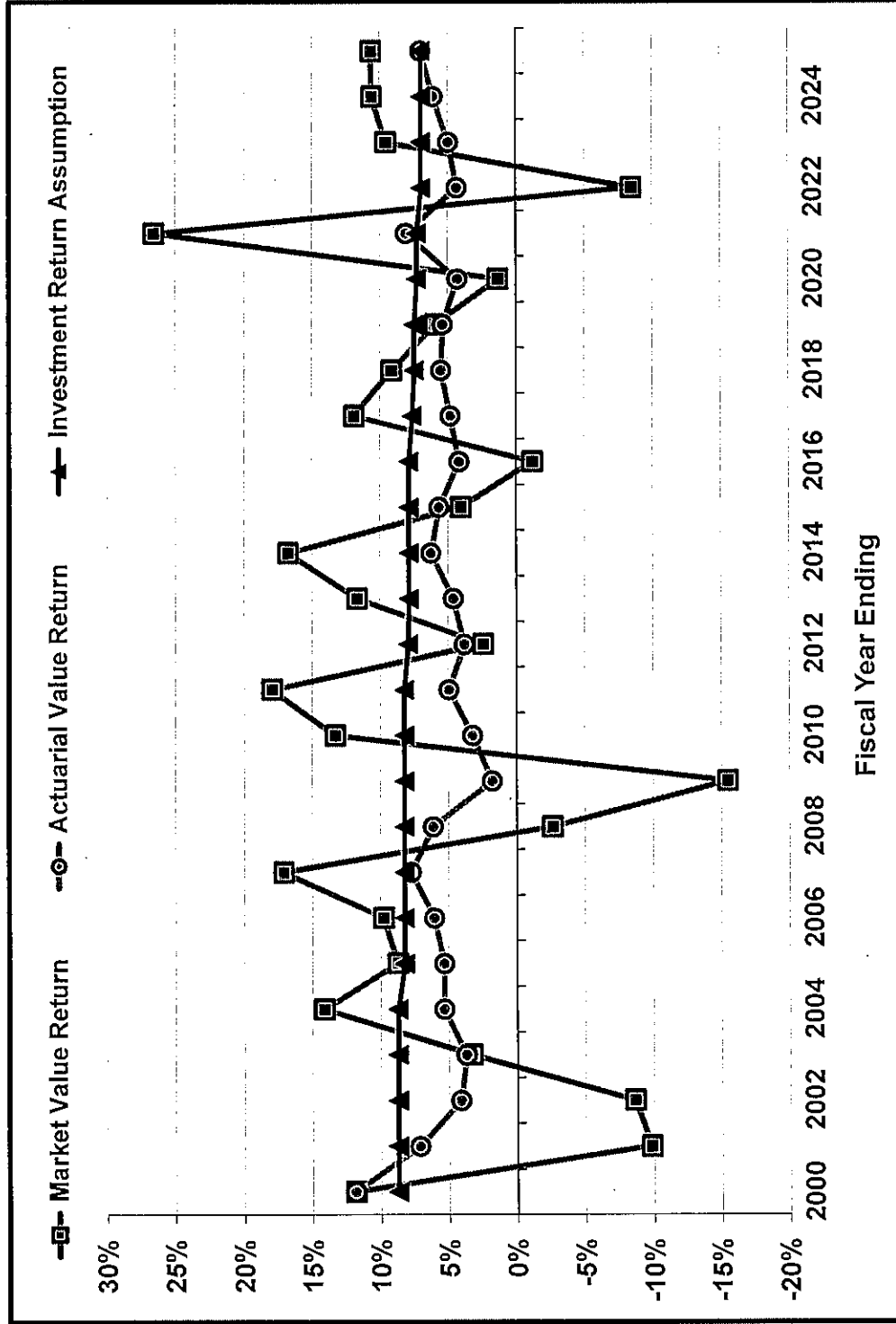


CHEIRON 



from Harvard Business Review 1965

Market investment returns are volatile

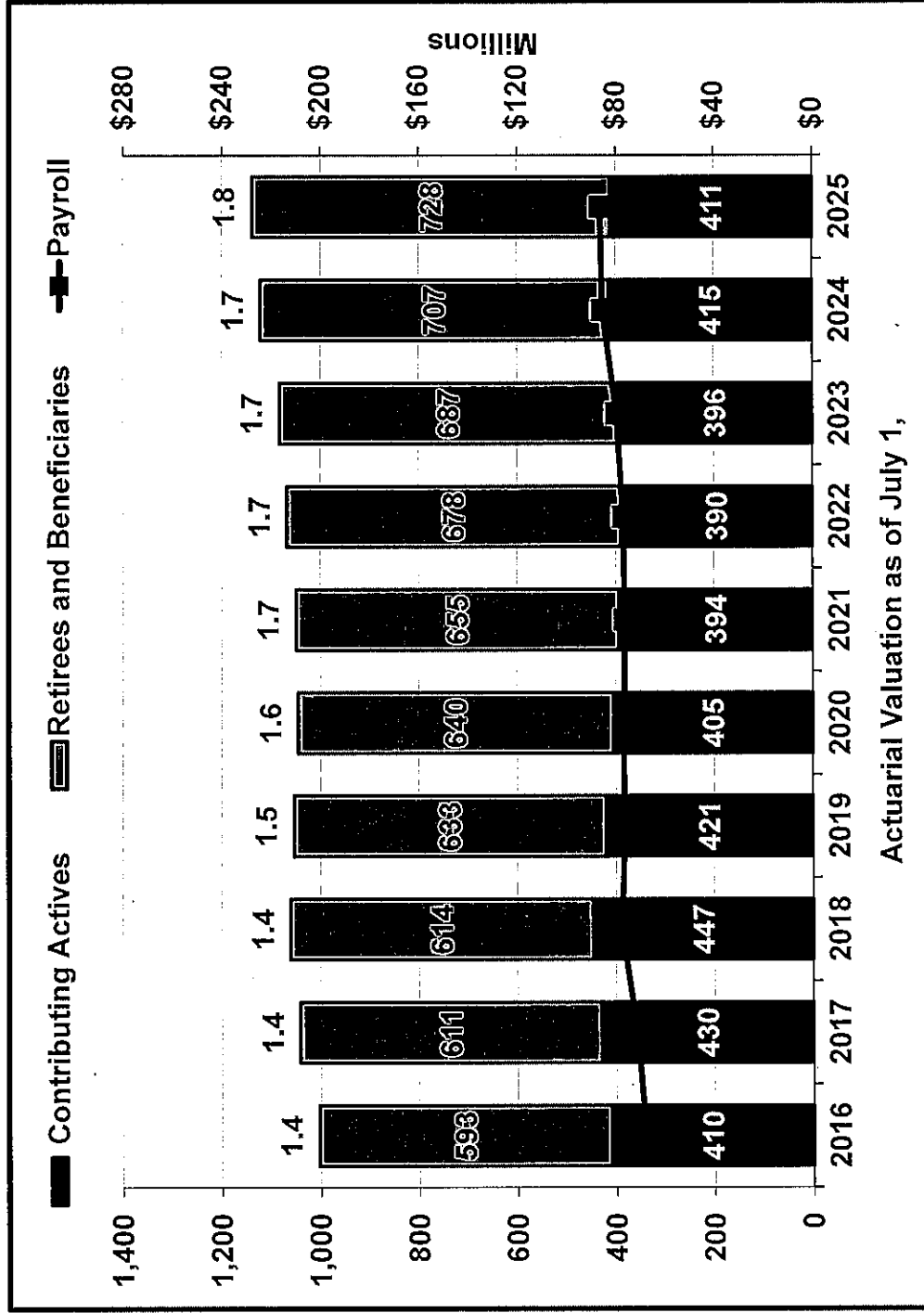


Source of market value returns: FYE 2017 through 2025, Actuarial Valuation Reports; FYE 2014 – 2016, money-weighted returns for the Pension Funds from the Division of Pension and Benefit's Comprehensive Annual Financial Reports, FYE 2000 – 2013, returns for the Pension Funds from the New Jersey State Investment Council Annual Report Source of actuarial value returns: Actuarial Valuation Reports (FYE 2000 return calculated based on available information).



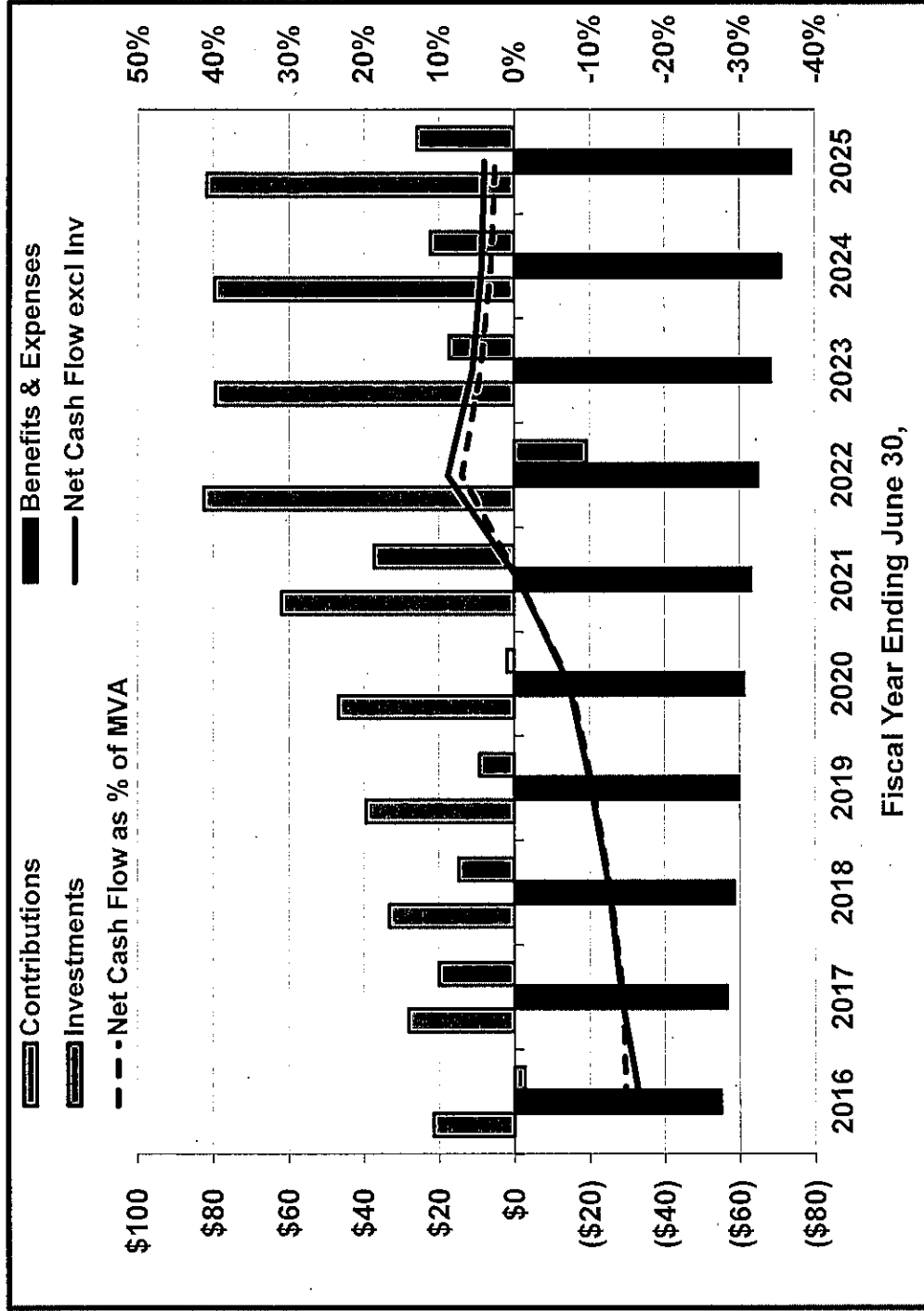
73x

System is becoming more mature



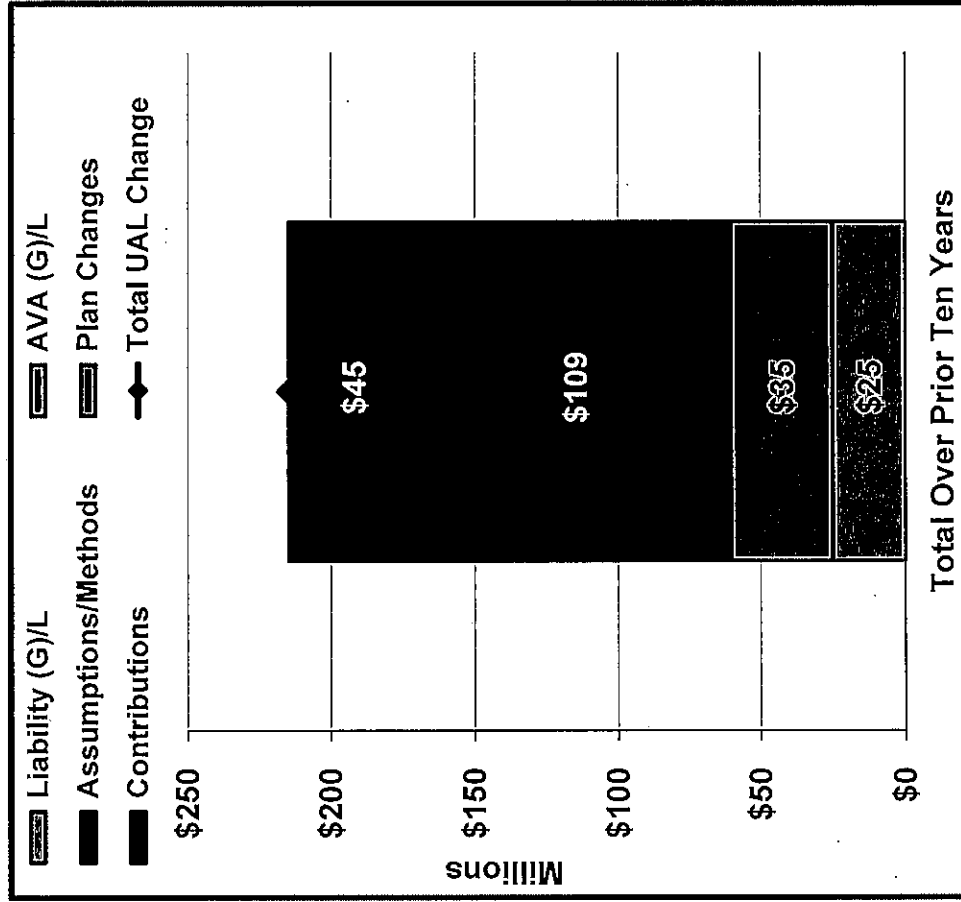
The left vertical axis shows headcounts and the right vertical axis shows appropriation payroll. The number at the top of each bar is the support ratio. The support ratio is the ratio of retirees and beneficiaries to contributing active members. The numbers in the middle of the bars show the number of contributing actives and retirees and beneficiaries.

Net cash flow remains positive



The left vertical axis shows the dollar amount of cash flows and the right vertical axis shows the net cash flow excluding investment returns as a percentage of MVA.

Assumption changes were primary cause of unfunded liability increase over the last 10 years



The Contributions amount equals the tread water level less contributions (i.e., the State normal cost plus interest on the UAL minus contributions).

Membership is stable

Valuation Date	Membership (\$ in millions)		% Change
	July 1, 2025	July 1, 2024	
Contributing Actives	411	415	-1.0%
Non-Contributing Actives	4	5	-20.0%
Deferred Vested Members	8	10	-20.0%
Retirees and Beneficiaries	728	707	3.0%
Total Members	1,151	1,137	1.2%
Appropriation Payroll	\$ 86	\$ 85	1.1%
Annual Retirement Allowances	\$ 74	\$ 71	4.2%

- Annual compensation for contributing actives only

Items may not add due to rounding. Percentage change based on unrounded numbers.



UAL decreased due to full statutory contribution

Unfunded Actuarial Liability (UAL) Reconciliation (\$ in millions)

1. UAL as of July 1, 2024	\$	588
2. Gross Normal Cost		29
3. Statutory Contributions + Expected Member Contributions		(81)
4. Expected Interest		43
5. Expected UAL as of July 1, 2025: (1+2+3+4)	\$	578
6. Contribution Related Differences		3
7. Asset Related Differences		0
8. Liability Related Differences		(8)
9. Actual UAL as of July 1, 2025: (5+6+7+8)	\$	573

- Contribution related differences include the impact of contribution timing
- Asset related differences include asset gains and losses and losses due to administrative expense
- Liability related differences include the impact of the mortality assumption change and liability gains and losses due to experience other than expected and updates to the census data

Items may not add due to rounding



Statutory contribution is similar to prior year

Valuation Date Fiscal Year End	Contributions (\$ in millions)		% Change	
	July 1, 2025 2027	July 1, 2024 2026		
1. Gross Normal Cost	\$ 30	\$ 29		1.5%
2. Expected Member Contributions	(10)	(10)		1.1%
3. State Normal Cost: (1+2)	20	20		1.7%
4. State Normal Cost Payable at Beginning of Fiscal Year (3, with interest)	21	21		1.7%
5. Amortization of UAL	50	50		-0.9%
6. Total Statutory Pension Contribution for FYE (4+5)	71	71		-0.1%
7. Expected Percent Appropriated	100.00%	100.00%		0.0%
8. Net State Contribution: (6 x 7)	71	71		-0.1%

Items may not add due to rounding. Percentage change based on unrounded numbers.

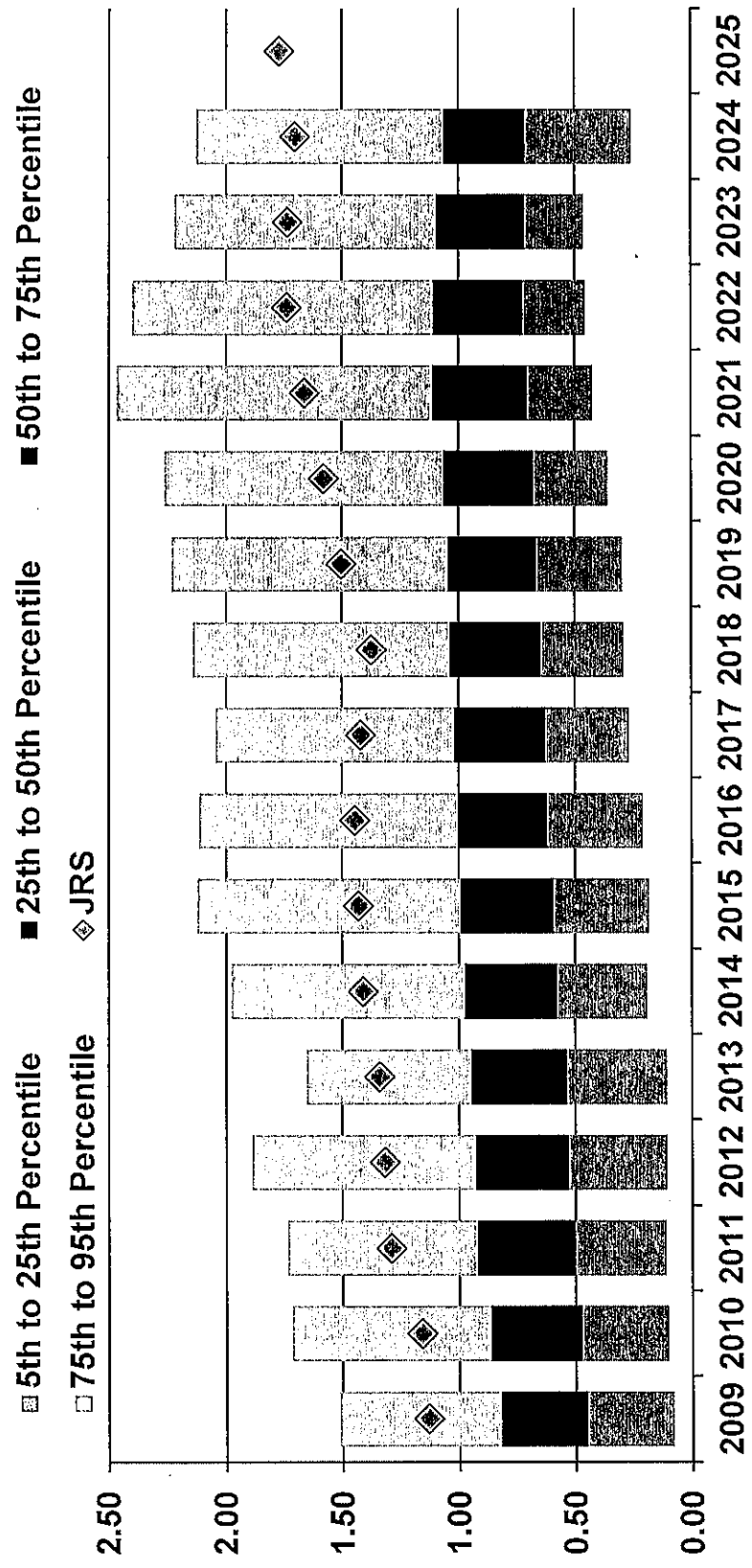


Risk Assessment

- Primary risks identified for JRS
 - Investment risk
 - Assumption change risk
 - Contribution risk
- Plan maturity measures used to help understand the amount of risk the System is facing
 - **Support Ratio:** number of inactive members supported by each active member
 - **Net Cash Flow Rate:** ratio of net cash flow to beginning of year assets

High support ratio indicates more sensitivity to risks

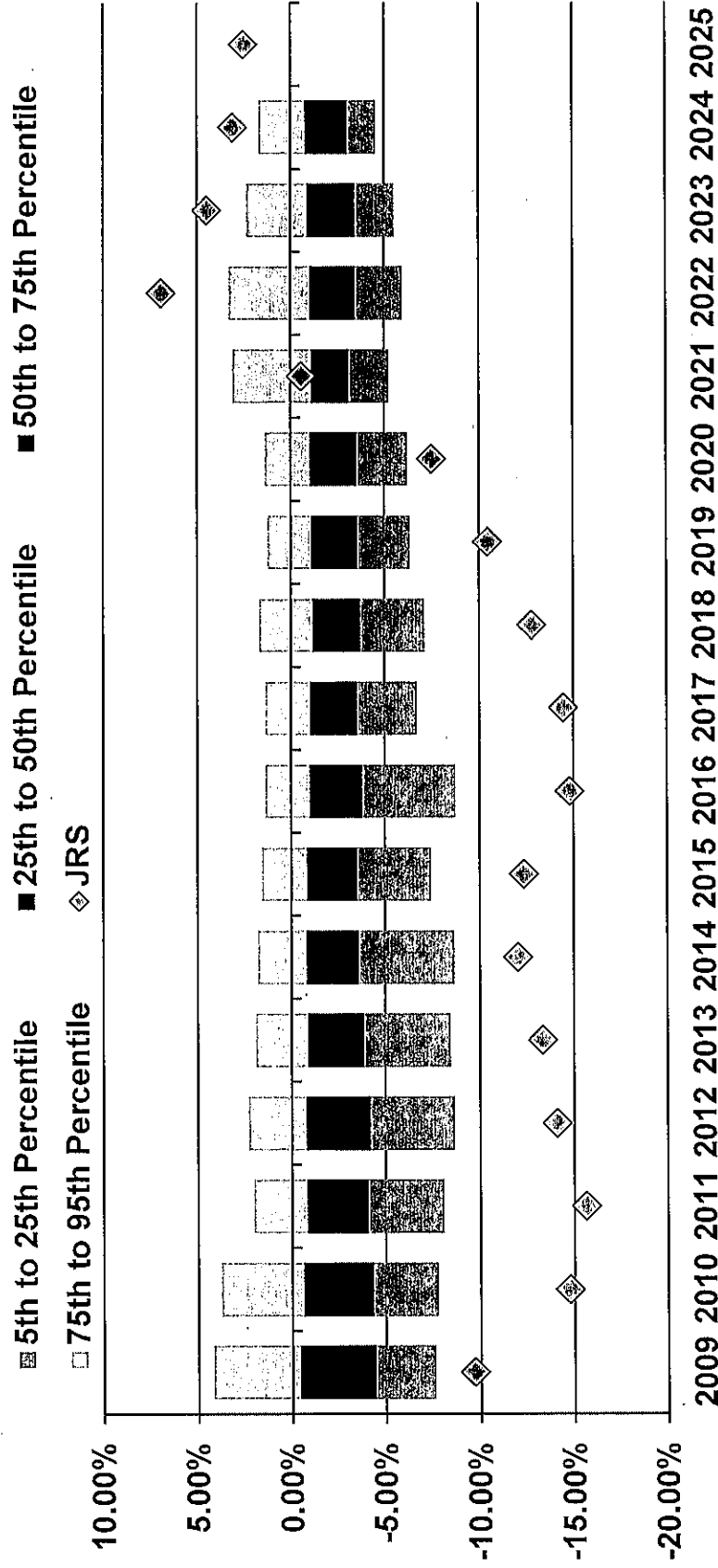
Support Ratio



Survey Data from Public Plans Data as of 7/8/2025

Positive net cash flow reduces sensitivity to risks

Net Cash Flow Rate



Survey Data from Public Plans Data as of 7/8/2025

82x

Projections

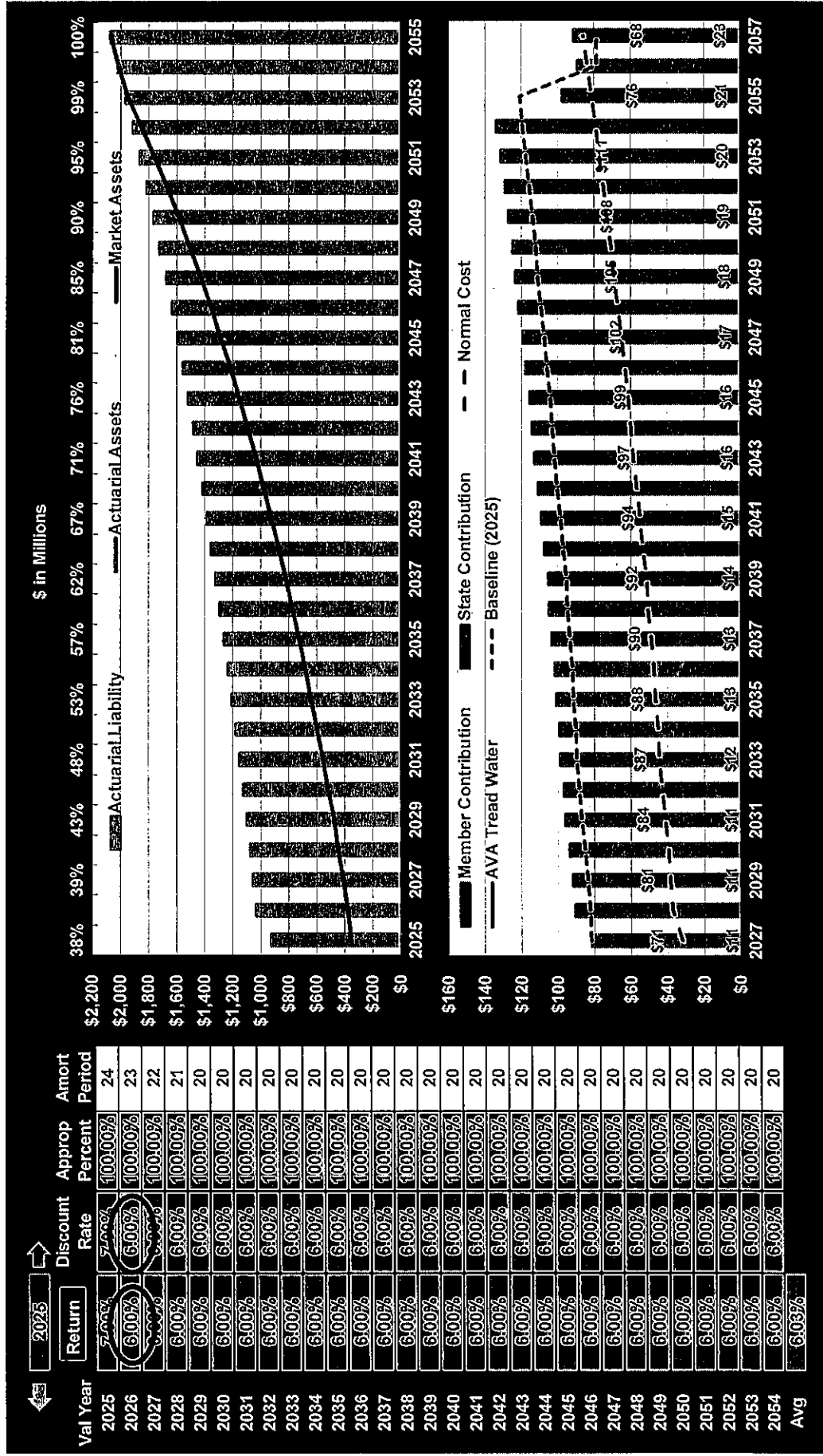
- The valuation results are a snapshot
- The forward-looking financial trends of the System are perhaps the most important component of the valuation
- Baseline matches the actuarial assumptions – it is the trends not the precise values that are important

Stress Testing

- Because experience will differ from Baseline, stress testing considers the more volatile future investment returns as a vital assessment of the System's risks
- The State Legislature recognized this in their adoption of Chapter 277, P.L. 2017, requiring annual stress testing
- The valuation report presents results under six hypothetical investment scenarios, both positive and negative, to satisfy this requirement

A lower investment return assumption would increase the State contributions

Future Discount Rate and Investment Return 6%



Funded ratio based on Actuarial Value of Assets

Judicial Retirement System of New Jersey

Actuarial Valuation Report as of July 1, 2025

Produced by Cheiron

February 2026

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Letter Of Transmittal

February 3, 2026

State House Commission
Judicial Retirement System of New Jersey
State of New Jersey
Department of the Treasury
Division of Pension and Benefits, CN 295
Trenton, New Jersey 08625-0295

Dear Commission Members:

We have performed the July 1, 2025 Actuarial Valuation of the Judicial Retirement System of New Jersey (JRS or System).

In preparing our report, we relied on information (some oral and some written) supplied by the Division of Pensions and Benefits (DPB). This information includes, but is not limited to, plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23, *Data Quality*.

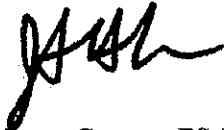
The results of this report are only applicable to the System's contribution for Fiscal Year Ending 2027. Future results may differ significantly from the current results presented in this report due to such factors as the following: plan experience differing from that anticipated by the assumptions; changes in assumptions; and changes in plan provisions or applicable law.

The demographic and economic (other than the investment rate of return) actuarial assumptions are based on the recommended assumptions from the July 1, 2021 – June 30, 2024 Experience Study, approved by the State House Commission on September 29, 2025. The investment rate of return assumption of 7.00% is based on the recommendation of the State Treasurer.

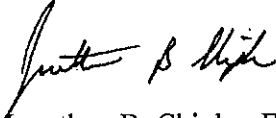
This report and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices and our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board as well as applicable laws and regulations. Furthermore, as credentialed actuaries we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this report. This report does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

This actuarial valuation report was prepared exclusively for JRS, the DPB and the System auditors for the purposes described herein and in preparing financial reports in accordance with applicable law and annual report requirements. Other users of this report are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to such other users.

Sincerely,
Cheiron



Janet Cranna, FSA, FCA, MAAA, EA
Principal Consulting Actuary



Jonathan B. Chipko, FSA, MAAA, EA
Principal Consulting Actuary



Jake Libauskas, FSA, FCA, MAAA, EA
Principal Consulting Actuary

**JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
JULY 1, 2025 ACTUARIAL VALUATION**

SECTION I – BOARD SUMMARY

The primary purpose of the actuarial valuation and this report is to disclose the following as of the valuation date:

- The financial condition of the Judicial Retirement System of New Jersey,
- Past and expected future trends and risks to the System's financial condition, and
- The State's Statutory pension contribution for the Fiscal Year Ending (FYE) 2027.

In this Section we present a summary of the principal valuation results. This includes the basis upon which the July 1, 2025 valuation was completed and an examination of the current financial condition of the System. In addition, we present a review of the key historical trends as well as the System's projected financial outlook. The stress testing in accordance with the requirements set out in Chapter 277, P. L. 2017 follows in Section II.

This report does not include reporting requirements under GASB Statements Nos. 67 and 68 which were provided in separate reports.

Results shown in this report for years prior to July 1, 2018 are based on the prior actuary's valuation reports.

**JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
JULY 1, 2025 ACTUARIAL VALUATION**

SECTION I – BOARD SUMMARY

Valuation Basis

The July 1, 2025 valuation results are based on the same actuarial methods as used in the July 1, 2024 valuation. The demographic and economic assumptions, aside from the valuation interest rate, are based on the July 1, 2021 – June 30, 2024 Experience Study, which was approved by the State House Commission on September 29, 2025. The valuation is based on a 7.00% interest rate as recommended by the State Treasurer.

This valuation reflects plan provisions in effect as of July 1, 2025 and does not reflect the impact of any changes in benefits that may have been approved after the valuation date.

This report was prepared using census data and financial information as of July 1, 2025 provided by the Division of Pensions and Benefits and does not reflect any subsequent changes in the membership or the assets. Events following the valuation date are not reflected in this report.

The Appropriations Act of Fiscal Year 2025 set the State pension contribution equal to the Statutory amount of \$70,341,764 rounded to the nearest thousand, or \$70,342,000 (100.00% of the Statutory contribution).

Chapter 83, P.L. 2016 calls for the State to make the required pension contributions on a quarterly basis in each fiscal year according to the following schedule: at least 25% by September 30, at least 50% by December 31, at least 75% by March 31, and at least 100% by June 30. As such, contributions are assumed to be made on a quarterly basis with the first contribution 15 months after the associated valuation date.

There was one plan change effective for this valuation. Chapter 56, P.L. 2024 amended the retirement provisions so that a retired member of JRS can be appointed as a county prosecutor but cannot be enrolled in any other State-administered retirement system based on that service. The retired JRS member can continue to receive the JRS retirement allowance while receiving the full salary as a county prosecutor. The impact of this change will be recognized in subsequent years as experience emerges.

The valuation excludes assets and liabilities under the Non-Contributory Group Insurance Premium Fund. The Non-Contributory Group Insurance premiums are separately funded on a pay-as-you-go basis.

JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
JULY 1, 2025 ACTUARIAL VALUATION

SECTION I – BOARD SUMMARY

Key Results

Table I-1 below summarizes the key results of the valuation with respect to the System's membership, assets and liabilities, and contributions. The results are presented and compared for both the current and prior year.

Table I-1 Summary of Key Valuation Results			
Valuation Date Fiscal Year Ending (FYE)	July 1, 2025 2027	July 1, 2024 2026	% Change
<u>Member Data</u>			
Contributing Actives	411	415	-1.0%
Non-Contributing Actives	4	5	-20.0%
Deferred Vested Members	8	10	-20.0%
Retirees and Beneficiaries ¹	728	707	3.0%
Total Members	1,151	1,137	1.2%
Appropriation Payroll ²	\$ 86,339,540	\$ 85,427,536	1.1%
Annual Retirement Allowances	\$ 73,757,948	\$ 70,783,241	4.2%
<u>Assets and Liabilities</u>			
Actuarial Liability	\$ 923,939,245	\$ 909,557,632	1.6%
Actuarial Value of Assets (AVA) ³	350,750,381	321,882,453	9.0%
Unfunded Actuarial Liability/(Surplus)	\$ 573,188,864	\$ 587,675,179	-2.5%
Funded Ratio (AVA)	38.0%	35.4%	2.6%
Market Value of Assets (MVA) ³	\$ 350,856,780	\$ 313,645,063	11.9%
Unfunded Actuarial Liability/(Surplus)	\$ 573,082,465	\$ 595,912,569	-3.8%
Funded Ratio (MVA)	38.0%	34.5%	3.5%
<u>Contribution Amounts</u>			
State Normal Cost at End of Year	\$ 21,267,854	\$ 20,902,679	1.7%
Amortization Payment of UAL	49,975,776	50,428,711	-0.9%
Total Statutory Contribution for FYE	\$ 71,243,630	\$ 71,331,390	-0.1%
Expected Percent Appropriated	100.00%	100.00%	0.0%
Net State Contribution	\$ 71,243,630	\$ 71,331,390	-0.1%

¹ Retiree and Beneficiary counts do not include QDROs

² Annual compensation for contributing actives only

³ Includes discounted State appropriations receivable

**JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
JULY 1, 2025 ACTUARIAL VALUATION**

SECTION I – BOARD SUMMARY

The key results of the July 1, 2025 actuarial valuation are as follows:

- The Statutory contribution decreased from \$71.3 million for FYE 2026 to \$71.2 million for FYE 2027 prior to any State appropriation adjustment.
- The funded ratio, the ratio of actuarial value of assets to liabilities, increased from 35.4% as of July 1, 2024 to 38.0% as of July 1, 2025. Using the market value of assets, the funded ratio increased from 34.5% to 38.0%.
- The unfunded actuarial liability decreased from \$587.7 million as of July 1, 2024 to \$573.2 million as of July 1, 2025 on an actuarial value of assets basis.
- During the year there was a total actuarial experience loss of \$5.6 million, consisting of an asset loss of \$0.2 million and a liability loss of \$5.4 million. The rate of return on the market value of assets was 10.68% and the rate of return on the actuarial value of assets was 7.01% for FYE 2025 compared to the 7.00% assumed rate of return. The asset loss occurred because this small investment gain was offset by the administrative expense loss. The liability loss was primarily due to more retirements than assumed.
- The mortality assumption change from the recently completed experience study decreased the actuarial liability by \$13.4 million.

JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
JULY 1, 2025 ACTUARIAL VALUATION

SECTION I – BOARD SUMMARY

Recent Trends

Although most of the attention given to the valuation reflects the most recently completed unfunded actuarial liability, funded ratio, and contribution amounts, each valuation is merely a snapshot of the long-term progress of a pension fund. It is important to take a step back from the current year results and view them in the context of the System's recent history as well as trends expected into the future. Below, we present a series of graphs which display historical trends for key factors in the valuations of the last ten years. Additionally, in Appendix D we provide the numerical values of the historical unfunded actuarial liability, funded ratio, and contribution amounts.

In reviewing the historic trends over the first half of the ten-year period, the declining funded status coupled with significant negative net cash flow highlights the potential risk of running out of assets to pay benefits unless the State consistently contributes the full amount of the Statutory required contributions.

Assets and Liabilities

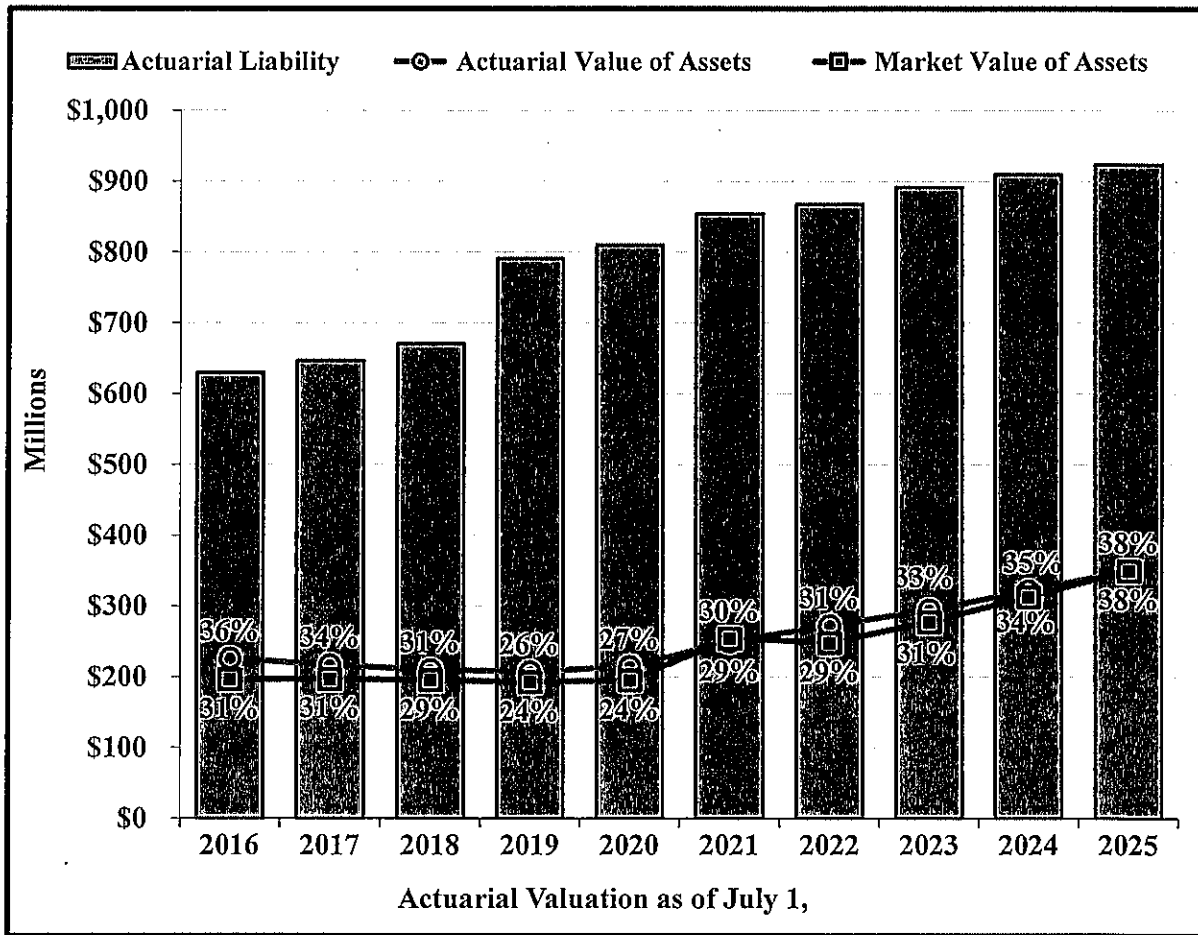
In the following chart the gray bars represent the Actuarial Liability (AL). The green line is the Market Value of Assets (MVA) and the gold line is the Actuarial Value of Assets (AVA). The System's funded ratio (ratio of assets to actuarial liability), on both a MVA basis and an AVA basis, is shown next to the respective asset lines.

The liability has been increasing over time in part due to additional benefit accruals but also due to decreases in the discount rate and other assumption changes. The large liability increase in 2019 was due to the reduction in the assumed rate of investment return from 7.50% to 7.30% and assumption changes related to an experience study. The largest impact on the liability in 2019 was driven by the change in mortality rates which were updated to use the new public plan mortality tables published by the Society of Actuaries. A large liability increase occurred again in 2021 due to the decrease in the assumed rate of investment return from 7.30% to 7.00%.

Until 2021, the funded ratio had been decreasing over time due to decreases in the discount rate and because the State had not been making the full Statutory contribution. For 2021, the funded ratio reversed that trend and increased due to higher-than-expected asset returns and State contributions in excess of the Statutory contribution. Since 2021, the funded ratio on an actuarial basis increased each year as the State continued to contribute the full Statutory contribution.

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The information above is based on the final actuarial valuation reports for the given years. The amounts do not reflect differences between the discounted State appropriations receivable and the actual State contribution amounts that became known after the issuance of the reports.

JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
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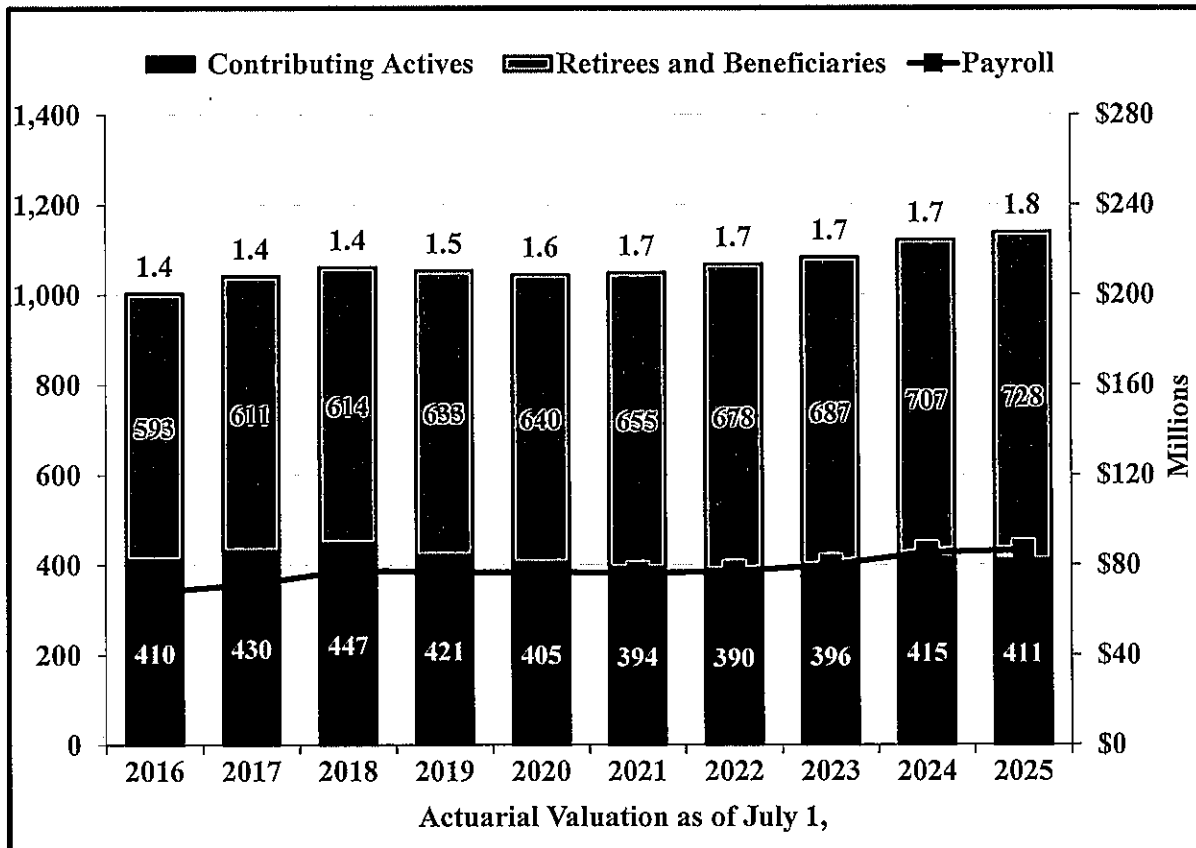
SECTION I – BOARD SUMMARY

Membership Trends

The graph below shows the membership counts of the System for the last ten valuations. The numbers which appear above each bar represent the ratio of the number of retirees and beneficiaries to contributing active members at each valuation date and provide a measure of the maturity of the System. We refer to this ratio as the support ratio. The support ratio has generally increased over the period. As more of the liability moves from actives to inactive, the System will experience more volatility in contribution rates when actuarial gains and losses are recognized.

With the current support ratio of 1.8, there are significantly more inactive members than active members implying that the risk factor is at a high level relative to other mature pension funds.

The numbers that are shown in the middle of the bars represent the number of active or inactive members. The black line represents the appropriation payroll over the period and corresponds with the scale on the right. For valuation years prior to 2018, appropriation payroll includes payroll for non-contributing actives and the appropriation payroll beginning in 2018 excludes the payroll for non-contributing actives.



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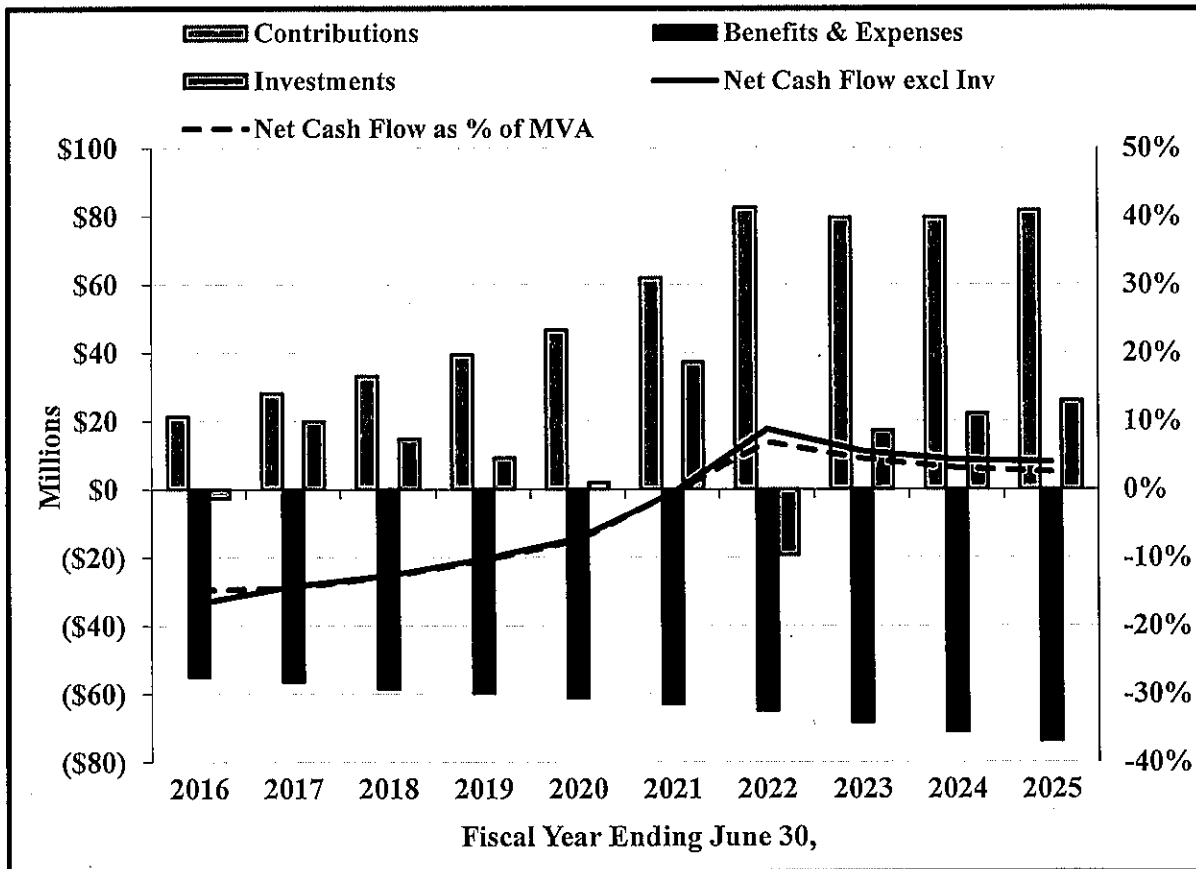
SECTION I – BOARD SUMMARY

Cash Flows

The following graph shows the System net cash flow (contributions less benefit payments and expenses) at the end of each fiscal year. Prior to FYE 2022, the net cash flow, which excludes investment returns, was negative. This illustrates that contributions were not sufficient to cover benefits and expenses in those years. A major implication of a negative cash flow is that the difference each year must be met first from cash generated by investments and then be paid out of the principal assets, representing additional risk for the System if investments need to be sold in a down market to cover benefit payments.

In FYE 2022, the net cash flow became positive as the State contributed more than the Statutory contribution. This improved cash flow reduced the investment risk as the System does not need to rely on investment returns to cover benefit payments and expenses. For FYE 2023 through FYE 2025, the net cash flow remained positive as the State contributed the full Statutory contribution. The net cash flow is projected to stay positive for the next nine years if the State continues to make the full Statutory contribution, as expected.

The black dotted line shows the net cash flow as a percent of the market assets and goes with the right-hand axis. From 2016-2020, the average net cash flow as a percent of assets was -12.0%, which is greater than the long-term investment return assumption. If that continued, the plan would be expected to defund with an increased risk of insolvency. However, the net cash flow improved significantly in recent years due to the State contributing 100% of the Statutory contribution. The net cash flow as a percent of the market assets was 2.5% in FYE 2025.



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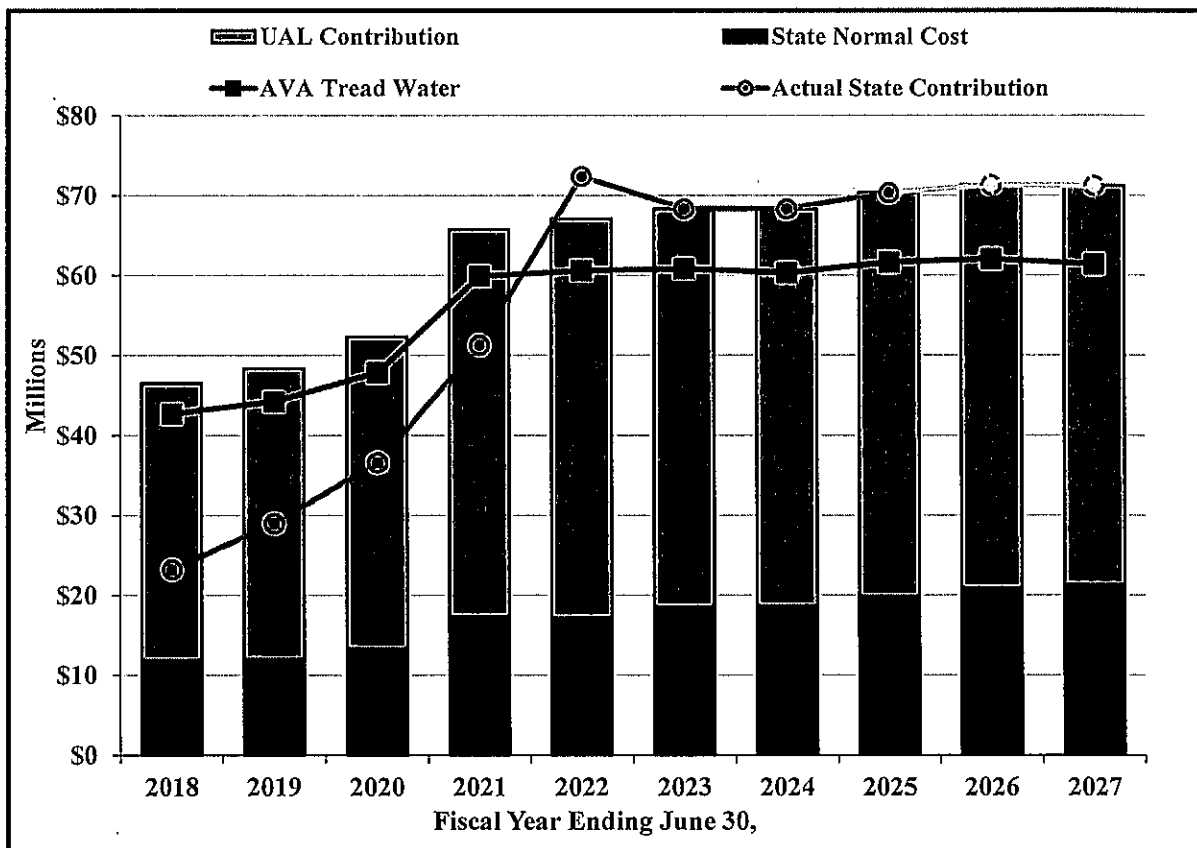
SECTION I – BOARD SUMMARY

Contributions

This graph shows the historical trends for the State contributions. The Statutory contributions are comprised of the State normal cost (blue bars) and the amortization of the UAL (gold bars). The green line shows the actual State contributions over the period. For FYE 2026 and 2027, the green line has a lighter shade to indicate that these are expected, rather than actual, contributions based on the State appropriating 100% of the Statutory contribution for both years. The expected contributions are shown in Table I-1.

The red line is the **tread water line**, which is the State normal cost plus the interest on the UAL. The tread water line shows the minimum contributions that are needed to avoid an increase in the UAL.

The graph shows that prior to 2022 not only had the State been making contributions less than required by Statute, but that the State contributions had been significantly below the tread water line. In 2022, actual State contributions were greater than the tread water amount for the first time during the period. State contributions are expected to be greater than the tread water amount going forward as the State continues to contribute 100% of the Statutory contributions.



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Projected Future Outlook

The analysis of projected financial trends is perhaps the most important component of the valuation. This has been recognized by the State Legislature in its adoption of Chapter 277, P.L. 2017 requiring the System to have stress testing performed annually. The graphs presented in this section show the expected progress of the System's funded status over the next 30 years, measured in terms of the expected funded ratios and State contributions assuming that the System is ongoing.

While experience will not conform exactly to the assumptions every year, the trends reflect reasonable expectations. As a result, in addition to the baseline projection, we provide additional **stress testing** in Section II based on varying investment returns in the future. It is our opinion that the stress testing analyses shown in Section II meet the requirements of Chapter 277, P. L. 2017.

The projections assume a constant active population. As members retire, terminate and die based on the current valuation assumptions, it is assumed that new members will replace them based on characteristics (age/sex/salary) similar to recent new members.

Additional assumptions used for these projections, including the investment rate of return for each subsequent valuation as recommended by the State Treasurer, as well as the anticipated appropriation percentages, are shown in Appendix B.

Baseline Scenario

The baseline projection shows the outcome if all actuarial assumptions, including the long-term rate of return assumption of 7.00%, as recommended by the State Treasurer, are exactly met. For each scenario we show two graphs.

The top graph compares the Market Value of Assets (green line) and the Actuarial or smoothed Value of Assets (gold line) to the System's Actuarial Liabilities (gray bars). In addition, at the top of the graph, we show the System's funded ratio on an Actuarial Value of Assets basis (ratio of Actuarial Value of Assets to Actuarial Liabilities). The years shown in the graph signify the valuation date as of July 1 of the labeled year.

The System's funded ratio on an Actuarial Value of Assets basis is projected to steadily increase, ultimately reaching 100% by 2055. The estimated period to fully amortize the UAL is longer than the Statutory amortization period due to the timing of contributions during the fiscal year and the lack of a dedicated administrative expense contribution.

The bottom graph shows the contributions by fiscal year. The member contributions are in purple and the State contributions are in gold.

The projection assumes the State appropriates 100% of the Statutory contribution in FYE 2027 and each year thereafter. Both the appropriated State contributions and the member contributions are shown in dollar amounts.

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The dashed black line in the bottom graph shows the gross normal cost. The difference between the dashed black line and the purple bar is the State portion of the normal cost.

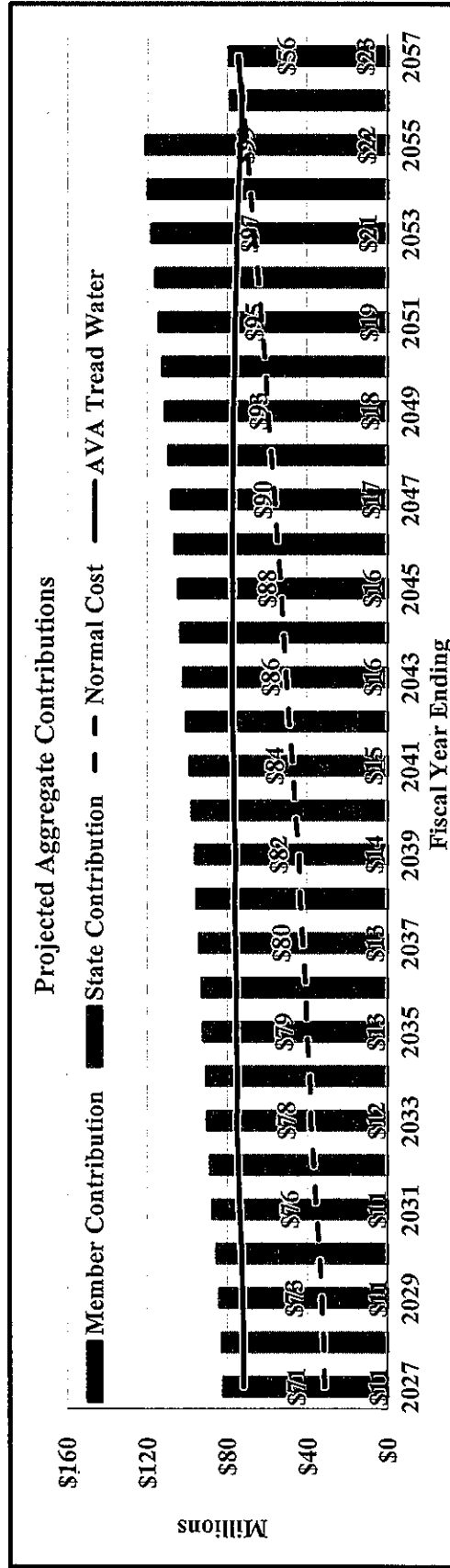
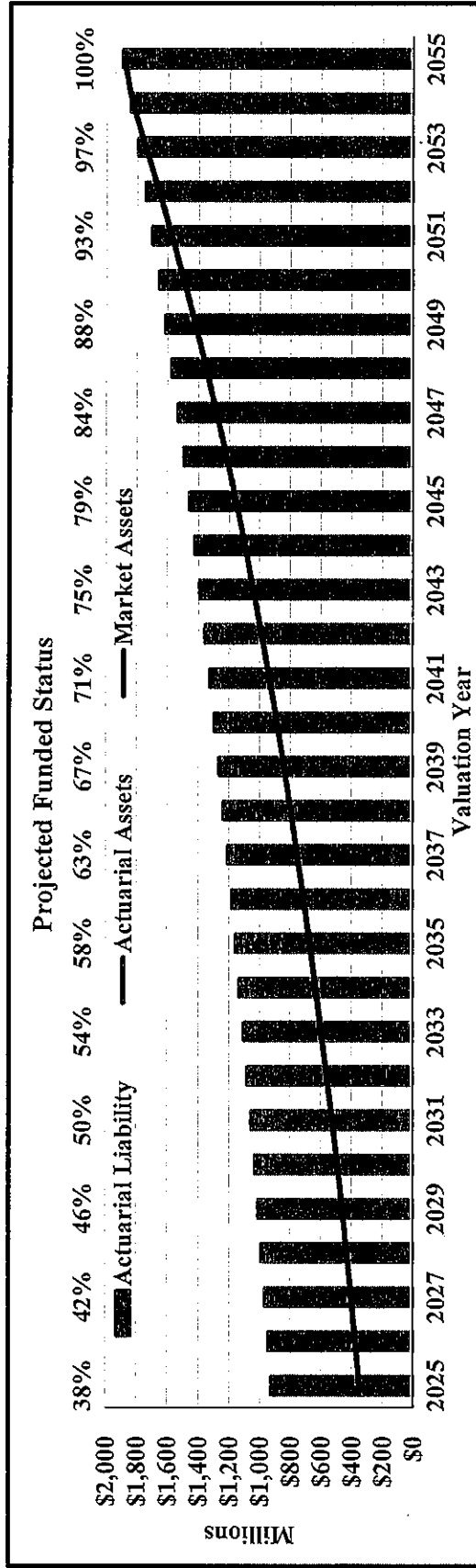
The solid black line is the tread water line based on the Actuarial Value of Assets. Because the tread water metric equals the normal cost plus interest on the UAL, the difference between the solid black line and the dashed black line is the interest on the UAL. When contributions fall below the solid black line, the UAL is expected to grow and the funded ratio falls. When the contributions exceed the solid black line, as is the case throughout the projection period, the UAL is expected to decrease and the funded ratio is expected to increase.

The Statutory contribution gradually increases over the projection period until the plan becomes 100% funded in the final years of the projection. When the System reaches 100%, the contributions drop down to the normal cost level. Because the appropriated amount equals the Statutory contribution, the contributions pay down the UAL and the tread water line decreases relative to the Statutory contribution.

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Baseline: 7.0% return for all years



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SECTION II – ASSESSMENT AND DISCLOSURE OF RISK

Actuarial valuations are based on a set of assumptions about future economic and demographic experience. These assumptions represent a reasonable estimate of future experience, but actual future experience will undoubtedly be different and may be significantly different. This section of the report is intended to identify the primary risks to the plan, provide some background information about those risks, and provide an assessment of those risks.

Identification of Risks

The fundamental risk to the System is that the contributions needed to pay the benefits become unaffordable. While there are a number of factors that could lead to contribution amounts becoming unaffordable, we believe the primary risks are:

- Investment risk,
- Assumption change risk, and
- Contribution risk.

Other risks that we have not identified may also turn out to be important.

Investment risk is the potential for investment returns to be different than expected. Lower investment returns than anticipated will increase the unfunded actuarial liability, necessitating higher contributions in the future, unless there are other gains that offset these investment losses. The potential volatility of future investment returns is determined by the System's asset allocation, and the affordability of the investment risk is determined by the amount of assets invested relative to the size of the plan sponsor or other contribution base.

Assumption change risk is the potential for the environment to change such that future valuation assumptions are different than the current assumptions. For example, declines in interest rates over the last three decades resulted in higher investment returns for fixed income investments, but lower expected future returns necessitating either a change in investment policy, a reduction in discount rate, or some combination of the two. Assumption change risk is an extension of the other risks identified, but rather than capturing the risk as it is experienced, it captures the cost of recognizing a change in environment when the current assumption is no longer reasonable.

Contribution risk is the potential for actual future contributions to deviate from expected future contributions. There are different sources of contribution risk, ranging from the sponsor choosing not to make contributions in accordance with the funding policy to material changes in the contribution base (e.g., covered employees, covered payroll, sponsor revenue) that affect the amount of contributions the System can collect.

The chart below shows the components of changes in the Unfunded Actuarial Liability (UAL) for the System over the last ten years, including investment gains and losses on the Actuarial Value of Assets, liability gains and losses, assumption and benefit changes, and contributions compared to the tread water level of contributions (normal cost plus interest on the UAL.) The net UAL change is shown by the dark blue line. Table II-1 below the chart summarizes the changes in the UAL over the last ten years.

These total changes in UAL support our identification of investment returns, assumption changes, and contributions as the primary risks to the System.

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Historical Changes in UAL 2016-2025

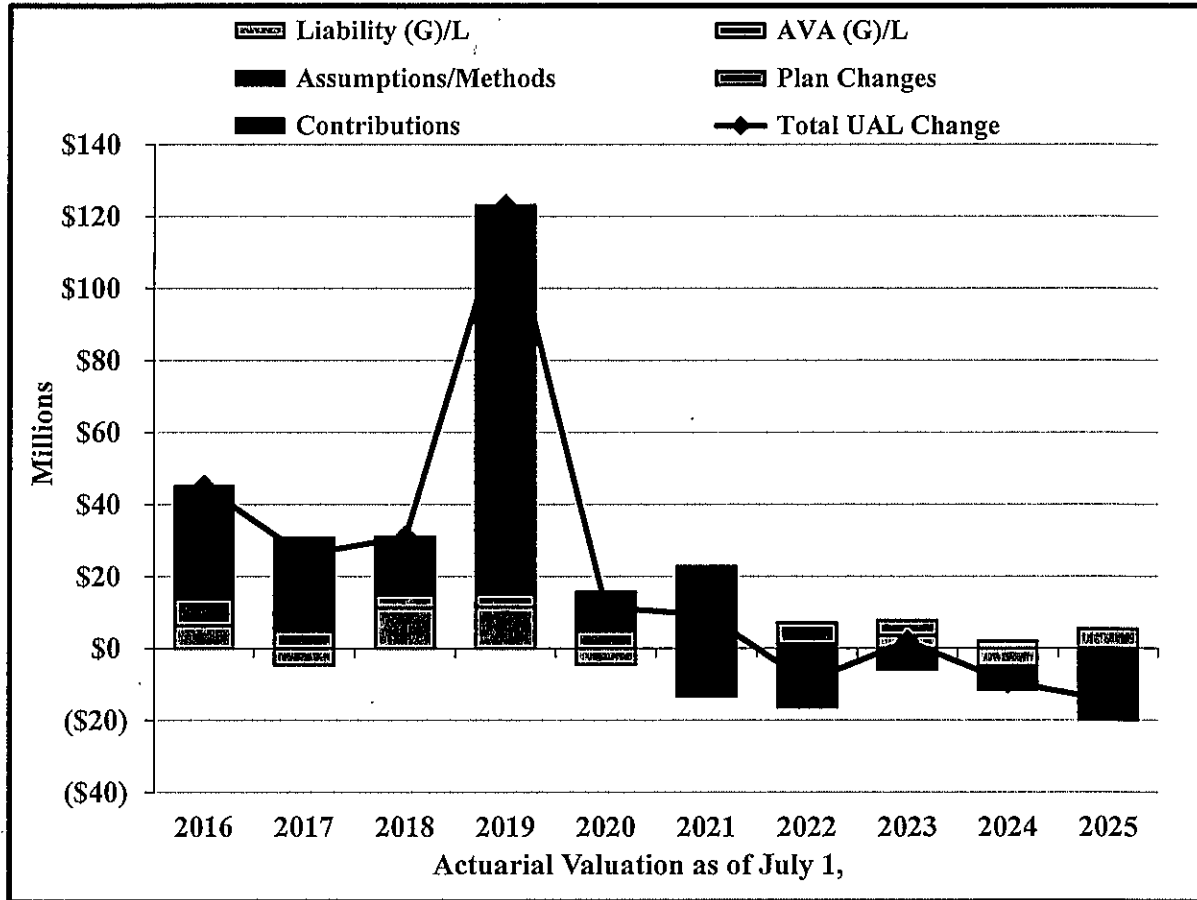


Table II-1
Changes in Unfunded Actuarial Liability
(Dollar amounts in millions)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Discount Rate	7.65%	7.50%	7.50%	7.30%	7.30%	7.00%	7.00%	7.00%	7.00%	7.00%	
Source											
AVA (G)/L	\$ 7.5	\$ 4.8	\$ 3.6	\$ 3.6	\$ 4.8	\$ (1.3)	\$ 6.0	\$ 4.2	\$ 2.1	\$ (0.0)	\$ 35.3
Liability (G)/L	6.3	(4.6)	11.3	11.5	(4.4)	(0.1)	1.2	3.5	(4.9)	5.4	25.2
Assumptions/Methods	7.1	7.8	0.2	95.6	0.0	22.8	(11.1)	0.0	0.0	(13.4)	108.9
Plan Changes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contributions ¹	24.1	18.0	15.9	12.3	10.9	(11.9)	(5.2)	(5.9)	(6.5)	(6.4)	45.3
Net UAL Change	\$ 45.0	\$ 26.1	\$ 31.0	\$ 123.0	\$ 11.3	\$ 9.5	\$ (9.2)	\$ 1.8	\$ (9.4)	\$ (14.5)	\$ 214.7

¹ UAL change due to contributions (greater)/less than normal cost plus interest on the UAL.

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On a smoothed asset basis, the investment gains and losses (gold bars) from 2016 to 2025 largely reflect investment losses. In aggregate, over the ten-year period, investment losses have added approximately \$35.3 million to the UAL.

On the liability side (gray bars), the System has experienced a combination of gains and losses, increasing the UAL by approximately \$25.2 million over the ten-year period.

Assumption and method changes (purple bars) over the last ten years have increased the UAL by approximately \$108.9 million. The significant assumption changes have included reductions in the discount rate from 7.90% to 7.00% as well as changes in mortality rates and projected mortality improvement. It is important to note that the discount rate changes simply reflect a downward revision to the estimate of future investment earnings and ultimately costs will be determined by actual investment earnings.

There have been no plan changes (green bars) over the last ten years that have had an immediate impact on the System's liabilities.

Each year the UAL is expected to increase for benefit accruals attributable to the current year (the normal cost) and interest on the UAL. This expected increase is referred to as the tread water level. If contributions are greater than the tread water level, the UAL is expected to decrease. Conversely, if contributions are less than the tread water level, the UAL is expected to increase. Changes due to contributions greater or less than the tread water level (red bars) have increased the UAL by approximately \$45.3 million over the last ten years.

In general, the amortization methods used to determine the Statutory contributions are designed to collect more than the tread water level. However, contributions may be less than this threshold due to the State appropriating less than the Statutory contributions. Notably, the trend of contributions less than the tread water level reversed in FYE 2021, and therefore the Statutory contributions are now paying down the UAL.

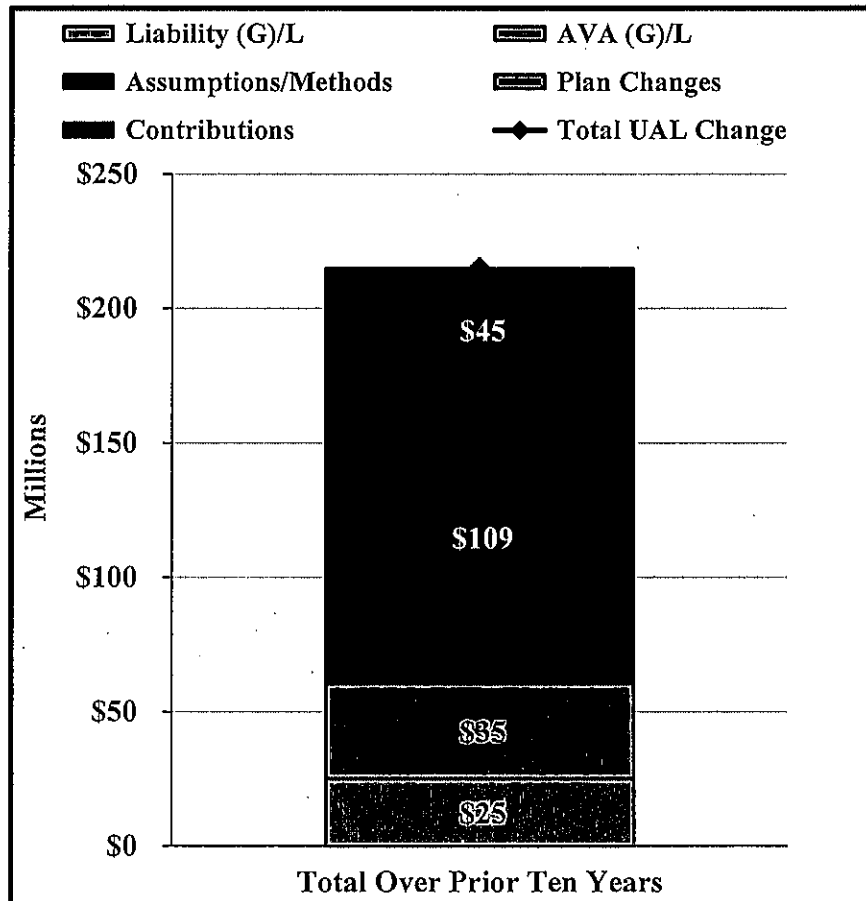
It also is important to consider the relative sizes of the assets and the liabilities when evaluating the changes to the UAL. Investment losses and liability losses have been similar in terms of dollar amounts over the last ten years, but the investment losses were generated by relatively small assets. Going forward, the assets are expected to grow relative to the liabilities, as illustrated in the baseline projections shown in the Board Summary section. In that case, investment outcomes similar to those of the last ten years could produce relatively larger investment gains and losses.

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The following chart shows the total changes to the UAL over the ten-year period.

Total Historical Change in UAL 2016-2025



Plan Maturity Measures

The future financial condition of a mature pension plan is more sensitive to each of the risks identified above than a less mature plan. Before assessing each of these risks, it is important to understand the maturity of the plan compared to other plans and how the maturity has changed over time.

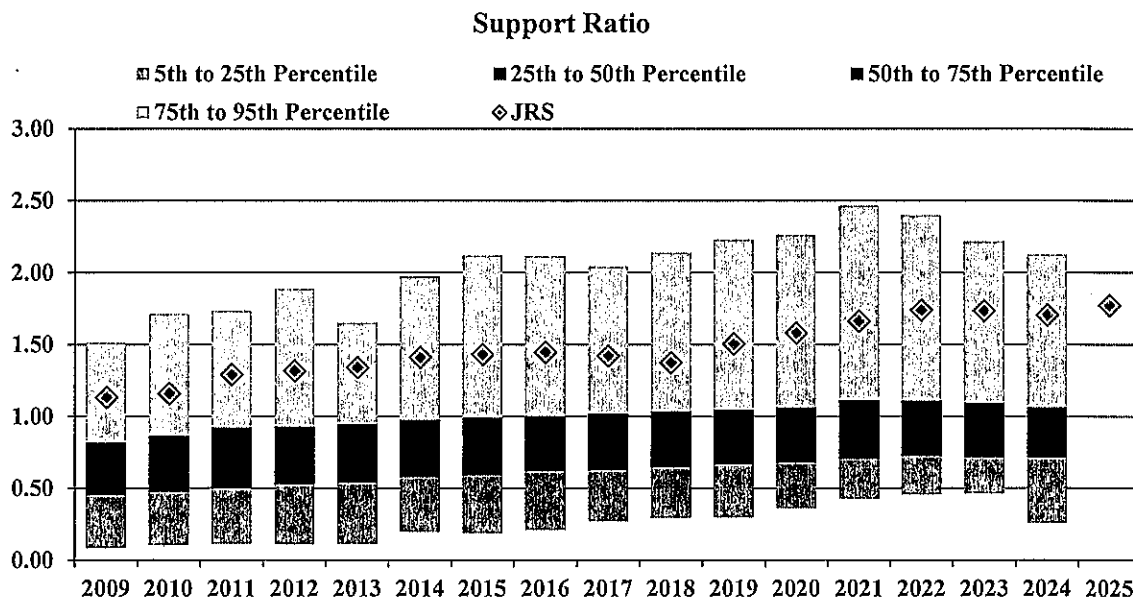
Plan maturity can be measured in a variety of ways, but they all get at one basic dynamic – the larger the plan is compared to the contribution or revenue base that supports it; the more sensitive the plan will be to risk. The measures below have been selected as the most important in understanding the primary risks identified for the System.

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Inactives per Active (Support Ratio)

One simple measure of plan maturity is the ratio of the number of inactive members (those receiving benefits) to the number of active members. We refer to this ratio as the *support ratio*. The revenue base supporting the plan is usually proportional to the number of active members, so a relatively high number of inactives compared to actives indicates a larger plan relative to its revenue base as well. We also discussed this risk metric in Section I.



Survey Data from Public Plans Data as of 7/8/2025

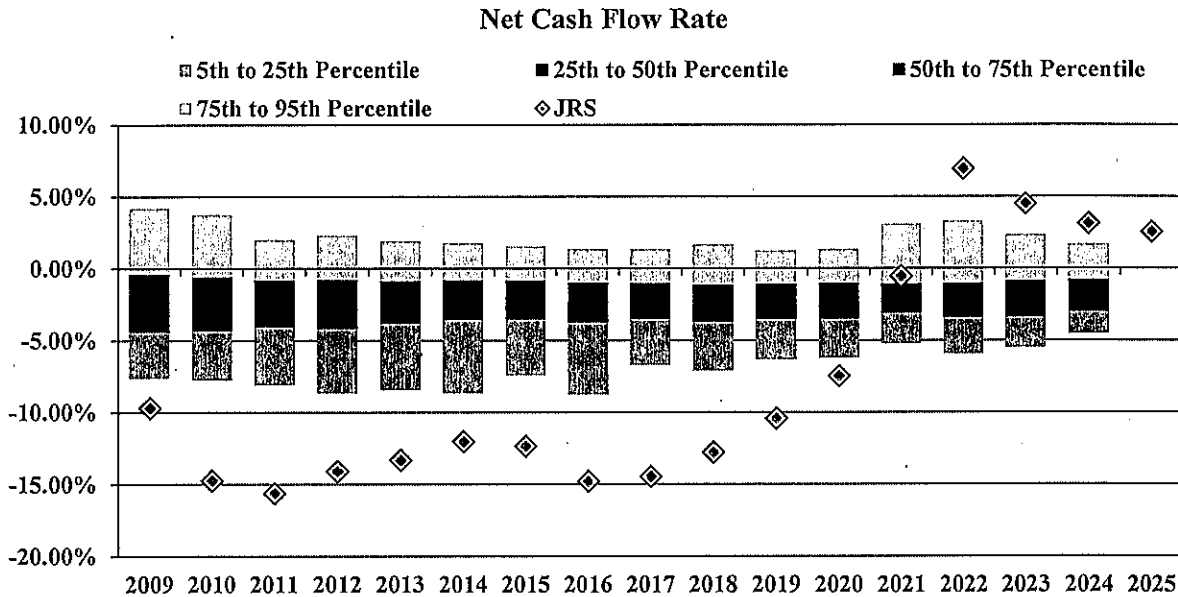
The chart above shows the distribution from the 5th to 95th percentile of support ratios for the plans in the Public Plans Database. The gold diamond shows how JRS compares dating back to 2009. For the entire period shown, the JRS support ratio has been above the 75th percentile.

Net Cash Flow

The net cash flow of the plan as a percentage of the beginning of year assets indicates the sensitivity of the plan to short-term investment returns. Net cash flow is equal to contributions less benefit payments and administrative expenses. Mature plans can have large amounts of benefit payments compared to contributions, particularly if they are well funded. Investment losses in the short term are compounded by the net withdrawal from the plan leaving a smaller asset base to try to recover from the investment losses. Large negative cash flows can also create liquidity issues. We also discussed this risk metric in Section I.

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Survey Data from Public Plans Data as of 7/8/2025

The chart above shows the distribution from the 5th to 95th percentile of net cash flow for the plans in the Public Plans Database. The gold diamond shows how JRS compares. JRS had been below the 5th percentile compared to the database of other public plans in terms of negative cash flow as a percentage of assets. However, with the State's increased appropriation percentage, JRS's net cash flow has improved considerably in recent years. The System's net cash flow rate was above the 95th percentile in FYE 2024 and is likely to remain near the 95th percentile in FYE 2025.

Assessing Costs and Risks

The fundamental risk to the System is that the contributions needed to fund the benefits become unaffordable. Assessing this risk, however, is complex because there is no bright line of what is unaffordable and the contribution amounts themselves are affected not just by the experience of the System, but also by the interaction of that experience and decisions by the State and the State House Commission related to the amount of contributions appropriated, assumptions, asset smoothing methods, and amortization periods.

Investment Risk – Stress Testing

This section illustrates stress testing of the investment return assumption and is an extension of the baseline projections provided in the Summary section. Under the baseline results, we assumed a 7.00% investment return assumption each year.

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For stress testing purposes, we developed six hypothetical scenarios to illustrate the impact actual investment returns may have on future funded status and contribution amounts. The scenarios include both positive and negative scenarios and are derived from a lognormal return model based on the capital market assumptions provided by the New Jersey Division of Investments (geometric return of 7.97%, standard deviation of 11.91%). The resulting distributions of one- and five-year returns from the model are shown in the following table.

Distribution of Expected Average Annual Returns		
Percentile	1 Year	5 Year
5%	-9.7%	-0.3%
25%	0.4%	4.5%
50%	8.0%	8.0%
75%	16.3%	11.7%
95%	29.3%	17.1%

The scenarios include: a one-year shock using the 5th and 95th percentile returns for one year; a 5-year moderate scenario using the 25th and 75th percentile returns for five years; and a 5-year significant scenario using the 5th and 95th percentile returns for five years. The table below summarizes the theoretical scenarios.

FYE	Theoretical Scenarios					
	1-Yr Shock		5-Yr Moderate		5-Yr Significant	
	Neg	Pos	Neg	Pos	Neg	Pos
2026	-9.7%	29.3%	4.5%	11.7%	-0.3%	17.1%
2027	7.0%	7.0%	4.5%	11.7%	-0.3%	17.1%
2028	7.0%	7.0%	4.5%	11.7%	-0.3%	17.1%
2029	7.0%	7.0%	4.5%	11.7%	-0.3%	17.1%
2030	7.0%	7.0%	4.5%	11.7%	-0.3%	17.1%
2031+	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%

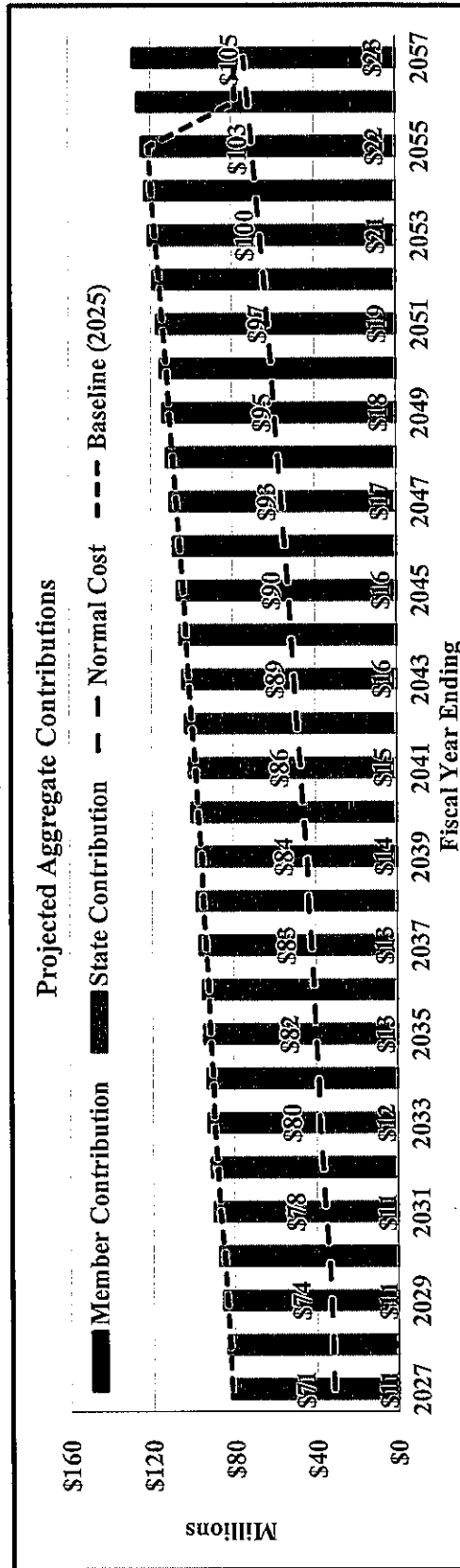
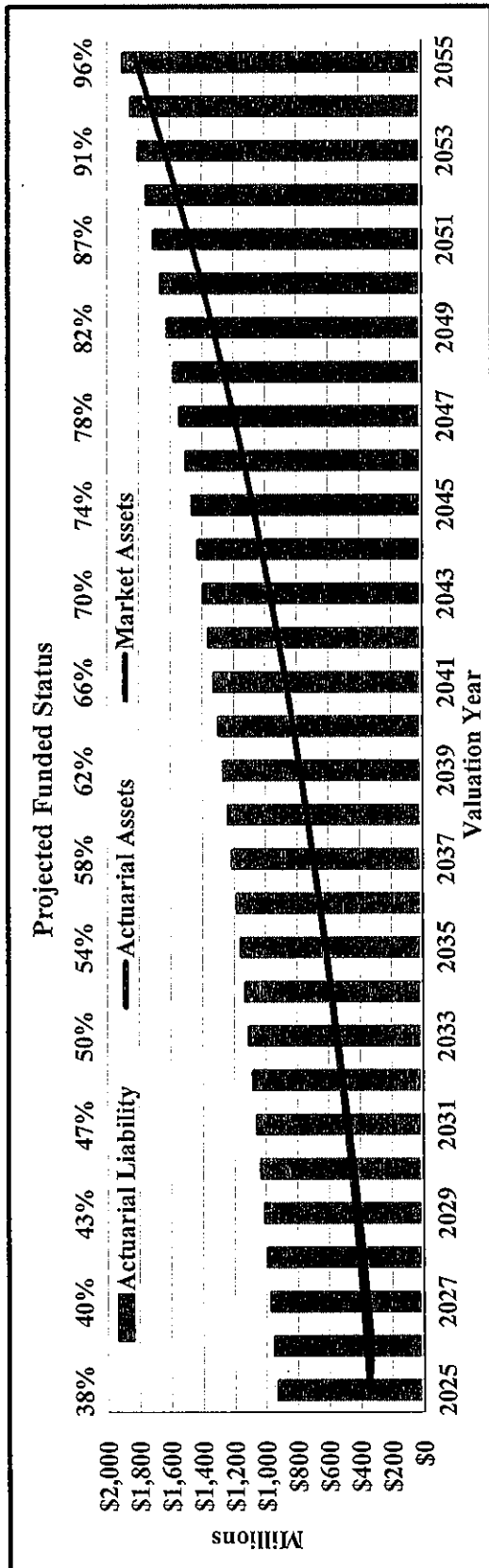
In reviewing each of these projections, it is the future trends, not necessarily the actual values, that are important to observe in consideration of the risks of the System and the potential volatility of future funded ratios and Statutory contribution levels.

The graphs on the following pages show the projections under each of these theoretical scenarios. Instead of the tread water line shown for the baseline projection, the contribution graphs include a dashed red line representing the expected contributions under the baseline projections shown in the Summary section to facilitate the comparison between the particular scenario and the baseline projections assuming all assumptions are met.

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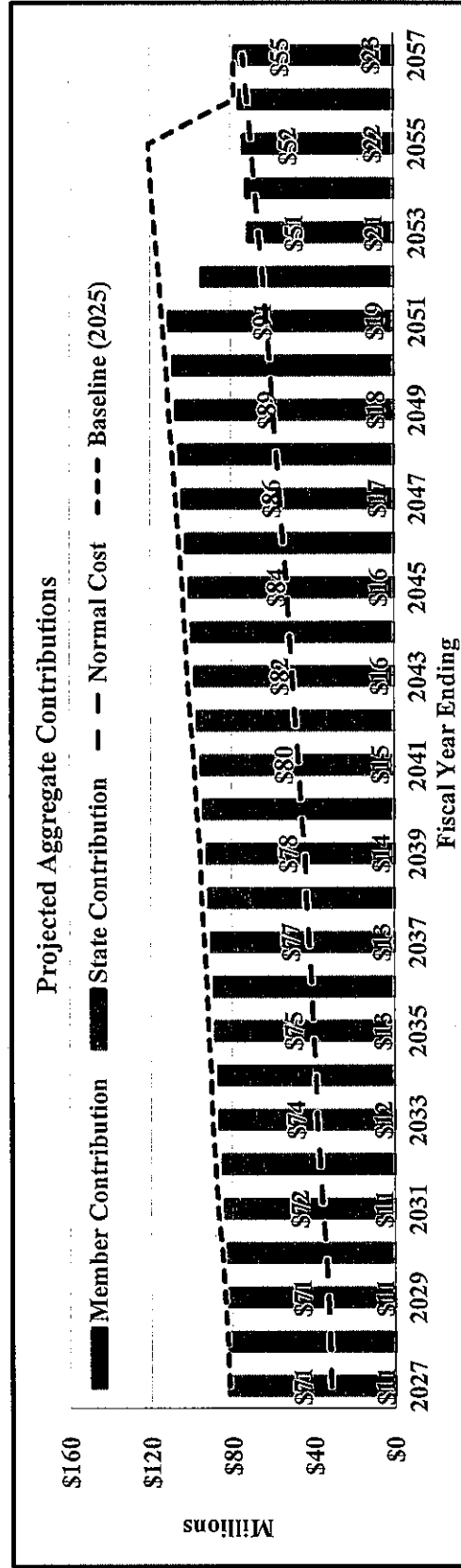
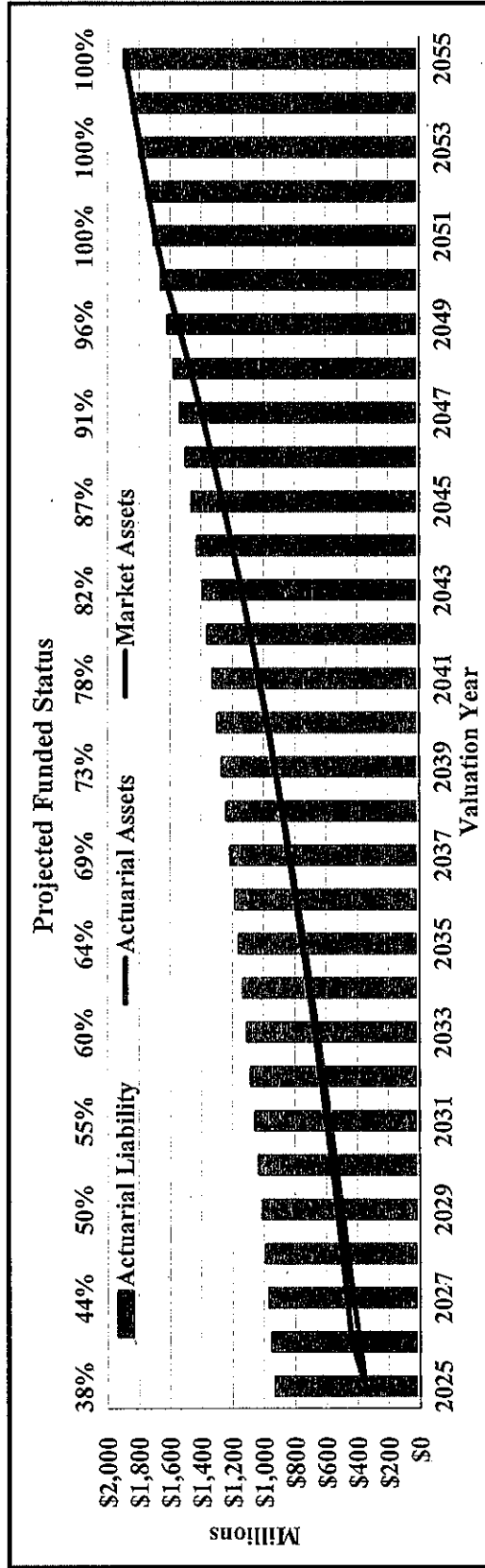
One-Year Negative Shock Scenario: -9.7% return FYE 2026, 7.0% after



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SECTION II – ASSESSMENT AND DISCLOSURE OF RISK

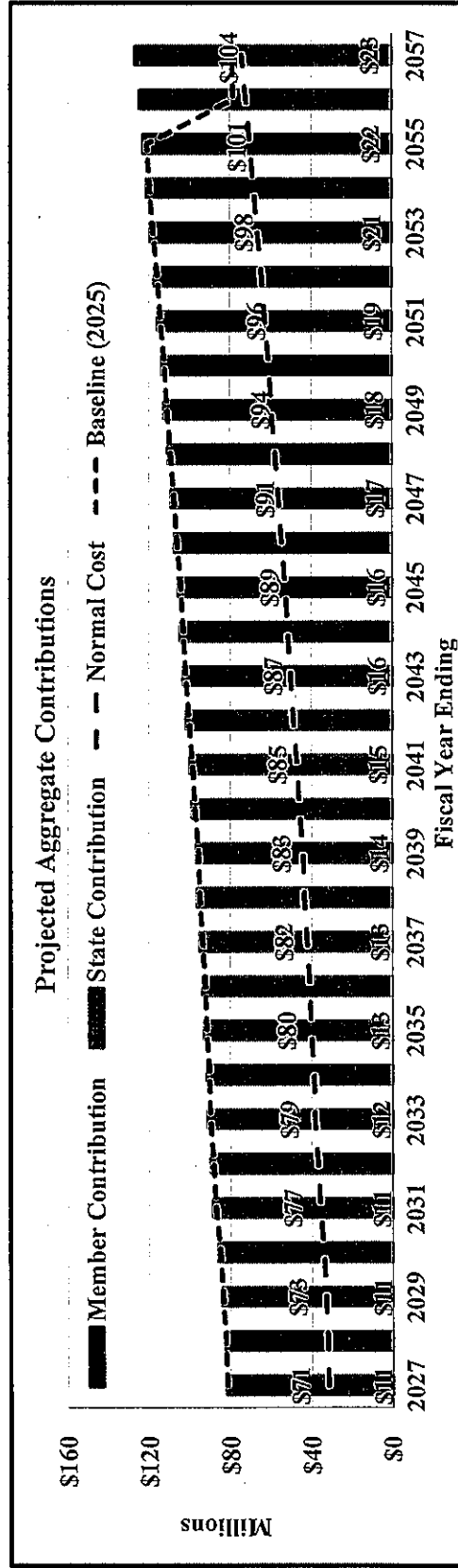
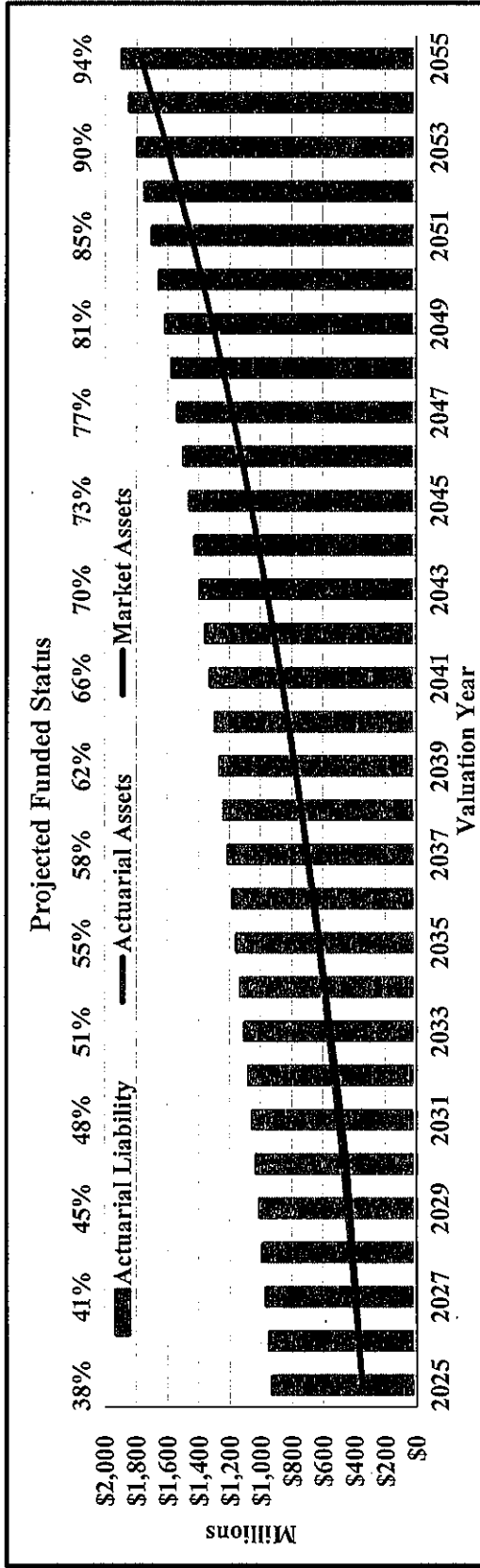
One-Year Positive Shock Scenario: 29.3% return FYE 2026, 7.0% after



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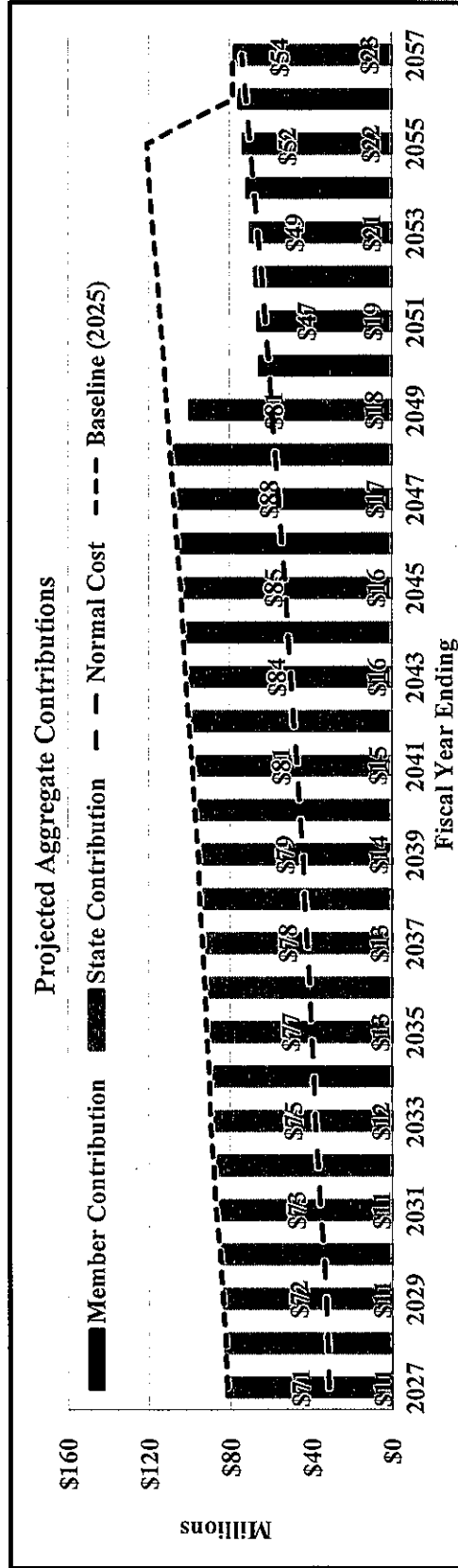
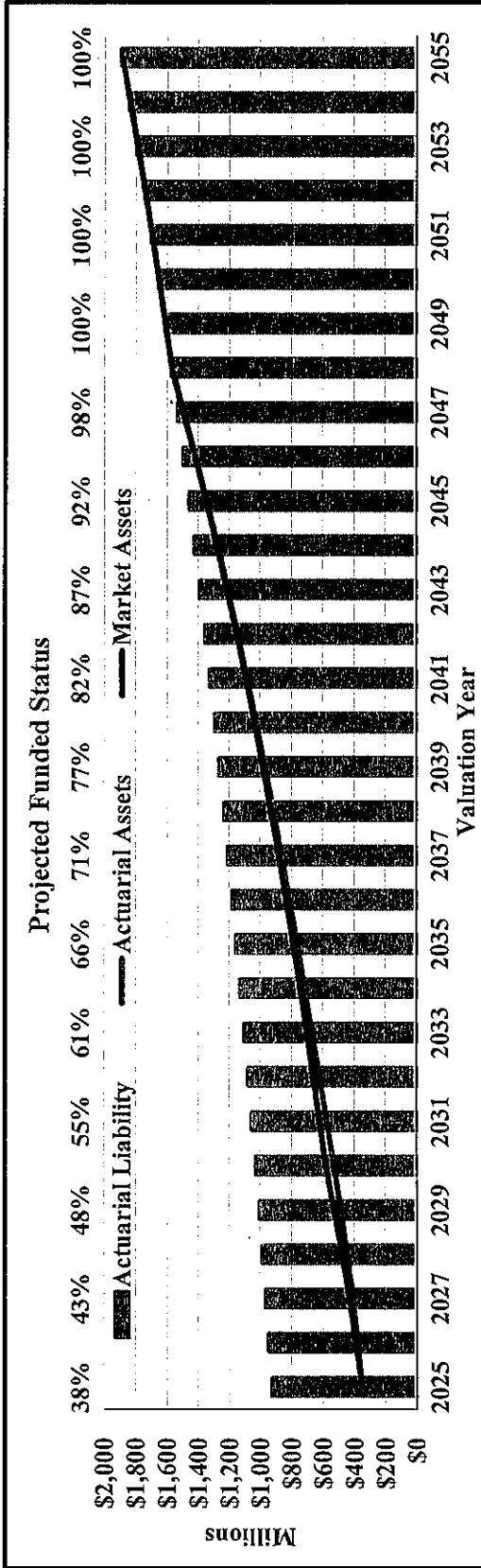
Five-Year Moderate Negative Scenario: 4.5% return FYE 2026-2030, 7.0% after



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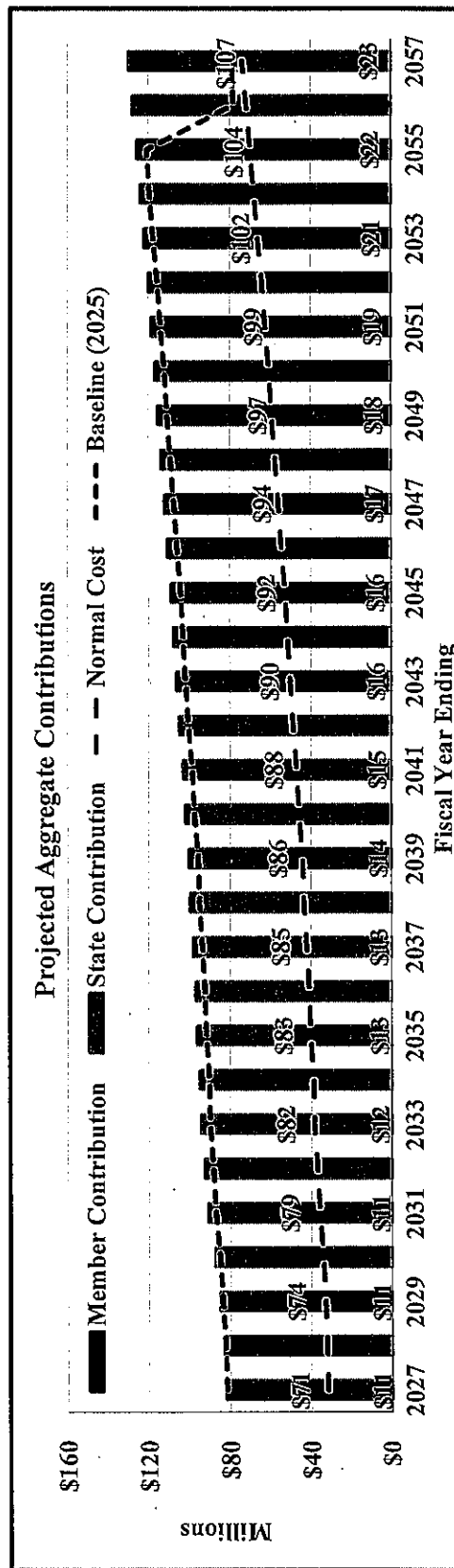
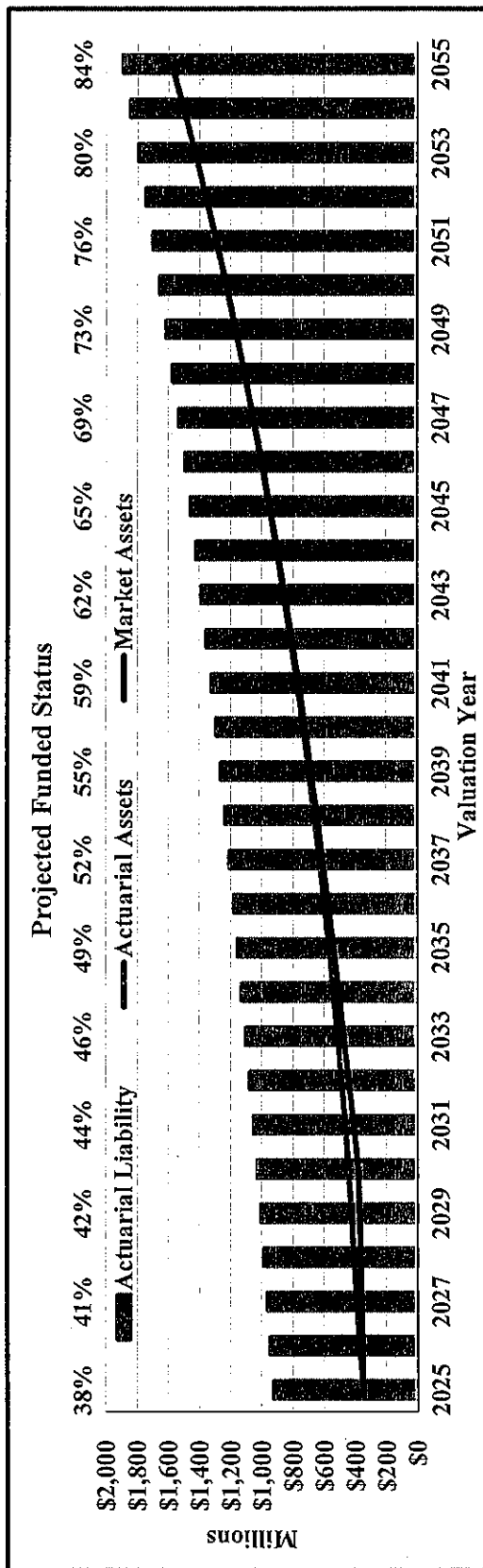
Five-Year Moderate Positive Scenario: 11.7% return FYE 2026-2030, 7.0% after



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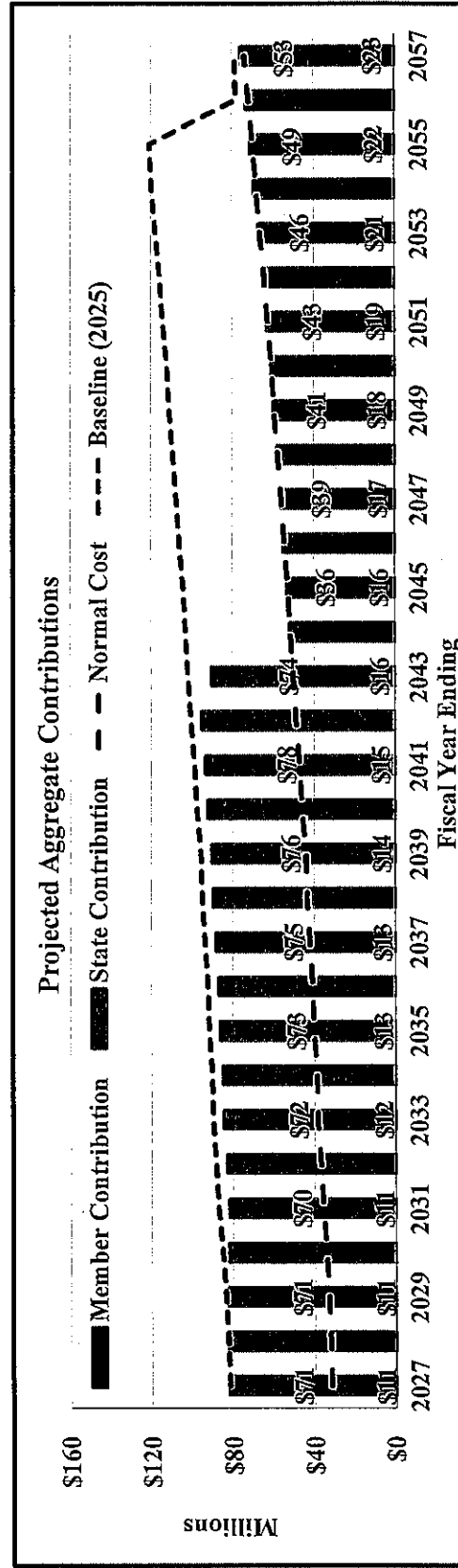
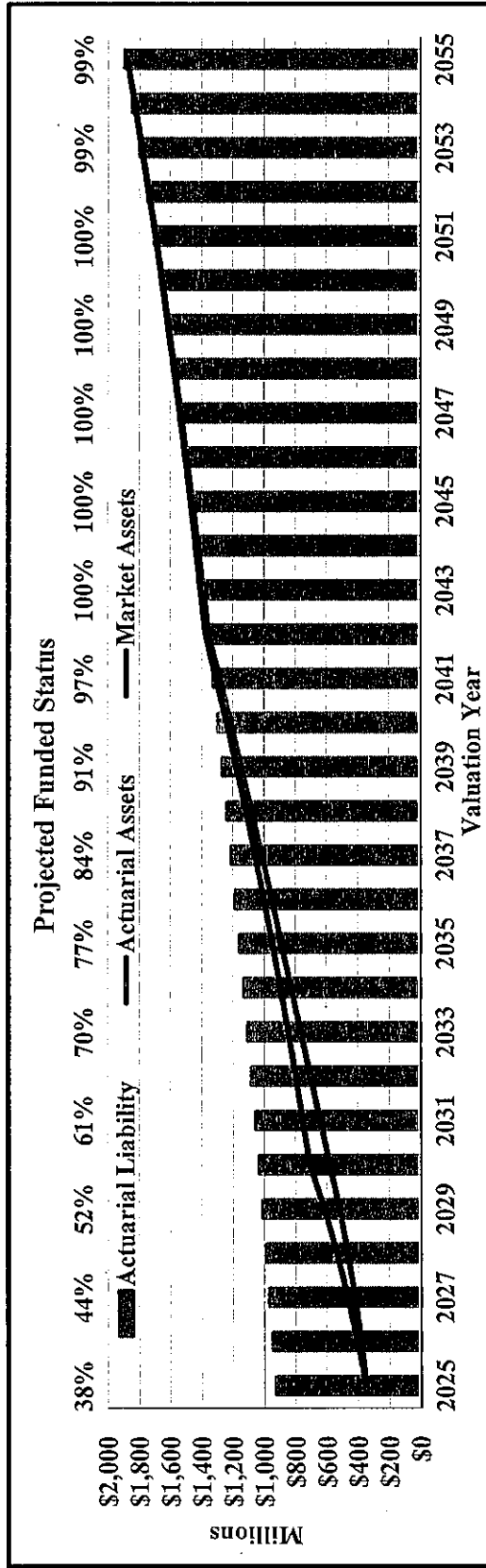
Five-Year Significant Negative Scenario: -0.3% return FYE 2026-2030, 7.0% after



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Five-Year Significant Positive Scenario: 17.1% return FYE 2026-2030, 7.0% after



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JULY 1, 2025 ACTUARIAL VALUATION

SECTION II – ASSESSMENT AND DISCLOSURE OF RISK

These scenarios show that actual future investment returns have an impact on future State contribution amounts. The System is less sensitive to investment returns deviating from the assumption when compared to other Systems, because of the low funded status at the beginning of the projection period. **The System is not well funded and, as a result, has less to gain or lose from positive or negative investment experience compared to a System that is well funded.**

The following table summarizes the impact on the State contributions in FYE 2039 for each of the investment return scenarios.

Table II-2						
Impact on Contributions for FYE 2039						
(dollar amounts in millions)						
	1-Yr Shock		5-Yr Moderate		5-Yr Significant	
	Neg	Pos	Neg	Pos	Neg	Pos
Amount	\$2	(\$4)	\$1	(\$3)	\$4	(\$6)
Percent	2%	-5%	1%	-4%	5%	-7%

The positive scenarios show the System achieving a 100% funded status earlier in the 30-year projection period than the baseline projection, which results in the State contribution decreasing to equal the employer normal cost.

The investment returns used in the projections above were selected solely to illustrate the impact of investment volatility on the pattern of future funded status and contribution amounts. They are not intended to be predictive of actual future contributions or funded status or even to represent a realistic pattern of investment returns.

Assumption Change Risk – Sensitivity Testing

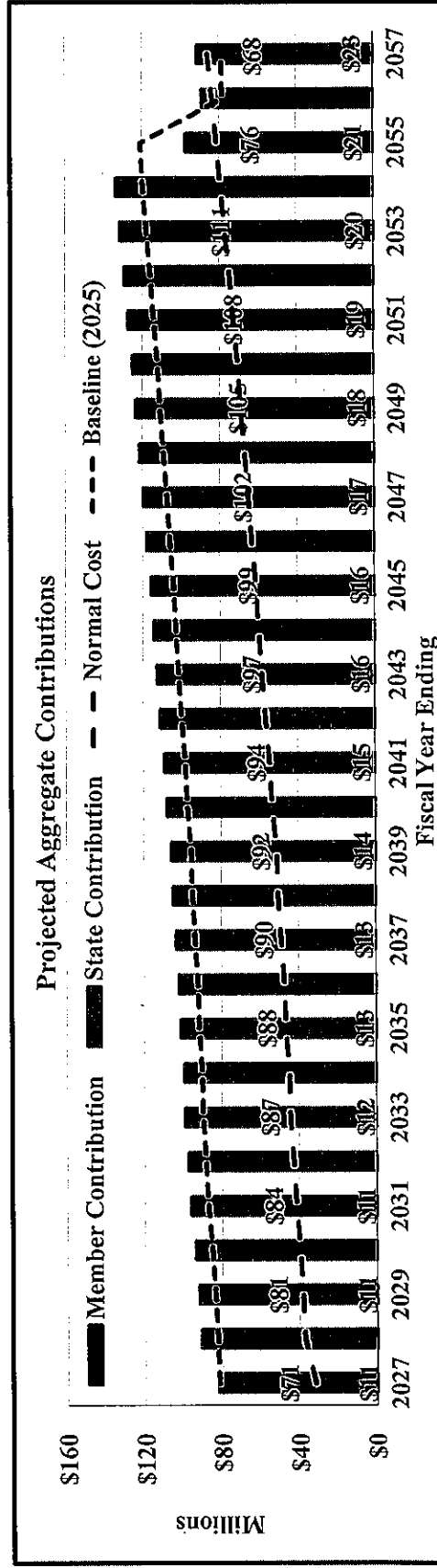
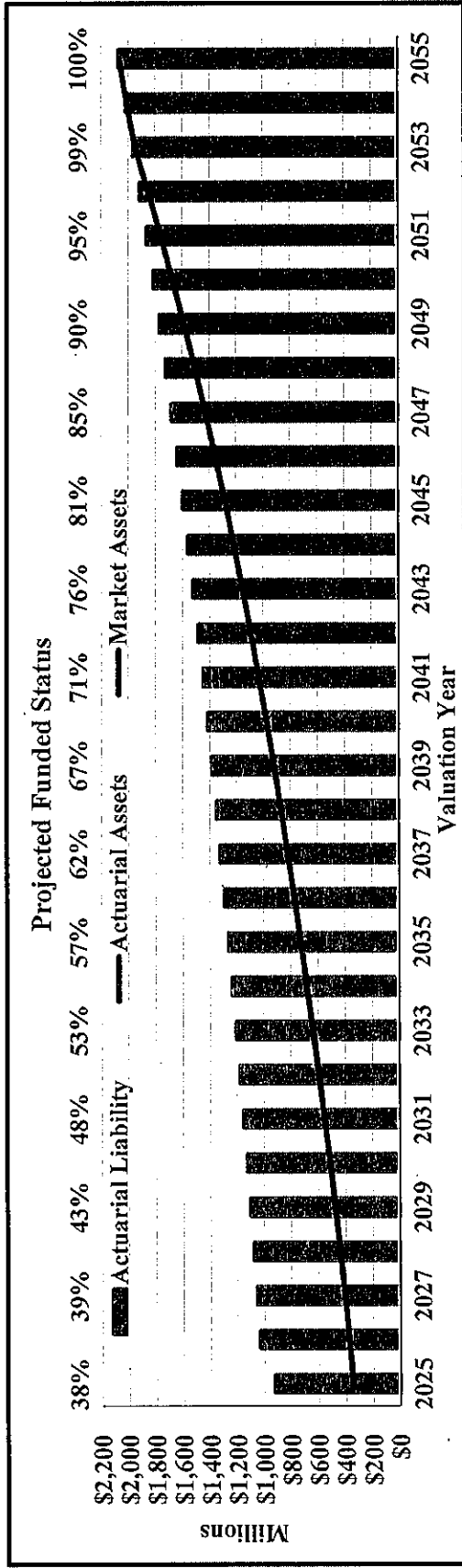
As shown in Table II-1, assumption changes over the last decade have increased the UAL by approximately \$108.9 million. The most significant changes were reductions in the discount rate, changes in mortality rates and projections of mortality improvement. While interest rates have increased over the past few years, the reductions in discount rates over the last ten years have been largely driven by declines in interest rates that affect expectations of future investment returns. If there are declines in interest rates, or if there is a desire or need to reduce investment risk that reduces expected returns, the discount rate and expected returns may need to be reduced further. The graph on the following page shows the impact on projected future funded status and contribution amounts if the discount rate and expected returns were reduced by 100 basis points to 6.00% beginning with the July 1, 2026 valuation.

This scenario results in Statutory contribution amounts that are approximately 12% higher than the baseline in FYE 2039.

JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
JULY 1, 2025 ACTUARIAL VALUATION

SECTION II – ASSESSMENT AND DISCLOSURE OF RISK

6.00% Discount Rate and Investment Return Assumption Effective July 1, 2026



JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
JULY 1, 2025 ACTUARIAL VALUATION

SECTION II – ASSESSMENT AND DISCLOSURE OF RISK

Low-Default-Risk Obligation Measure (LDROM)

The System invests in a diversified portfolio to achieve the best possible return at an acceptable level of risk. The lowest investment risk portfolio for a pension plan would be composed entirely of low-default-risk fixed income securities whose cash flows approximately match the cash flow needs of the System. However, such a portfolio would have a lower expected rate of return (5.58% as of June 30, 2025) than the diversified portfolio (7.00%). Low-Default-Risk Obligation Measure (LDROM) represents what the Actuarial Liability would be if the System's assets were invested in such a portfolio. As of June 30, 2025 the LDROM is \$1,054 million¹ compared to the Actuarial Liability of \$924 million for the System. The \$130 million difference can be viewed as the expected savings from taking on the investment risk of the diversified portfolio. Alternatively, it can be viewed as the potential cost of eliminating the investment risk of the non-fixed income allocations of the diversified portfolio.

If the System were to invest in the LDROM portfolio, the funded ratios would decrease, and contribution requirements would increase. The security of the System's pension benefits relies on the current assets, future investment earnings, and the ability and willingness of the State to make future contributions. If the System were to invest in the LDROM portfolio, it would not change the current assets, but it would reduce future investment earnings and increase future State contributions. However, the range of future investment earnings and future contributions would narrow significantly.

¹ Based on a discount rate equal to the June 30, 2025 FTSE Pension Liability Index of 5.58%, and all other assumptions and methods as used to calculate the Actuarial Liability

JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
JULY 1, 2025 ACTUARIAL VALUATION

SECTION II – ASSESSMENT AND DISCLOSURE OF RISK

Contribution Risk – Sensitivity Testing

The amortization method used to determine the Statutory contributions is designed to collect more than the tread water level and, therefore, gradually pay down the UAL. However, prior to FYE 2022, appropriated contributions had consistently been less than the Statutory contributions and the tread water level, causing an increase in the UAL of approximately \$45.3 million over the last ten years. Since FYE 2022, the appropriated contributions have been greater than or equal to the Statutory contribution. The baseline projections in this report assume the State appropriates 100% of the Statutory contribution each year.

Contribution risk is the potential for actual future contributions to deviate from expected future contributions. The graphs on the following page illustrate the impact on projected future funded status and contribution amounts if the State appropriation declines to 80% of the Statutory contribution for each year in the future, rather than remaining at 100% of the Statutory contribution.

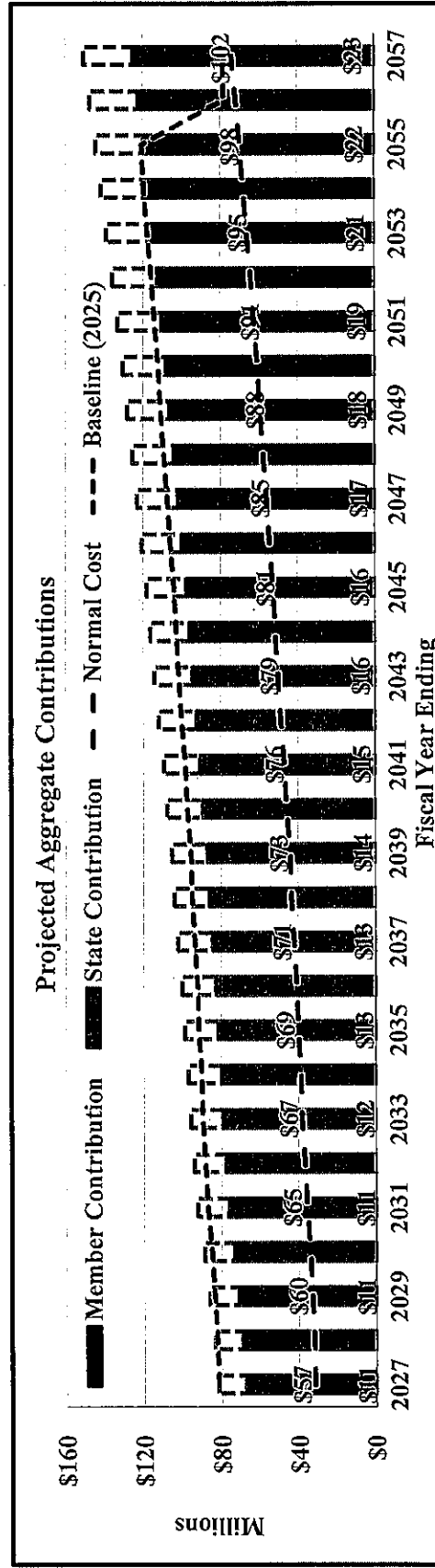
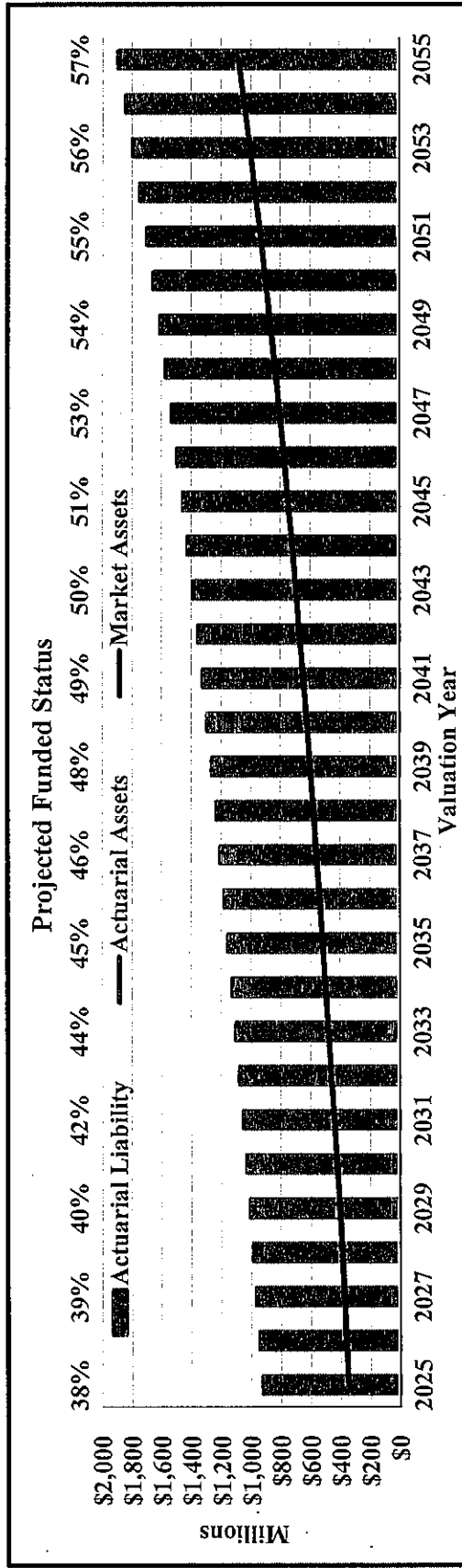
The gold outline in the bottom graph shows the State's full Statutory contributions with the shaded portion showing the anticipated appropriated amount.

This scenario shows both the Statutory and appropriated State contributions gradually increasing over time. The Statutory contributions quickly exceed the baseline. The appropriated contributions are below the baseline initially but eventually grow to reach the same level, with a much lower funded ratio. The funded ratio at the end of the projection period is 57% compared to 100% under the baseline projections.

JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
JULY 1, 2025 ACTUARIAL VALUATION

SECTION II – ASSESSMENT AND DISCLOSURE OF RISK

State Appropriates 80% of Statutory Contribution for Fiscal Year Ending June 30, 2027 and Thereafter



JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
JULY 1, 2025 ACTUARIAL VALUATION

SECTION II – ASSESSMENT AND DISCLOSURE OF RISK

More Detailed Assessment

While a more detailed assessment is always valuable to enhance the understanding of the risks identified above, we believe the scenarios illustrated above cover the primary risks facing the System at this time. We would be happy to provide the State House Commission with a more in-depth analysis at their request.

**JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
JULY 1, 2025 ACTUARIAL VALUATION**

SECTION III – ASSETS

The System uses and discloses two different asset measurements for funding, which are presented in this section of the report: market value and actuarial value of assets. The market value represents the value of the assets if they were liquidated on the valuation date. The actuarial value of assets is a value that smooths annual investment returns to reduce annual investment volatility and is used in determining contribution levels. In compliance with New Jersey Statute, the method used to calculate the actuarial value of assets recognizes 20% of the difference between the market value of assets and the expected actuarial value of assets each year.

Actuarial Standard of Practice (ASOP) No. 44 states that the asset valuation method should produce an actuarial value of assets that falls within a reasonable range of market value, recognizes the difference between the market value and actuarial value of assets within a reasonably short period of time, and is likely to produce actuarial value of assets that are sometimes greater than and sometimes less than the corresponding market values. The asset method required under NJ Statute does not meet the requirements of ASOP No. 44 because this method has produced actuarial asset values which have consistently been greater than the market asset values and recognizes investment gains and losses slowly over time. Additionally, the method may produce an actuarial value of assets that falls outside of a reasonable range of the market value.

On the following pages, we present detailed information on the System's assets:

- Disclosure of assets for the current and prior year,
- Statement of cash flows during the year,
- Development of the actuarial value of assets, and
- Disclosure of investment performance for the year.

Disclosure

The market value of assets represents a “snap-shot” value as of the last day of the fiscal year that provides the principal basis for measuring financial performance from one year to the next. Market values, however, can fluctuate widely with corresponding swings in the value of the investments. Because these fluctuations would cause volatility in employer contributions, an actuarial value of assets is developed. Table III-1 on the following page presents the market value as of June 30, 2024 and June 30, 2025. Table III-2 presents the System's net cash flows from June 30, 2024 to June 30, 2025. Table III-3 presents the development of the Actuarial Value of Assets as of July 1, 2025. Tables III-4 and III-5 show the market and actuarial value of assets historical investment returns compared to the assumed return for each year, as well as the returns in aggregate over various periods and durations of time.

**JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
JULY 1, 2025 ACTUARIAL VALUATION**

SECTION III – ASSETS

Table III-1 Statement of Assets at Market Value		
	June 30, 2025	June 30, 2024
Assets		
Cash	\$ 1,260,661	\$ 362,618
Securities Lending Collateral	3,405,207	2,032,437
Investment Holdings	288,262,965	251,670,485
Interest Receivable on Investment	2,260	6,568
Employer Contributions Receivable		
State	0	0
NCGI	69,594	0
Members Contributions Receivable	322,127	324,949
Loans Receivable	55,171	144,558
Accounts Receivable	0	0
Total Assets	<u>\$ 293,377,985</u>	<u>\$ 254,541,615</u>
Liabilities		
Pension Payroll Payable	\$ (4,950,037)	\$ (4,731,148)
Pension Adjustment Payroll Payable	(121,677)	(136,367)
Death Benefits Payable	(69,594)	0
Withholdings Payable	(2,032,133)	(1,102,282)
Securities Lending Collateral and Rebates Payable	(3,403,825)	(2,031,423)
Administrative Expense Payable	(334,077)	(336,300)
Accounts Payable - Other	0	(350)
Total Liabilities	<u>\$ (10,911,343)</u>	<u>\$ (8,337,870)</u>
Preliminary Market Value of Assets	\$ 282,466,642	\$ 246,203,745
Discounted State Appropriations Receivable	68,390,138	67,441,318
Market Value of Assets	<u>\$ 350,856,780</u>	<u>\$ 313,645,063</u>

JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
JULY 1, 2025 ACTUARIAL VALUATION

SECTION III – ASSETS

System Cash Flows as of June 30, 2025

Table III-2	
Changes in Market Values for FYE June 30, 2025	
Additions	
Pension Contributions	
Members' Contributions	\$ 10,358,875
Transfers from Other Systems	636,124
Accumulated Interest	
Transfer from Other Systems	451,351
Employers' Contributions	
State Appropriations	70,342,000
Non-Contributory Group Insurance	1,064,631
Transfer from Other Systems	1,260,621
Administrative Fees - Loans	150
Income	
Per Statement	25,936,695
Total Additions	\$ 110,050,447
Deductions	
Benefits Provided by Members	
Withdrawal of Members' Contributions - Regular	\$ 159,909
Withdrawal of Members' Contributions - Transfer	0
Withdrawal of Members' Interest - Regular	0
Benefits Provided by Employers and Members	
Retirement Allowances	70,776,045
Benefits Provided by Employers	
Benefit Expense - Pension Adjustment	1,520,232
Administrative Expense	266,613
Administrative Expense - Loans	120
Miscellaneous Expense	0
NCGI Premium Expense	1,064,631
Total Deductions	\$ 73,787,550
Net Increase/(Decrease)	\$ 36,262,897
Preliminary Market Value of Assets Beginning of Year	\$ 246,203,745
Preliminary Market Value of Assets End of Year	\$ 282,466,642
Discounted State Appropriations Receivable	68,390,138
Market Value of Assets	\$ 350,856,780
Approximate Return	10.68%

JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
JULY 1, 2025 ACTUARIAL VALUATION

SECTION III – ASSETS

Actuarial Value of Assets

To determine on-going funding requirements, most pension systems utilize an actuarial value of assets that differs from the market value of assets. The actuarial value of assets represents an asset value based on averaging or smoothing year-to-year market value returns for purposes of reducing contribution volatility. Each year, 20% of the difference between the market value of assets and the expected actuarial value of assets is added to the expected actuarial value of assets.

Table III-3 Development of Actuarial Value of Assets for July 1, 2025		
1. Preliminary Actuarial Value of Assets as of 7/1/2024 ¹	\$	254,441,135
2. Net Cash Flow excluding Investment Income	\$	10,326,202
3. Expected Investment Income ²	\$	17,566,306
4. Expected Actuarial Value of Assets as of 7/1/2025: (1+2+3)	\$	282,333,643
5. Preliminary Market Value as of 6/30/2025	\$	282,466,642
6. 20% of Difference from MVA = (5-4) x 0.2	\$	26,600
7. Preliminary Actuarial Value of Assets as of 7/1/2025: (4+6)	\$	282,360,243
8. Discounted State Appropriations Receivable	\$	68,390,138
9. Actuarial Value of Assets as of 7/1/2025: (7+8)	\$	350,750,381
10. Rate of Return on Actuarial Value of Assets		7.01%
11. Ratio of Actuarial Value of Assets to Market Value of Assets		99.97%

¹ Excludes discounted State appropriations receivable

² Refer to Appendix B, Actuarial Methods, for details on the assumed timing of contributions

**JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
JULY 1, 2025 ACTUARIAL VALUATION**

SECTION III – ASSETS

Investment Performance

The market value of assets rate of return was 10.68% for the year ending June 30, 2025. This is compared to an assumed return of 7.00% for the same period. On an actuarial value of assets basis, the return for FYE 2025 was 7.01%. In the table below, we show historical asset returns compared to the investment return assumption. We show returns beginning with the year ending in 2000.

Table III-4 Annual Rates of Return			
Year Ended June 30	Investment Return Assumption	Market Value ¹	Actuarial Value ²
2000	8.75%	11.86%	11.88%
2001	8.75%	-9.80%	7.15%
2002	8.75%	-8.61%	4.13%
2003	8.75%	3.31%	3.74%
2004	8.75%	14.16%	5.35%
2005	8.25%	8.77%	5.35%
2006	8.25%	9.79%	6.07%
2007	8.25%	17.14%	7.78%
2008	8.25%	-2.61%	6.15%
2009	8.25%	-15.49%	1.80%
2010	8.25%	13.34%	3.23%
2011	8.25%	17.97%	4.97%
2012	7.95%	2.47%	3.81%
2013	7.90%	11.72%	4.61%
2014	7.90%	16.79%	6.27%
2015	7.90%	4.08%	5.66%
2016	7.90%	-1.15%	4.18%
2017	7.65%	11.95%	4.82%
2018	7.50%	9.17%	5.50%
2019	7.50%	5.96%	5.38%
2020	7.30%	1.35%	4.30%
2021	7.30%	26.58%	8.09%
2022	7.00%	-8.42%	4.34%
2023	7.00%	9.56%	4.96%
2024	7.00%	10.62%	6.09%
2025	7.00%	10.68%	7.01%

¹Beginning in 2017, the returns are from the System's Actuarial Valuation Reports. Because the prior actuary did not calculate a market value return prior to 2017, earlier returns are from other sources. Returns for 2014 through 2016 are money-weighted returns for the Pension Funds from the DPB's Comprehensive Annual Financial Reports. Returns for 2000 through 2013 are returns for the Pension Funds from the New Jersey State Investment Council Annual Reports.

²The prior actuary did not report an actuarial value return in 2000. The return shown was calculated based on available information.

JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
JULY 1, 2025 ACTUARIAL VALUATION

SECTION III – ASSETS

Additionally, we show the compound annualized rates of return for various periods in the following table. On a cumulative basis, there are periods where the market value return significantly exceeds the actuarial value return. This is due to the recognition of market value losses from earlier years in the actuarial value. We present compound annualized rates of return over consecutive five-year periods to help illustrate this point.

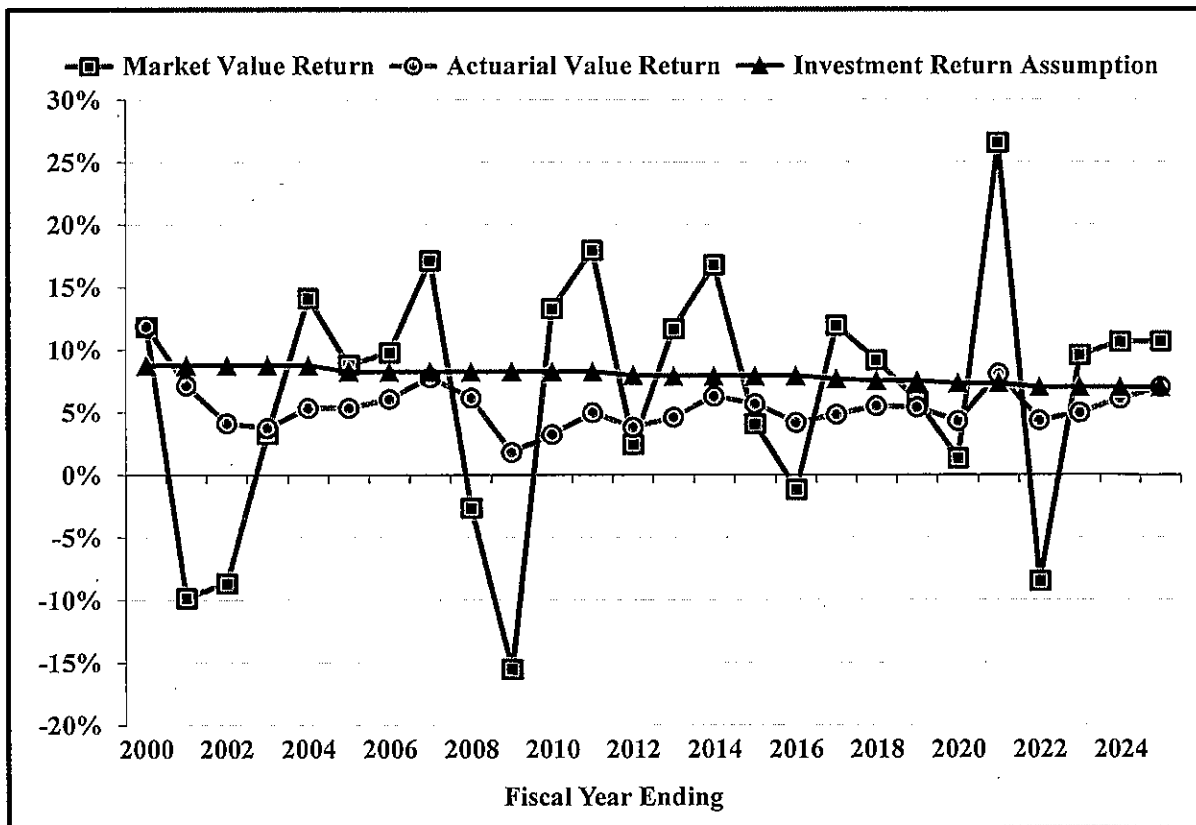
Table III-5			
Compound Annualized Rates of Returns			
Period	Investment Return Assumption	Market Value	Actuarial Value
Since July 1, 1999	7.93%	6.13%	5.47%
25-Year	7.90%	5.91%	5.22%
20-Year	7.71%	7.14%	5.24%
15-Year	7.54%	8.31%	5.33%
10-Year	7.31%	7.27%	5.46%
5-Year	7.06%	9.23%	6.09%
Consecutive Five-Year Periods			
2000 to 2004	8.75%	1.69%	6.41%
2005 to 2009	8.25%	2.86%	5.41%
2010 to 2014	8.05%	12.32%	4.57%
2015 to 2019	7.69%	5.91%	5.11%
2020 to 2024	7.12%	7.32%	5.55%
2025 (One-Year)	7.00%	10.68%	7.01%

JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
JULY 1, 2025 ACTUARIAL VALUATION

SECTION III – ASSETS

We present the annual rates of return from Table III-4 in the following graph. The market value return (green) shows significant volatility with years above and below the investment return assumption (blue). The largest deviations from expectations were losses in 2001 and 2002 and again in 2008 and 2009, as well as the mostly offsetting gain and loss in 2021 and 2022, respectively. The actuarial value returns (yellow) follow the direction of market value returns, but much more gradually as gains and losses are recognized over time.

For nearly the entire period, the actuarial value returns fell short of the investment return assumption and resulted in AVA losses and UAL increases. When the actuarial return approaches the assumption, the MVA closes in on the AVA with the possibility of AVA gains in the near future. However, two such instances (2007 and 2014) were followed by market value losses (large, sharp losses in 2008-2009 and small cumulative losses in 2015-2020). In contrast, the 2021 market return of 26.58% was sufficiently large so that the market value of assets exceeded the actuarial value of assets and that the actuarial value return was slightly greater than the investment return assumption, resulting in an actuarial asset gain for the July 1, 2021 valuation. However, the significant negative market return in 2022 again resulted in actuarial asset losses in 2022 through 2024 as the investment loss was gradually recognized in the actuarial returns. The actuarial return was about equal to the investment return assumption in 2025.



**JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
JULY 1, 2025 ACTUARIAL VALUATION**

SECTION IV – LIABILITIES

In this section, we present detailed information on the liabilities of the System, including:

- Disclosure of liabilities at July 1, 2024 and July 1, 2025, and
- The development of the actuarial gain and loss.

Disclosure

The Actuarial Liability is used for determining employer contributions. For JRS, the funding method employed is the Projected Unit Credit (PUC) Actuarial Cost Method. Under this funding method, the actuarial liability is calculated as the actuarial present value of the projected benefits allocated to periods prior to the valuation year based on judicial service.

This liability is determined for funding purposes and is not appropriate for measuring the cost of settling plan liabilities by purchasing annuities or paying lump sums.

**JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
JULY 1, 2025 ACTUARIAL VALUATION**

SECTION IV – LIABILITIES

Table IV-1 shows the actuarial liability, unfunded actuarial liability and funded ratio as of July 1, 2025, and July 1, 2024 for the System.

Table IV-1 Actuarial Liability		
	July 1, 2025	July 1, 2024
Actuarial Liability		
Contributing Actives	\$ 239,593,210	\$ 237,330,297
Non-Contributing Actives	1,556,826	1,663,512
Deferred Vested	5,096,024	8,253,600
Retirees	587,196,077	570,877,169
Disabled	8,852,635	8,974,049
Beneficiaries	81,644,473	82,459,005
Total	\$ 923,939,245	\$ 909,557,632
 Actuarial Value of Assets	 \$ 350,750,381	 \$ 321,882,453
 Unfunded Actuarial Liability/(Surplus)	 \$ 573,188,864	 \$ 587,675,179
 Funded Ratio	 38.0%	 35.4%

Table IV-2 presents the change in the actuarial liabilities, actuarial assets, and unfunded actuarial liability during the plan year. In general, the unfunded actuarial liability (UAL) of any retirement system is expected to change at each subsequent valuation for a variety of reasons. In each valuation, we report on those elements of change in the UAL which are of particular significance, potentially affecting the long-term financial outlook of the System.

JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
JULY 1, 2025 ACTUARIAL VALUATION

SECTION IV – LIABILITIES

Table IV-2 Development of 2025 Experience (Gain)/Loss			
	Actuarial Liability	Actuarial Value of Assets	Unfunded Actuarial Liability
1. Value as of July 1, 2024	\$ 909,557,632	\$ (321,882,453)	\$ 587,675,179
2. Additions			
a.) Normal Cost	\$ 29,280,426	\$ 0	\$ 29,280,426
b.) Statutory State Contributions	0	(71,331,390)	(71,331,390)
c.) Expected Member Contributions	0	(10,080,526)	(10,080,526)
d.) Total Additions	\$ 29,280,426	\$ (81,411,916)	\$ (52,131,490)
3. Decreases			
a.) Benefit Payments	\$ (72,456,186)	\$ 72,456,186	\$ 0
b.) Expected Administrative Expenses	0	0	0
c.) Total Deductions	\$ (72,456,186)	\$ 72,456,186	\$ 0
4. Net Transfers from Other Systems			
a.) State Contributions	\$ 1,260,621	\$ (1,260,621)	\$ 0
b.) Member Contributions	1,087,475	(1,087,475)	0
c.) Total Net Transfers	\$ 2,348,096	\$ (2,348,096)	\$ 0
5. Expected Interest	\$ 63,306,382	\$ (20,466,341)	\$ 42,840,041
6. Expected Value as of July 1, 2025: [1+2+3+4+5]	\$ 932,036,350	\$ (353,652,620)	\$ 578,383,730
7. Other Changes			
a.) Appropriation Adjustment	\$ 0	\$ (242)	\$ (242)
b.) Contribution Timing	0	2,941,252	2,941,252
c.) Actual Member Contributions	0	(287,926)	(287,926)
d.) Assumption Changes	(13,448,685)	0	(13,448,685)
e.) Change in Benefits	0	0	0
f.) Total Other Changes	\$ (13,448,685)	\$ 2,653,084	\$ (10,795,601)
8. Expected Value after Changes: [6+7]	\$ 918,587,665	\$ (350,999,536)	\$ 567,588,129
9. Actual Value as of July 1, 2025	\$ 923,939,245	\$ (350,750,381)	\$ 573,188,864
10. Actuarial (Gain)/Loss: [9-8]	\$ 5,351,580	\$ 249,155	\$ 5,600,735

**JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
JULY 1, 2025 ACTUARIAL VALUATION**

SECTION IV – LIABILITIES

Table IV-3 shows the components of the Actuarial (Gain)/Loss as of July 1, 2025 and July 1, 2024 for the System.

Table IV-3 Actuarial (Gain)/Loss Analysis		
Components	July 1, 2025	July 1, 2024
Actuarial Value of Assets		
Investment Return	\$ (26,600)	\$ 2,059,347
Administrative Expenses	275,755	286,282
Total	<u>\$ 249,155</u>	<u>\$ 2,345,629</u>
Actuarial Liability		
Salary Increases	\$ 462,118	\$ (2,814,713) *
New Entrants	922,630	2,350,414
Demographic Experience and Census Data Updates		
Contributing Actives	4,931,765	1,764,447
Non-Contributing Actives	(273,862)	(10,243)
Inactives	<u>1,737,818</u>	<u>(3,466,385)</u>
Sub-Total	<u>\$ 7,780,469</u>	<u>\$ (2,176,480)</u>
Impact of Net Transfers from Other Systems	<u>(2,428,889)</u>	<u>(2,725,694)</u>
Total	<u>\$ 5,351,580</u>	<u>\$ (4,902,174)</u>
Actuarial (Gain)/Loss	\$ 5,600,735	\$ (2,556,545)

*Includes the impact of limiting future salary increases in accordance with Chapter 349, P.L. 2023

**JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
JULY 1, 2025 ACTUARIAL VALUATION**

SECTION V – CONTRIBUTIONS

In the process of evaluating the financial condition of any pension plan, the actuary analyzes the assets and liabilities to determine what level (if any) of contributions is needed to properly maintain the funded status of the System. Typically, the actuarial process will use a funding technique that will result in a pattern of contributions that are both stable and predictable.

Under the current funding policy, the State funding requirement contains two components: the employer normal cost and an amortization of the unfunded actuarial liability (UAL). The funding methodology prescribed by NJ State Statute does not include a cost component for administrative expenses, and therefore administrative expenses are implicitly covered by the investment rate of return assumption.

For JRS, the funding method employed is the Projected Unit Credit (PUC) Actuarial Cost Method. Under this funding method, the actuarial liability is calculated as the actuarial present value of the projected benefits allocated to periods prior to the valuation year based on judicial service. The unfunded actuarial liability is the actuarial liability on the valuation date less the actuarial value of assets.

In accordance with Chapter 78, P. L. 2011, the unfunded actuarial liability for the July 1, 2019 valuation was amortized over a closed 30-year period as a level dollar amount. For the July 1, 2025 valuation, the amortization period has decreased to 24 years.

**JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
JULY 1, 2025 ACTUARIAL VALUATION**

SECTION V – CONTRIBUTIONS

Table V-1 shows the development of the Statutory pension contribution for the current and prior year. Table V-2 summarizes the contributions as a percentage of payroll.

Table V-1 Development of Statutory Pension Contribution		
Valuation Date Fiscal Year Ending	July 1, 2025 2027	July 1, 2024 2026
1. Unfunded Actuarial Liability Contribution		
a. Actuarial Liability	\$ 923,939,245	\$ 909,557,632
b. Actuarial Value of Assets	350,750,381	321,882,453
c. Unfunded Actuarial Liability: (1a.-1b.)	\$ 573,188,864	\$ 587,675,179
d. Amortization Period (years)	24	25
e. Amortization of UAL payable at Valuation Date (Level Dollar)	\$ 46,706,332	\$ 47,129,637
f. UAL Contribution payable Beginning of Fiscal Year: (1e. with interest)	\$ 49,975,776	\$ 50,428,711
2. Normal Cost Contribution		
a. Gross Normal Cost	\$ 29,731,819	\$ 29,280,426
b. Expected Member Contributions	9,855,320	9,745,212
c. State Normal Cost: (2a.-2b.)	\$ 19,876,499	\$ 19,535,214
d. State Normal Cost payable Beginning of Fiscal Year: (2c. with interest)	\$ 21,267,854	\$ 20,902,679
3. Total Statutory Pension Contribution as of Beginning of Fiscal Year: (1f.+2d.)	\$ 71,243,630	\$ 71,331,390

Table V-2 Statutory Contributions as a Percent of Appropriation Payroll		
Valuation Date Fiscal Year Ending	July 1, 2025 2027	July 1, 2024 2026
Statutory Contribution		
State Normal Cost	24.63%	24.47%
UAL Amortization Payment	57.89%	59.03%
Total Statutory Pension Contribution	82.52%	83.50%

**JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
JULY 1, 2025 ACTUARIAL VALUATION**

APPENDIX A – MEMBERSHIP DATA

The data for this valuation was provided by the New Jersey Division of Pensions and Benefits as of July 1, 2025. Cheiron did not audit any of the data. However, we did perform an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23, *Data Quality*. The following is a list of data charts contained in this section:

- A-1: Contributing Active Member Data
- A-2: Non-Contributing Active Member Data
- A-3: Inactive Member Data, Total Annual and Average Retirement Allowances by Status
- A-4: Reconciliation of Plan Membership
- A-5 and A-6: Contributing Active Member Data by Age and Service
- A-7 and A-8: Inactive Member Data by Age and Status

JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
JULY 1, 2025 ACTUARIAL VALUATION

APPENDIX A – MEMBERSHIP DATA

Table A-1 Contributing Active Member Data				
	July 1, 2025		July 1, 2024	
				% Change
Count	411		415	-1.0%
Average Age	58.4		58.3	0.2%
Average Judicial Service	7.6		7.6	0.0%
Average Appropriation Pay	\$ 210,072	\$	205,849	2.1%
Total Appropriation Payroll	\$ 86,339,540	\$	85,427,536	1.1%

Table A-2 Non-Contributing Active Member Data				
	July 1, 2025		July 1, 2024	
				% Change
<u>Members Eligible for Annuity</u>				
Count	1		2	-50.0%
Average Age	67.0		62.0	7.9%
Average Judicial Service	20.5		6.5	217.2%
Average Last Reported Pay	\$ 208,250	\$	204,167	2.0%
Total Last Reported Pay	\$ 208,250	\$	408,334	-49.0%
<u>Members Only Eligible for Refund</u>				
Count	3		3	0.0%
Last Reported Annuity Savings Fund	\$ 146,332	\$	146,332	0.0%
<u>Total</u>				
Count	4		5	-20.0%

JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
JULY 1, 2025 ACTUARIAL VALUATION

APPENDIX A – MEMBERSHIP DATA

Table A-3 Inactive Member Data by Status				
	July 1, 2025	July 1, 2024	% Change	
Retirees				
Count	528	513	2.9%	
Annual Retirement Allowances	\$ 60,625,743	\$ 58,169,938	4.2%	
Average Retirement Allowance	\$ 114,821	\$ 113,392	1.3%	
Beneficiaries				
Count	192	186	3.2%	
Annual Retirement Allowances	\$ 12,126,550	\$ 11,607,648	4.5%	
Average Retirement Allowance	\$ 63,159	\$ 62,407	1.2%	
Disabled				
Count	8	8	0.0%	
Annual Retirement Allowances	\$ 1,005,655	\$ 1,005,655	0.0%	
Average Retirement Allowance	\$ 125,707	\$ 125,707	0.0%	
In-Pay Total				
Count	728	707	3.0%	
Annual Retirement Allowances	\$ 73,757,948	\$ 70,783,241	4.2%	
Average Retirement Allowance	\$ 101,316	\$ 100,118	1.2%	
Deferred Vested Members				
Count	8	10	-20.0%	
Annual Retirement Allowances	\$ 442,372	\$ 712,253	-37.9%	
Average Retirement Allowance	\$ 55,297	\$ 71,225	-22.4%	

QDRO benefits included with member records for valuation purposes.

JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
JULY 1, 2025 ACTUARIAL VALUATION

APPENDIX A – MEMBERSHIP DATA

Table A-4
Reconciliation of Plan Membership from July 1, 2024 to July 1, 2025

	Contributing Actives	Non-Contrib. Actives	Deferred Vested	Retired	Disabled	Beneficiaries	Total
1. July 1, 2024	415	5	10	513	8	186	1,137
2. Additions							
a. New entrants	26						26
b. New dependents							0
c. Data correction						2	2
d. Total	26	0	0	0	0	2	28
3. Reductions							
a. Withdrawal		(1)					(1)
b. Died without beneficiary				(7)		(6)	(13)
c. Payments ceased							0
d. Total	0	(1)	0	(7)	0	(6)	(14)
4. Changes in Status							
a. Contributing Active	(1)	1					0
b. Non-Contributing Active	(1)		1				0
c. Deferred Vested	(27)	(1)	(3)	31			0
d. Retired							0
e. Disabled							0
f. Died with beneficiary	(1)			(9)		10	0
g. Total	(30)	0	(2)	22	0	10	0
5. July 1, 2025	411	4	8	528	8	192	1,151

QDRO benefits included with member records for valuation purposes.

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JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
JULY 1, 2025 ACTUARIAL VALUATION

APPENDIX A – MEMBERSHIP DATA

Table A-5
Counts by Age and Service of Contributing Active Members
As of July 1, 2025

Attained Age	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 & up	Total
Under 40	1	0	0	0	0	0	0	0	1
40 to 44	2	7	1	0	0	0	0	0	10
45 to 49	7	27	11	0	0	0	0	0	45
50 to 54	6	30	17	6	2	0	0	0	61
55 to 59	6	40	32	18	10	0	0	0	106
60 to 64	3	40	29	34	17	5	0	0	128
65 & up	0	7	22	17	8	5	1	0	60
Total	25	151	112	75	37	10	1	0	411

Table A-6
Average Appropriation Pay by Age and Service of Contributing Active Members
As of July 1, 2025

Attained Age	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 & up	Total
Under 40	\$ 208,250	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 208,250
40 to 44	208,250	214,698	208,250	0	0	0	0	0	212,764
45 to 49	208,250	209,199	208,806	0	0	0	0	0	208,956
50 to 54	208,250	208,352	210,089	209,780	221,387	0	0	0	209,394
55 to 59	212,011	208,327	209,726	211,035	212,248	0	0	0	209,787
60 to 64	208,250	208,327	210,884	211,018	211,312	218,630	0	0	210,418
65 & up	0	208,250	209,612	209,758	217,982	213,279	211,310	0	210,944
Total	\$ 209,153	\$ 208,779	\$ 209,955	\$ 210,637	\$ 213,551	\$ 215,955	\$ 211,310	\$ 0	\$ 210,072

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JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
JULY 1, 2025 ACTUARIAL VALUATION

APPENDIX A – MEMBERSHIP DATA

Table A-7 Counts by Age and Status of Inactive Members As of July 1, 2025				
Attained Age	Status			Total
	Retiree	Beneficiary	Disabled	
Under 45	0	8	0	8
45 to 49	0	0	0	0
50 to 54	0	1	0	1
55 to 59	0	2	0	2
60 to 64	12	2	0	14
65 to 69	69	8	2	79
70 to 74	137	18	2	157
75 to 79	132	29	4	165
80 to 84	103	39	0	142
85 & up	75	85	0	160
Total	528	192	8	728

Table A-8 Average Retirement Allowances by Age and Status of Inactive Members As of July 1, 2025				
Attained Age	Status			Total
	Retiree	Beneficiary	Disabled	
Under 45	\$ 0	\$ 14,904	\$ 0	\$ 14,904
45 to 49	0	0	0	0
50 to 54	0	129,112	0	129,112
55 to 59	0	31,251	0	31,251
60 to 64	104,470	106,116	0	104,705
65 to 69	131,107	69,404	125,696	124,721
70 to 74	121,327	77,164	129,046	116,362
75 to 79	109,013	68,275	124,043	102,218
80 to 84	110,780	71,128	0	99,890
85 & up	105,385	57,710	0	80,057
Total	\$ 114,821	\$ 63,159	\$ 125,707	\$ 101,316

QDRO benefits included with member records for valuation purposes.

JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
JULY 1, 2025 ACTUARIAL VALUATION

APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

A. Actuarial Assumptions

1. **Investment Rate of Return** 7.00% per annum, compounded annually.
2. **Administrative Expenses** No explicit assumption is made for administrative expenses for funding purposes per the funding methodology prescribed by NJ State Statute.
3. **Interest Crediting Rate on Accumulated Deductions** 7.00% per annum, compounded annually. Interest credits are assumed to end upon termination.
4. **Cost-of-Living Adjustments (COLAs)** No future COLA is assumed. Previously granted COLAs are included in the data.
5. **Salary Increases** Salaries are assumed to increase 2.0% per year through calendar year 2027 and 2.75% per year thereafter.

Salary increases are assumed to occur on January 1.
6. **401(a)(17) Pay Limit** \$350,000 in 2025 increasing 2.75% per annum, compounded annually.
7. **Disability** Representative disability rates are as follows:

Age	Rates
30	0.022%
35	0.026
40	0.033
45	0.064
50	0.114
55	0.197
60	0.326
65	0.473

JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
JULY 1, 2025 ACTUARIAL VALUATION

APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

8. Mortality

Healthy Retirees (Healthy Annuitants): The Pub-2016 Teachers Above-Median Income Healthy Retiree mortality table [*PubT-2016(A) Healthy Retiree*] as published by the Society of Actuaries (SOA), unadjusted, and with future improvement from the base year of 2016 on a generational basis using SOA's Scale MP-2021.

Disabled Retirees (Disabled Annuitants): The Pub-2016 Non-Safety Disabled Retiree mortality table [*PubNS-2016 Disabled Retiree*] as published by the SOA, unadjusted, and with future improvement from the base year of 2016 on a generational basis using SOA's Scale MP-2021.

Pre-Retirement (Non-Annuitants): The Pub-2016 Teachers Above-Median Income Employee mortality table [*PubT-2016(A) Employee*] as published by the SOA, unadjusted, and with future improvement from the base year of 2016 on a generational basis using SOA's Scale MP-2021.

9. Retirement

Retirement rates are as follows:

Age	Less than		
	15 Years of Judicial Service	15-19 Years of Judicial Service	20 or more Years of Judicial Service
<60	0.0%	0.0%	0.0%
60	2.0	2.0	20.0
61	2.0	2.0	20.0
62	2.0	2.0	20.0
63	2.0	2.0	20.0
64	2.0	2.0	20.0
65	5.0	40.0	30.0
66	2.0	40.0	20.0
67	2.0	40.0	20.0
68	2.0	40.0	20.0
69	2.0	40.0	20.0
70	100.0	100.0	100.0

10. Termination

None assumed.

JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
JULY 1, 2025 ACTUARIAL VALUATION

APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

- 11. Family Composition Assumptions** For members not currently in receipt, 90% of members are assumed married to spouses of the opposite sex. Males are assumed to be two years older than females.
- For purposes of the optional form of payment death benefit for members currently in receipt, beneficiary status is based on the beneficiary allowance reported. If no beneficiary date of birth is provided, the beneficiary is assumed to be the member's spouse of the opposite sex with males assumed to be two years older than females.
- For purposes of the statutory death benefit for members currently in receipt, 100% of participants are assumed married to spouses of the opposite sex, with the exception of those members who elected Optional Forms A, B, C or D and are currently in receipt of their maximum retirement allowance. The spouse is assumed to be the reported beneficiary. If no beneficiary date of birth is provided, males are assumed to be two years older than females.
- No additional dependent children or parents are assumed.
- Current dependents under age 21 are assumed to receive a benefit until age 21. Current dependents over age 21 are assumed to receive a benefit for the remainder of their lifetime.
- 12. Form of Payment** Current actives are assumed to elect the Maximum Option.
- 13. Data** Information provided by the prior actuary was relied upon for the purposes of valuing certain deferred vested members.
- For current beneficiaries with missing data, reasonable assumptions were made based on the information available in prior years.
- Inactives receiving benefits according to the 2024 data but omitted from the 2025 data are assumed to have died without a beneficiary.
- 14. Rationale for Assumptions** The demographic and economic assumptions used in this report, except for the investment return assumption, reflect the results of the July 1, 2021 -- June 30, 2024 Experience Study, which was approved by the State House Commission on September 29, 2025. The investment return assumption was recommended by the State Treasurer. We find the investment return assumption to be reasonable based on the System's current asset allocation and the capital market outlook of the New Jersey Division of Investment.
- The combined effect of the assumptions in aggregate is expected to have no significant bias.
- 15. Changes in Assumptions since Last Valuation** Mortality rates were updated based on the July 1, 2021 – June 30, 2024 Experience Study, which was approved by the State House Commission on September 29, 2025.

JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
JULY 1, 2025 ACTUARIAL VALUATION

APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

B. Projection Assumptions

- | | |
|---|--|
| 1. Investment
Rate of Return | 7.00% per annum, compounded annually. |
| 2. Appropriation
Percentages | The State is assumed to appropriate 100% of the Statutory contribution in FYE 2027 and each year thereafter. |
| 3. Administrative
Expenses | The actual administrative expenses paid in FYE 2025 are assumed to increase by 2.75% per annum, compounded annually. |
| 4. New Entrants | <ul style="list-style-type: none">• Contributing active population assumed to remain at 2025 levels.• Assumed to join mid-year.• Age/sex distributions based on the last three years of new hires.• Salary based on salary for most recent hires reported on 2025 data.• New entrant salary assumed to increase at the same rate used for current members. |
| 5. Demographic
Assumptions | Same as those used for valuation purposes. |
| 6. Projection Basis | This report includes projections of future assets, liabilities, funded status and contributions for the purpose of assisting the State House Commission with the management of the System. |

The projections are based on the same census data and financial information as of July 1, 2025 which has been used for the actuarial valuation. The projections assume continuation of the plan provisions and actuarial assumptions in effect as of July 1, 2025 and do not reflect the impact of any changes in benefits or actuarial assumptions that may be adopted after July 1, 2025 unless otherwise indicated. While the assumptions individually are reasonable for the underlying valuation that supports the projections, specifically for projection purposes, they are also considered reasonable in the aggregate.

The projections are based on our proprietary model *PScan* developed by our firm that utilizes the results shown in this valuation report. The projections assume that all future assumptions are met except where indicated with respect to future investment returns and demographic assumptions. The future outcomes become increasingly uncertain over time, and therefore the general trends and not the absolute values should be considered in the review of these projections.

JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
JULY 1, 2025 ACTUARIAL VALUATION

APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

C. Actuarial Methods

The actuarial methods used for determining State contributions are described as follows.

1. Actuarial Cost Method

The actuarial cost method for funding calculations is the Projected Unit Credit Cost Method.

The actuarial liability is calculated as the actuarial present value of the projected benefits linearly allocated to periods prior to the valuation year based on judicial service. Refunds are valued as the reported Accumulated Deductions as provided by the DPB. The unfunded actuarial liability is the actuarial liability on the valuation date less the actuarial value of assets.

In accordance with Chapter 78, P.L. 2011:

- Beginning with the July 1, 2010 actuarial valuation, the accrued liability contribution shall be computed so that if the contribution is paid annually in level dollars, it will amortize the unfunded accrued liability over an open 30-year period.
- Beginning with the July 1, 2019 actuarial valuation, the accrued liability contribution shall be computed so that if the contribution is paid annually in level dollars, it will amortize the unfunded accrued liability over a closed 30-year period (i.e., for each subsequent actuarial valuation the amortization period shall decrease by one year).
- Beginning with the July 1, 2029 actuarial valuation, when the remaining amortization period reaches 20 years, any increase or decrease in the unfunded accrued liability as a result of actuarial losses or gains for subsequent valuation years shall serve to increase or decrease, respectively, the amortization period for the unfunded accrued liability, unless an increase in the amortization period will cause it to exceed 20 years. If an increase in the amortization period as a result of actuarial losses for a valuation year would exceed 20 years, the accrued liability contribution shall be computed for the valuation year using a 20-year amortization period.

To the extent that the amortization period remains an open period in future years and depending upon the specific circumstances, it should be noted that in the absence of emerging actuarial gains or contributions made in excess of the actuarially determined contribution, any existing unfunded accrued liability may not be fully amortized in the future.

**JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
JULY 1, 2025 ACTUARIAL VALUATION**

APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

2. Asset Valuation Method

For the purposes of determining contribution rates, an actuarial value of assets is used that dampens the volatility in the market value of assets, resulting in a smoother pattern of contributions.

The actuarial value of assets is adjusted to reflect actual contributions, benefit payments and administrative expenses and an assumed return on the previous year's assets and the current year's cash flow at the prior year's actuarial valuation interest rate, with a further adjustment to reflect 20% of the difference between the resulting value and the actual market value of Plan assets.

3. State Contribution Payable Dates

Chapter 83, P.L. 2016 requires the State to make the required pension contributions on a quarterly basis in each fiscal year according to the following schedule: at least 25% by September 30, at least 50% by December 31, at least 75% by March 31, and at least 100% by June 30. As such, contributions are assumed to be made on a quarterly basis with the first contribution 15 months after the associated valuation date.

4. ASOP No. 4 Disclosure

ASOP No. 4 requires the disclosure of a reasonable actuarially determined contribution (ADC), which includes the use of an asset valuation method that complies with ASOP No. 44. For purposes of this disclosure requirement only, we have calculated an ADC based on the market value of assets instead of the actuarial value of assets. Using the market value of assets would result in more volatile contribution requirements but would avoid deferral of contribution increases/(decreases) due to unrecognized asset losses/(gains). Because there is only a small difference between the market value of assets and actuarial value of assets as of July 1, 2025, this reasonable ADC is the same as the FYE 2027 Statutory contribution shown in Table I-1, when rounded to the nearest \$100,000. For purposes of this reasonable ADC calculation, we use an investment rate of return assumption of 7.00%, net of administrative expenses.

The actuarial methods used to determine the reasonable ADC described above have been selected to balance benefit security, intergenerational equity and stability of contributions. The selection of the actuarial methods has taken into account the demographics of plan members, the funding goals and objectives of the State (as expressed through the Statutory contribution), and the need to accumulate assets to make benefit payments when due. The methods used are not the only methods that would result in a reasonable ADC. There are a range of methods that would result in reasonable ADCs. For example, a reasonable ADC could be based on a different asset smoothing method that complies with ASOP No. 44.

JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
JULY 1, 2025 ACTUARIAL VALUATION

APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

5. Valuation Software

Cheiron utilizes ProVal, an actuarial valuation software leased from Winklevoss Technologies (WinTech) to calculate liabilities, normal costs, and project benefit payments. We have relied on WinTech as the developer of ProVal. We have reviewed ProVal and have used ProVal in accordance with its original intended purpose. We have not identified any material inconsistencies in ProVal assumptions or output that would affect this actuarial valuation.

6. Changes in Methods Since the Last Valuation

None.

**JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
JULY 1, 2025 ACTUARIAL VALUATION**

APPENDIX C – SUMMARY OF PLAN PROVISIONS

This summary of Plan provisions provides an overview of the major provisions of the JRS used in the actuarial valuation. It is not intended to replace the more precise language of the NJ State Statutes, Title 43, Chapter 6A, and if there is any difference between the description of the plan herein and the actual language in the NJ State Statutes, the NJ State Statutes will govern. This valuation is prepared based on plan provisions in effect as of July 1, 2025 and does not reflect the impact of any changes in the benefits that may have been approved after the valuation date.

1. Eligibility for Membership

Chief Justice and Associate Justices of the State Supreme Court, and judges of the Appellate Court, Superior Court and Tax Court of the State of New Jersey.

2. Plan Year

The 12-month period beginning on July 1 and ending on June 30.

3. Service Credit

A year is credited for each year of service as a public employee in the State of New Jersey. Any service, for which the member did not receive annual salary of at least \$500, shall be excluded. Judicial service credit is based on biweekly pay periods for which member contributions are made to JRS.

4. Final Salary

Annual salary received by the member at the time of retirement or other termination of service. (Effective June 30, 1996, Chapter 113, P.L. 1997 provided that the amount of compensation used for employer and member contributions and benefits under the program cannot exceed the compensation limitation of Section 401(a)(17) of the Internal Revenue Code.)

5. Accumulated Deductions

The sum of all amounts deducted from the compensation of a member or contributed by him or on his behalf.

6. Interest Credits on Accumulated Deductions

Members receive interest credits while contributing and for the first two years of inactivity. Prior to July 1, 2018, members received interest credits for the entire period of inactivity until retirement or death.

7. Employee Contributions

Any member enrolled prior to January 1, 1996 contributes 3% of the difference between current salary and salary for the position on January 18, 1982. Members enrolled on or after January 1, 1996 contribute 3% of their full salary.

**JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
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APPENDIX C – SUMMARY OF PLAN PROVISIONS

Chapter 78, P.L. 2011 increased Member Contributions by 9% of salary phased in over a period of seven years beginning October 2011. (The additional 9% of salary was fully recognized in July 2017.)

a) For Members enrolled prior to January 1, 1996:

- (1) Member contributes 9% (phased in over a period of seven years beginning October 2011) of the salary for that position on January 18, 1982.
- (2) Member contributes 12% (9% of that phased in over a period of seven years beginning October 2011) of the difference between current salary and salary for that position on January 18, 1982.

b) For members enrolled on or after January 1, 1996, Member contributes 12% (9% of that phased in over a period of seven years beginning October 2011) of full salary.

8. Retirement Allowance

Benefit comprised of a member annuity plus an employer pension.

Chapter 56, P.L. 2024 amended the retirement provisions so that a retired member of JRS can be appointed as a county prosecutor but cannot be enrolled in any other State-administered retirement system based on that service. The retired JRS member can continue to receive the JRS retirement allowance while receiving the full salary as a county prosecutor.

9. Benefits

a) Service Retirements

Mandatory retirement at age 70. Voluntary retirement prior to that age.

Chapter 105, P.L. 2021 removed the mandatory retirement at age 70 for a member who has been appointed by the Governor, with the advice and consent of the Senate, to the position of county prosecutor.

- (1) Age 70 and 10 years of judicial service; or

Age 65 and 15 years of judicial service; or

Age 60 and 20 years of judicial service.

Benefit is an annual retirement allowance equal to 75% of final salary.

- (2) Age 65 while serving as a judge, 5 consecutive years of judicial service and 15 years in the aggregate of public service; or

Age 60 while serving as a judge, 5 consecutive years of judicial service and 20 years in the aggregate of public service.

Benefit is an annual retirement allowance equal to 50% of final salary.

JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
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APPENDIX C – SUMMARY OF PLAN PROVISIONS

- (3) Age 60 while serving as a judge, 5 consecutive years of judicial service and 15 years in the aggregate of public service.

Benefit is an annual retirement allowance equal to 2% of final salary for each year of public service up to 25 years plus 1% of final salary for each year of public service in excess of 25 years.

- (4) Age 60 while serving as a judge.

Benefit is an annual retirement allowance equal to 2% of final salary for each year of judicial service up to 25 years plus 1% for each year of public service in excess of 25 years.

b) **Early Retirement**

Prior to age 60 while serving as a judge, 5 consecutive years of judicial service and 25 or more years in the aggregate of public service.

Benefit is an annual retirement allowance equal to 2% of final salary for each year of public service up to 25 years plus 1% of final salary for each year of public service in excess of 25 years, actuarially reduced for commencement prior to age 60.

c) **Deferred Retirement**

Termination of service prior to age 60, with 5 consecutive years of judicial service and 10 years in the aggregate of public service.

Benefit is a refund of accumulated deductions, or a deferred life annuity beginning at age 60 equal to 2% of final salary for each year of public service up to 25 years, plus 1% of final salary for each year of public service in excess of 25 years.

Chapter 329, P.L. 2021 amended the retirement provisions to permit a Judge serving as Administrative Director of the Courts to apply for deferred retirement and be appointed as Administrative Director of the Courts, if the member is at least 65 years old and has service for 20 years as a judge in any court in New Jersey.

d) **Non-Vested Termination**

Termination of service prior to age 60, with less than 5 years of judicial service or less than 10 years in the aggregate of public service.

Benefit is a refund of accumulated deductions.

e) **Disability Retirement**

Physically or otherwise incapacitated for the full and efficient service to the State in his judicial capacity and such incapacity is likely to be permanent.

Benefit is an annual retirement allowance of 75% of final salary.

JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
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APPENDIX C – SUMMARY OF PLAN PROVISIONS

f) Death Benefits

(1) Before Retirement: Death of an active member of the plan. Benefit is equal to:

- a) Lump sum payment equal to 150% of final salary, also known as the non-contributory group life insurance benefit, plus
- b) Spousal life annuity of 25% of final salary payable until spouse's remarriage plus 10% (15%) to one (two or more) dependent child(ren). If there is no surviving spouse, or upon death or remarriage, a total of 15% (20%, 30%) of final salary payable to one (two, three or more) dependent child(ren). If there is no surviving spouse or dependent child(ren), 20% (30%) of final salary to one (two) dependent parent(s). If there is no surviving spouse, dependent child(ren) or parent(s), the benefit is a refund of accumulated deductions with credited interest. This is also known as the statutory death benefit.

(2) After Retirement: Death of a retired member of the plan. The benefit is equal to:

- a) Lump sum of 25% of final salary for a member retired under service or early retirement. For a member receiving a disability benefit, a lump sum of 150% of final salary if death occurred before the member attained age 60 and 25% of final salary if death occurred after age 60. This is also known as the non-contributory group life insurance benefit, plus
- b) Spousal life annuity of 25% of final salary adjusted for any previously granted Cost-of-Living Adjustments, or the salary of an active judge in the member's final position at retirement, if larger, payable until spouse's remarriage plus 10% (15%) to one (two or more) dependent child(ren). If there is no surviving spouse, or upon death or remarriage, a total of 15% (20%, 30%) of final salary payable to one (two, three or more) dependent child(ren). This is also known as the statutory death benefit.

10. Forms of Payment

In addition to the postretirement death benefits listed above, the member may elect the following forms of payment.

- a) Maximum Option: Single life annuity with a return of the balance of the member accumulated deductions with credited interest.
- b) Option 1: Single life annuity with a return of the balance of the initial reserve.
- c) Option 2: 100% joint and survivor annuity.
- d) Option 3: 50% joint and survivor annuity.
- e) Option 4: Other percentage joint and survivor annuity.
- f) Option A: 100% pop-up joint and survivor annuity.
- g) Option B: 75% pop-up joint and survivor annuity.
- h) Option C: 50% pop-up joint and survivor annuity.
- i) Option D: 25% pop-up joint and survivor annuity

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APPENDIX C – SUMMARY OF PLAN PROVISIONS

11. Changes in Plan Provisions since Last Valuation

Chapter 56, P.L. 2024 amended the retirement provisions so that a retired member of JRS can be appointed as a county prosecutor but cannot be enrolled in any other State-administered retirement system based on that service. The retired JRS member can continue to receive the JRS retirement allowance while receiving the full salary as a county prosecutor.

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APPENDIX D – HISTORICAL DATA AND REQUIRED EXHIBITS

Table D-1 Historical Summary of Assets and Liabilities						
Valuation Date July 1,	Market Value of Assets	Actuarial Value of Assets	Actuarial Liability	Funded Ratio		
				Market Value	Actuarial Value	
2025	\$ 350,856,780	\$ 350,750,381	\$ 923,939,245	38.0%	38.0%	
2024	313,645,063	321,882,453	909,557,632	34.5%	35.4%	
2023	278,121,864	294,857,159	891,884,256	31.2%	33.1%	
2022	248,524,999	272,411,612	867,600,332	28.6%	31.4%	
2021	254,934,397	249,915,574	854,306,065	29.8%	29.3%	
2020	195,515,466	214,861,100	809,796,408	24.1%	26.5%	
2019	192,922,219	207,308,308	790,936,136	24.4%	26.2%	
2018	195,468,291	209,981,271	670,562,613	29.1%	31.3%	
2017	197,567,630	216,952,852	646,507,109	30.6%	33.6%	
2016	196,407,352	226,310,119	629,810,812	31.2%	35.9%	

Table D-2 Historical Summary of Employer Contributions¹					
Fiscal Year Ending June 30,	Statutory/ Actuarially Determined Contribution	Actual Pension Contributions	Contribution Deficiency (Excess)	Percentage of Contribution Covered	
2026 ²	\$ 71,331,390	\$ 71,331,390	\$ 0	100.00%	
2025	70,341,764	70,342,000	(236)	100.00%	
2024	68,303,865	68,304,000	(135)	100.00%	
2023	68,325,570	68,326,000	(430)	100.00%	
2022	67,072,099	72,375,000	(5,302,901)	107.91%	
2021	65,752,030	51,287,000	14,465,030	78.00%	
2020	52,327,505	36,610,000	15,717,505	69.96%	
2019	48,368,041	29,000,000	19,368,041	59.96%	
2018	46,531,943	23,266,000	23,265,943	50.00%	
2017	44,156,771	19,677,000	24,479,771	44.56%	

¹Excludes contributions for NCGI

²Reflects the State's planned contribution of 100% of the Statutory Contribution

The information above is based on the final actuarial valuation reports for the given years. The amounts do not reflect differences between the discounted State appropriations receivable and the actual State contribution amounts that became known after the issuance of the reports.

**JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
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APPENDIX D – HISTORICAL DATA AND REQUIRED EXHIBITS

In accordance with the Government Finance Officers Association (GFOA) and their recommended checklist for Annual Comprehensive Financial Reports, we prepared the following schedules for the System. The GFOA checklist uses the term Actuarial Accrued Liability, which is the same as the Actuarial Liability used elsewhere in this report.

Table D-3 Schedule of Retirees and Beneficiaries Added to and Removed from Rolls								
Valuation Date July 1,	Added to Rolls		Removed from Rolls		Rolls at End of Year		Average	% Increase in
	Number	Annual Allowance	Number ¹	Annual Allowance	Number ¹	Annual Allowance	Annual Allowance ¹	Average Annual Allowance ¹
2025	43	\$ 4,990,088	22	\$ 2,065,052	728	\$ 73,757,948	\$101,316	1.20%
2024	47	5,263,474	27	2,438,419	707	70,783,241	100,118	1.16%
2023	44	5,013,560	35	2,416,139	687	67,991,147	98,968	2.72%
2022	49	5,641,913	26	2,269,532	678	65,321,417	96,344	1.88%
2021	38	3,954,037	23	1,938,703	655	61,939,137	94,564	1.00%
2020	41	3,538,867	34	3,037,320	640	59,923,801	93,631	-0.21%
2019	38	3,911,675	19	1,734,194	633	59,393,303	93,828	0.78%
2018	31	2,668,375	28	1,958,556	614	57,164,048	93,101	2.69%
2017	37	3,058,274	19	1,670,094	623	56,481,444	90,660	-0.44%
2016	41	3,599,047	22	1,471,553	605	55,093,264	91,063	0.75%

¹Beginning with the 2018 valuation, QDRO records excluded from headcounts and QDRO benefits included with member records.
This change resulted in 12 fewer records on the rolls as of July 1, 2018.

Table D-4 Schedule of Active Member Valuation Data				
Valuation Date July 1,	Number of Contributing Active Members ¹	Annual Compensation ¹	Annual Average Compensation ¹	% Increase in Average Annual Compensation ¹
2025	411	\$ 86,339,540	\$ 210,072	2.05%
2024	415	85,427,536	205,849	2.17%
2023	396	79,782,076	201,470	2.00%
2022	390	77,035,971	197,528	1.86%
2021	394	76,401,342	193,912	2.03%
2020	405	76,970,450	190,050	4.42%
2019	421	76,627,036	182,012	4.62%
2018	447	77,763,777	173,968	4.79%
2017	430	71,385,705	166,013	0.00%
2016	410	68,062,584	166,006	-0.05%

¹ Prior to July 1, 2018, includes non-contributing active members

**JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
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APPENDIX D – HISTORICAL DATA AND REQUIRED EXHIBITS

Table D-5 Schedule of Funding Progress						
Valuation Date July 1,	Actuarial Value of Assets¹ (a)	Actuarial Accrued Liability (b)	(Surplus)/Unfunded Actuarial Accrued Liability (c) = (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (d)	(Surplus)/Unfunded Actuarial Accrued Liability as % of Covered Payroll (c) / (d)
2025	\$ 350,750,381	\$ 923,939,245	\$ 573,188,864	37.96%	\$ 86,339,540	663.88%
2024	321,882,453	909,557,632	587,675,179	35.39%	85,427,536	687.92%
2023	294,857,159	891,884,256	597,027,097	33.06%	79,782,076	748.32%
2022	272,411,612	867,600,332	595,188,720	31.40%	77,035,971	772.61%
2021	249,915,574	854,306,065	604,390,491	29.25%	76,401,342	791.07%
2020	214,861,100	809,796,408	594,935,308	26.53%	76,970,450	772.94%
2019	207,308,308	790,936,136	583,627,828	26.21%	76,627,036	761.65%
2018	209,981,271	670,562,613	460,581,342	31.31%	77,763,777	592.28%
2017	216,952,852	646,507,109	429,554,257	33.56%	71,385,705	601.74%
2016	226,310,119	629,810,812	403,500,693	35.93%	68,062,584	592.84%

¹Includes receivable amounts

Table D-6 Schedule of Funded Liabilities by Type (Solvency Test)								
Actuarial Accrued Liability for					Portion of Actuarial Accrued Liabilities Covered by Actuarial Value of Assets			
Valuation Date July 1,	Contributing & Non-Contributing Active Member Contributions (1)	Retirees, Beneficiaries & Deferred Vested¹ (2)	Contributing & Non-Contributing Active Member Benefits Financed by Employer¹ (3)	Actuarial Value of Assets²				
2025	\$ 69,683,955	\$ 682,789,209	\$ 171,466,081	\$ 350,750,381	100.00%	41.16%	0.00%	
2024	66,453,105	670,563,823	172,540,704	321,882,453	100.00%	38.09%	0.00%	
2023	62,851,816	657,591,428	171,441,012	294,857,159	100.00%	35.28%	0.00%	
2022	61,841,483	624,339,081	181,419,768	272,411,612	100.00%	33.73%	0.00%	
2021	59,863,926	596,712,989	197,729,150	249,915,574	100.00%	31.85%	0.00%	
2020	56,024,212	561,766,393	192,005,803	214,861,100	100.00%	28.27%	0.00%	
2019	50,003,665	557,371,419	183,561,052	207,308,308	100.00%	28.22%	0.00%	
2018	44,573,503	474,289,256	151,699,854	209,981,271	100.00%	34.87%	0.00%	
2017	37,093,233	471,714,228	137,699,648	216,952,852	100.00%	38.13%	0.00%	
2016	31,564,870	460,298,517	137,947,425	226,310,119	100.00%	42.31%	0.00%	

¹Prior to July 1, 2018, actuarial accrued liability for deferred vesteds included under (3) instead of (2)

²Includes receivable amounts

JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
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APPENDIX D – HISTORICAL DATA AND REQUIRED EXHIBITS

Table D-7 Analysis of Financial Experience Change in Unfunded Actuarial Liability							
Valuation Date July 1,	Actuarial Value of Assets Investment (Gain)/Loss	Actuarial Liability (Gain)/Loss	Assumption & Method Changes	Plan Changes	Contributions¹	Change in Unfunded Actuarial Liability	
2025	\$ (26,600)	\$ 5,351,580	\$ (13,448,685)	\$ 0	\$ (6,362,610)	\$	(14,486,315)
2024	2,059,347	(4,902,174)	0	0	(6,509,091)		(9,351,918)
2023	4,183,824	3,521,715	0	0	(5,867,162)		1,838,377
2022	5,971,653	1,169,460	(11,123,513)	0	(5,219,371)		(9,201,771)
2021	(1,254,706)	(94,031)	22,751,668	0	(11,947,748)		9,455,183
2020	4,836,409	(4,390,489)	0	0	10,861,560		11,307,480
2019	3,596,522	11,540,552	95,614,278	0	12,295,134		123,046,486
2018	3,628,245	11,259,223	240,890	0	15,898,727		31,027,085
2017	4,846,305	(4,615,530)	7,782,928	0	18,039,861		26,053,564
2016	7,475,692	6,312,912	7,095,990	0	24,115,921		45,000,515

¹Change due to contributions (greater)/less than normal cost plus interest on the Unfunded Actuarial Accrued Liability.

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APPENDIX E – GLOSSARY OF TERMS

1. Actuarial Assumptions

Assumptions as to the occurrence of future events affecting pension costs, such as: mortality, withdrawal, disability, and retirement; changes in compensation; inflation; rates of investment earnings, and asset appreciation or depreciation; and other relevant items.

2. Actuarial Cost Method

A procedure for determining the Actuarial Present Value of pension plan benefits and expenses and for developing an allocation of such value to each year of service, usually in the form of a Normal Cost and an Actuarial Liability.

3. Actuarial Gain/(Loss)

A measure of the difference between actual experience and that expected based upon a set of Actuarial Assumptions during the period between two Actuarial Valuation dates, as determined in accordance with a particular Actuarial Cost Method.

4. Actuarial Liability

The portion of the Actuarial Present Value of Projected Benefits which will not be paid by future Normal Costs. It represents the value of the past Normal Costs with interest to the valuation date.

5. Actuarial Present Value (Present Value)

The value as of a given date of a future amount or series of payments. The Actuarial Present Value discounts the payments to the given date at the assumed investment return and includes the probability of the payment being made. As a simple example: assume you owe \$100 to a friend one year from now. Also, assume there is a 1% probability of your friend dying over the next year, in which case you won't be obligated to pay him. If the assumed investment return is 10%, the actuarial present value is:

$$\begin{array}{ccccccc} \text{Amount} & & \text{Probability of} & & \text{1/(1+Investment Return)} & & \\ & & \text{Payment} & & & & \\ \$100 & \times & (1 - .01) & \times & 1/(1+.1) & = & \$90 \end{array}$$

6. Actuarial Valuation

The determination, as of a specified date, of the Normal Cost, Actuarial Liability, Actuarial Value of Assets, and related Actuarial Present Values for a pension plan.

JUDICIAL RETIREMENT SYSTEM OF NEW JERSEY
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APPENDIX E – GLOSSARY OF TERMS

7. Actuarial Value of Assets

The value of cash, investments and other property belonging to a pension plan as used by the actuary for the purpose of an Actuarial Valuation. The purpose of an Actuarial Value of Assets is to smooth out fluctuations in market values. This way long-term costs are not distorted by short-term fluctuations in the market.

8. Actuarially Equivalent

Of equal Actuarial Present Value, determined as of a given date with each value based on the same set of Actuarial Assumptions.

9. Amortization Payment

The portion of the pension plan contribution which is designed to pay interest and principal on the Unfunded Actuarial Liability in order to pay for that liability in a given number of years.

10. Funded Ratio

The ratio of the Actuarial Value of Assets to the Actuarial Liabilities.

11. Investment Return Assumption

The assumed interest rate used for projecting dollar related values in the future.

12. Mortality Table

A set of percentages which estimate the probability of death at a particular point in time. Typically, the rates are annual and based on age and sex.

13. Normal Cost

That portion of the Actuarial Present Value of pension plan benefits and expenses, which is allocated to a valuation year by the Actuarial Cost Method.

14. Projected Benefits

Those pension plan benefit amounts which are expected to be paid in the future under a particular set of Actuarial Assumptions, taking into account such items as the effect of advancement in age and increases in future compensation and service credits.

15. Projected Unit Credit Cost Method

A method under which the Actuarial Liability is calculated as the Actuarial Present Value of the Projected Benefits allocated to periods prior to the valuation year based on service.

16. Unfunded Actuarial Liability

The excess of the Actuarial Liability over the Actuarial Value of Assets.