

**POLICE AND FIREMEN'S
RETIREMENT SYSTEM
OF NEW JERSEY**



1992

ANNUAL REPORT

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STATE OF NEW JERSEY

DEPARTMENT OF THE TREASURY

Samuel Crane, Treasurer

DIVISION OF PENSIONS AND BENEFITS

Margaret M. McMahon, Director

**POLICE AND FIREMEN'S RETIREMENT SYSTEM
OF NEW JERSEY**

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50 West State Street Trenton, New Jersey 08625-0295

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**To His Excellency
Jim Florio
Governor of the State of New Jersey**

Dear Sir:

The Board of Trustees of the Police and Firemen's Retirement System is pleased to present the 1992 Annual Report in compliance with the provisions of N.J.S.A. 43:16A-13.

Respectfully Submitted,

MARTY BARRETT
Chairperson

SIGNIFICANT LEGISLATION

CHAPTER 153, LAWS OF 1991, permits PERS, TPAF and PFRS members to purchase service credit for certain civilian employment or military service with the United States government or other states. The civilian service must be the type of public employment that would be eligible for credit in the New Jersey State-administered retirement systems if the service was rendered in New Jersey. The member's cost will be computed by utilizing an actuarial factor and neither the State nor the employer will be liable for any costs associated with the financing of the pension adjustment or health care benefits for retirees when purchasing such service credit. This law was approved on June 6, 1991 and became effective on July 1, 1991.

CHAPTER 382, LAWS OF 1991 establishes a Pension and Health Benefit Study Commission. This commission will consist of 10 members (State Treasurer plus three members of the Executive branch, two members appointed by the Senate President, two members appointed by the Speaker of the Assembly and two members appointed by the Governor). The chairman of the commission will be appointed by the Governor and serve at his pleasure. This act will take effect on January 14, 1992.

CHAPTER 386, LAWS OF 1991 permits the railroad police force of New Jersey Transit Corporation to transfer to the PFRS. Currently, such employees are enrolled in the Federal Railroad Retirement System but that membership would terminate upon the transfer to the PFRS. Such employees must meet the training requirements for PFRS eligibility and will be subject to the mandatory retirement age of 65. The entrance age of 35, however, will be waived. Eligible employees of the corporation's police department with less than 10 years of service credit within the federal system will have their total years of service credited to the PFRS account if such employees remain with the corporation for five full continuous years after the effective date of this law. Similar employees with more than 10 years of service credit within the federal system will receive credit within the PFRS of the total years of service credit less 10 years if such employees remain with the corporation for five full continuous years after the effective date of this law. No contributions will be transferred from the federal system. The corporation will be liable for the credit transferred in the same manner as if the situation involved another public system. This law was approved on January 16, 1992 to become effective on March 16, 1992.

CHAPTER 389, LAWS OF 1991 revised the definition for veteran with the Board of Education Employees' Retirement Fund of Essex County, TPAF, PERS and PFRS to include any honorably discharged members of the American Merchant Marine who served during World War II and is declared by the US Department of Defense to be eligible under federal veterans' benefits. Chapter 389 provides that the special veterans'

retirement allowance that may be available within the above-mentioned systems are applicable to retirement benefits after January 19, 1988. However, these benefits will only be payable on a prospective basis after January 16, 1992. There is no provision for the payment of such veterans' benefits on a retroactive basis. The first benefit payments that would be affected under this law would be those for the month of February which is payable March 1, 1992. This law was approved and became effective on January 16, 1992.

CHAPTER 390, LAWS OF 1991 expands the definition of veteran with the TPAF, PERS and PFRS. The qualifying termination dates of World War II, the Korean Conflict and the Vietnam Conflict are extended and veteran status for pension purposes is extended to persons who served at least 14 days within the military within the area of conflict during Lebanon, Grenada, Panama and Operation Desert Shield/Storm hostilities.

In order to establish veteran status, the member must have at least 90 days of active service in:

- World War II between September 16, 1940 and December 31, 1946;
- the Korean Emergency between June 23, 1950 and January 1, 1955; and
- the Vietnam Conflict between December 31, 1960 and May 7, 1975.

Chapter 390 also establishes veteran eligibility for those who served at least 14 days (except for those incurring a service-connected disability during a shorter period of time) in the territory or aboard ships within the territorial waters of Lebanon, Grenada, Panama and the Arabian Peninsula or in the Persian Gulf during the Desert Storm Conflict. The dates of such qualifying service for the:

- Lebanon Conflict are between September 26, 1982 and February 26, 1984;
- Grenada Conflict are between October 25, 1983 and November 21, 1983;
- Panama Peacekeeping Mission are between December 20, 1989 and January 31, 1990; and
- Operation Desert Shield/Storm are between August 2, 1990 and the present.

A current retiree or surviving spouse of a retiree from the PERS or TPAF who now meets the qualifications for a veteran would be eligible to now receive the special veterans' retirement benefits. However, such special veterans' benefits will not be paid on a retroactive basis. This law was approved and became effective on January 16, 1992.

CHAPTER 414, LAWS OF 1991 permits certain members of the PFRS to obtain certain mortgage loans from the PFRS. The New Jersey Housing Mortgage Finance Agency shall establish the initial rate of interest concerning such mortgage loans within

120 days of the effective date of this legislation and semi-annually reset those rates thereafter. The rate will be 2% above the index consisting of the weekly average yield at the time the rate is set or reset on one year US Treasury securities adjusted to a constant maturity as determined by the Federal Reserve Board. The term of the mortgage shall not exceed 30 years.

The New Jersey Housing and Mortgage Finance Agency shall be responsible for the preparation, review, etc. of the mortgage notes, terms, fees, insurance requirements, etc. This law was approved on January 17, 1992 and will become effective 90 days thereafter and will expire after its effective date.

This law was repealed by Chapter 78, Laws of 1992 on August 5, 1992. Chapter 78, Laws of 1992 clarifies Chapter 414, Laws of 1991 and emphasizes that it is an investment program to be administered as part of the State's general investment program. Chapter 78, Laws of 1992 was approved and became effective on August 5, 1992 but shall expire on August 5, 1997.

CHAPTER 492, LAWS OF 1991 permits any former State trooper, sheriff's officer or deputy, county or municipal policeman to use his or her previous service to reduce actual age to meet the maximum age requirement for appointment to a law enforcement position established by N.J.S.A. 40A:14-127. No person may be appointed over the age of 45 except in the case where a law enforcement officer was involuntarily separated from duty. This person may be appointed regardless of age at the time of appointment. No former law enforcement officer who meets the age requirements for appointment under the provisions of Chapter 492 may be exempt from meeting the general qualifications for appointment as established in N.J.S.A. 40A:14-122. This law was approved and became effective on January 18, 1992.

CHAPTER 511, LAWS OF 1991 increases the retirement benefit for a widow/widower of a PFRS retiree from 35% to 50% of the retiree's average final compensation. Chapter 511 also raises the minimum annual PFRS widow/widower benefit from \$1,600 to \$4,500 for such benefits granted prior to January 14, 1992. There is no provision for the payment of retroactive payments regarding the period prior to January 18, 1992. The first benefit payment affected by this legislation would be the benefits for the month of February which are payable March 1, 1992. Both basic benefits and pensions adjustment benefits will be recalculated. Chapter 511 further mandates that the State shall reimburse local governments for the additional cost associated with these increased widow/widower pensions payable. This law was approved and became effective on January 18, 1992.

CHAPTER 41, LAWS OF 1992 provides for the revaluation of the investment assets within the TPAF, JRS, CPFPPF, PERS, PFRS and SPRS. Essentially, this law permits the

use of recent or current market values to evaluate the securities portfolio within the applicable retirement systems. Also, the law changes the definition of "regular interest" as well as the selection or election process regarding members of the various Boards of Trustees of those retirement systems. This law was approved and became effective on June 30, 1992.

Atlantic County	Atlantic County	Atlantic County
Burlington County	Burlington County	Burlington County
Camden County	Camden County	Camden County
Gloucester County	Gloucester County	Gloucester County
Hudson County	Hudson County	Hudson County
Monmouth County	Monmouth County	Monmouth County
Morris County	Morris County	Morris County
Passaic County	Passaic County	Passaic County
Somerset County	Somerset County	Somerset County
Union County	Union County	Union County
Warren County	Warren County	Warren County
Westchester County	Westchester County	Westchester County

PARTICIPATING COUNTIES, MUNICIPALITIES, FIRE DISTRICTS AND COMMISSIONS (listed by county)

ATLANTIC COUNTY - Absecon City, Brigantine, Buena Boro, City of Egg Harbor, Egg Harbor Township, Galloway Township, Hamilton Township, Hammonton, Linwood, Longport, Margate City, Northfield, Pleasantville, Somers Point, Ventnor City.

BERGEN COUNTY - Allendale, Alpine, Bergenfield, Bogota, Carlstadt, Cliffside Park, Closter, Cresskill, Demarest, Dumont, East Paterson, East Rutherford, Edgewater, Emerson, Englewood, Englewood Cliffs, Fair Lawn, Fairview, Fort Lee, Franklin Lakes, Garfield, Glen Rock, Hackensack, Harrington Park, Hasbrouck Heights, Haworth, Hillsdale, Ho-Ho-Kus, Leonia, Little Ferry, Lodi, Lyndhurst, Mahwah, Maywood, Midland Park, Montvale, Moonachie, New Milford, North Arlington, Northvale, Norwood, Oakland, Old Tappan, Oradell, Palisades Park, Ramsey, Ridgefield, Ridgefield Park, Ridgewood, River Edge, River Vale Township, Rochelle Park Township, Rutherford, Saddle River Boro, Saddle River Township, South Hackensack Township, Teaneck Township, Tenafly, Teterboro, Upper Saddle River, Waldwick, Wallington, Westwood, Woodbridge, Woodcliff Lakes, Wyckoff Township.

BURLINGTON COUNTY - Beverly, Bordentown, Bordentown Township, Burlington, Burlington Township, Cinnaminson Township, Delanco, East Hampton Township, Evesham Township, Florence Township, Lumberton Township, Maple Shade Township, Medford Township, Moorestown Township, Mount Holly Township, Mount Laurel Township, Palmyra, Riverside Township, Riverton, Willingboro.

CAMDEN COUNTY - Audubon, Audubon Park, Barrington, Bellmawr, Berlin, Berlin Township, Camden, Cherry Hill Fire Districts Nos. 2, 4, 5 and 6, Chesilhurst Borough, Collingswood, Delaware Township, Gloucester City, Gloucester Township, Haddon Township, Haddonfield, Haddon Heights, Magnolia Township, Merchantville, Mount Ephraim, Oaklyn, Pennsauken Township, Runnemede, Somerdale Borough, Stratford Borough, Voorhees Township, Waterford Township, Winslow Township, Woodlynne.

CAPE MAY COUNTY - Avalon Boro, Boro of Stone Harbor, Cape May City, Lower Township, Middle Township, North Wildwood, Ocean City, Sea Isle City, Wildwood, West Wildwood Boro.

CUMBERLAND COUNTY - Bridgeton, Greenwich Township, Landis Township, Millville, Vineland.

ESSEX COUNTY - Belleville, Bloomfield, Caldwell Township, Cedar Grove, East Orange, Essex Fells, Glen Ridge, Irvington, Livingston, Maplewood Township, Millburn

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Township, Montclair, Newark, North Caldwell, Nutley, Orange, Roseland, South Orange, Verona, West Caldwell, West Orange.

GLOUCESTER COUNTY - East Greenwich Township, Elk Township, Franklin Township, Glassboro, Logan Township, Monroe Township, Paulsboro, Pitman, Township of Harrison, Washington Township, West Deptford, Westville, Woodbury, Woodbury Heights.

HUDSON COUNTY - Bayonne, East Newark, Guttenberg, Harrison, Hoboken, Jersey City, Kearny, North Bergen Township, Secaucus, Union City, Weehawken Township, West New York.

HUNTERDON COUNTY - Lebanon Township, Raritan Township.

MERCER COUNTY - East Windsor Township, Ewing Township, Hamilton Township, Hightstown, Lawrence Township, Princeton, Princeton Township, Trenton City, West Windsor Township.

MIDDLESEX COUNTY - Carteret, Dunellen, East Brunswick Township, Edison Township, Edison Township Fire District No. 1, Highland Park, Jamesburg, Metuchen, Middlesex, Milltown Boro, New Brunswick, North Brunswick Township, Old Bridge, Perth Amboy, Piscataway Township, Plainsboro Township, Raritan Township Fire District No. 3, Sayreville, South Amboy, South Brunswick Township, South Plainfield, South River, Spotswood, Woodbridge Fire District No. 1, Woodbridge Fire District No. 7, Woodbridge Township.

MONMOUTH COUNTY - Aberdeen Township, Allenhurst, Asbury Park, Atlantic Highlands, Avon-by-the-Sea, Belmar, Bradley Beach, Brielle, Deal, Eatontown, English-town, Fair Haven, Freehold, Freehold Township, Hazlet Township, Highlands, Holmdel Township, Howell Township, Interlaken, Keansburg, Keyport, Little Silver, Long Branch, Manalapan Township, Manasquan, Matawan, Middleton Township, Monmouth Beach Boro, Neptune City, Neptune Township, Ocean Township, Oceanport, Red Bank, Rumson, Sea Bright, Sea Girt, Shrewsbury, South Belmar, Spring Lake, Spring Lake Heights, Tinton Falls Borough, Wall Township, West Long Branch.

MORRIS COUNTY - Boonton Township, Butler Borough, Chatham, Chatham Township, Chester Township, Denville, Dover, East Hanover, Florham Park, Hanover-Borough, Mendham, Mendham Township, Mine Hill Township, Montville Township, Morristown, Morris Township, Morris Plains, Mount Olive Township, Mountain Lakes, Parsippany-Troy Hills, Passaic Township, Pequannock Township, Randolph Township, Rockaway Township, Roxbury Township, Washington Township, Wharton Borough.

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OCEAN COUNTY - Bayhead Borough, Berkely Township, Brick Township, Dover Township, Jackson Township, Lacey Township, Lakehurst, Lakewood Township, Mantoloking, Ocean Township, Point Pleasant Beach, Seaside Park Borough, Ship Bottom Borough.

PASSAIC COUNTY - Bloomingdale Borough, Clifton, Haledon, Hawthorne, Little Falls, North Haledon, Passaic, Paterson, Pompton Lakes, Prospect Park, Ringwood, Totowa, Wanaque, Wayne Township, West Milford Township, West Paterson.

SALEM COUNTY - Lower Penns Neck Township, Penns Grove, Salem, Upper Penns Neck Township, Woodstown Borough.

SOMERSET COUNTY - Bernards Township, Bernardsville, Bedminster, Bound Brook, Branchburg Township, Bridgewater Township, Hillsborough Township, Manville, North Plainfield, Peapack and Gladstone Borough, Raritan, Somerville, South Bound Brook, Warren Township, Watchung.

SUSSEX COUNTY - Byram Township, Hopatcong, Newton, Sparta.

UNION COUNTY - Berkeley Heights, Clark Township, Cranford, Elizabeth, Fanwood, Garwood, Hillside Township, Kenilworth, Linden, Mountainside, New Providence, Plainfield, Rahway, Roselle, Roselle Park, Scotch Plains Township, Springfield Township, Summit, Union Township, Westfield.

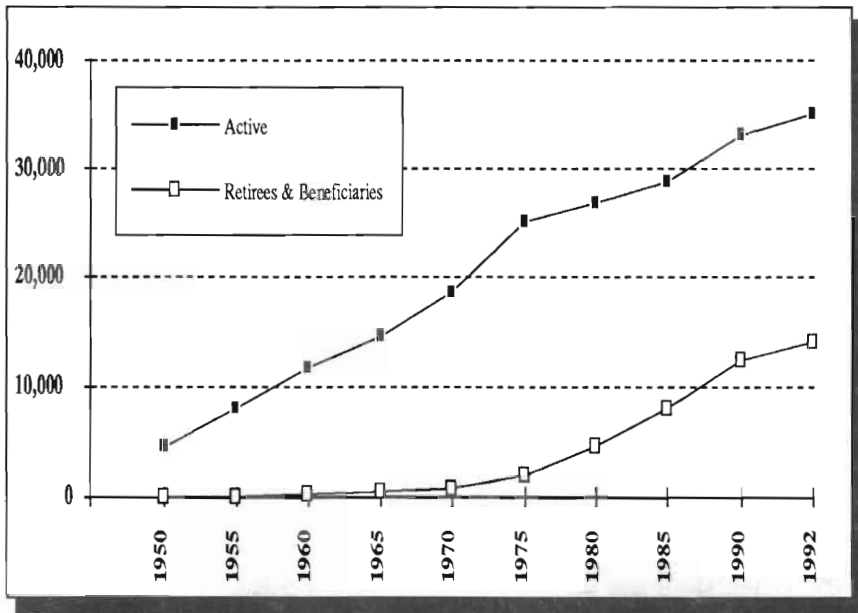
WARREN COUNTY - Alpha Borough, Hackettstown Town, Independence Township, Lopatcong Township, Mansfield Township, Phillipsburg, Pohatcong Township, Washington, Washington Township.

Waterfront Commission of New York Harbor.

New Jersey Departments and personnel defined by Chapter 156, P.L. 1973; County and County Parks under Chapter 92, P.L. 1973; and Chapters 302 and 303, P.L. 1975.

MEMBERSHIP

- As of June 30, 1992, the active contributing membership of the system totaled 35,160*.
 - There were 13,941 retirees and beneficiaries receiving annual pensions totaling \$266,818,681 (This includes benefits paid under the provisions of the Pensions Adjustment Act).
 - Beneficiaries of 331 deceased active and retired members received lump sum death benefits in the amount of \$12,333,324.
 - The system's assets totaled \$5,734,814,901 at the close of fiscal year 1992.
- * Total Inactive Membership as of June 30, 1992 was 1,210.



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MEMBERSHIP ACTIVITY

During fiscal year 1992, the following transactions were processed by the Division of Pensions and Benefits on behalf of the membership of the Police and Firemen's Retirement System of New Jersey.

- **WITHDRAWAL** - 405 members withdrew from the system.
- **LOANS** - 18,077 members applied for and received loans on their accounts totaling \$170,634,530.
- **RETIREMENT** - 901 members retired under the following retirement types and options:

TYPE OF RETIREMENT

Service	31
Special	771
Deferred	1
Ordinary Disability	53
Accidental Disability	43
Accidental Death	2
TOTAL	<u>901</u>

KPMG PEAT MARWICK
New Jersey Headquarters
150 John F. Kennedy Parkway
Short Hills, NJ 07078

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Police and Firemen's Retirement
System of New Jersey:

We have audited the accompanying balance sheet of the Police and Firemen's Retirement System of New Jersey (a component unit of the State of New Jersey) as of June 30, 1992, and the related statement of revenues, expenses and changes in fund balances for the year then ended. These component unit financial statements are the responsibility of the System's management. Our responsibility is to express an opinion on these component unit financial statements based on our audit. The component unit financial statements of the Police and Firemen's Retirement System of New Jersey as of and for the year ended June 30, 1991 were audited by other auditors whose report thereon dated October 22, 1991 expressed an unqualified opinion on those statements.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in notes 2, 3 and 4, the State of New Jersey enacted legislation during the year ended June 30, 1992 which revised the actuarial funding methodology and actuarial assumptions retroactive to the June 30, 1989 valuation date. Significant changes required under the pension revaluation include the following: (1) the asset valuation method used to determine obligations and contributions has been changed from book value to market related value; (2) average salary increases were raised from 5% to 6%; and (3) the assumed rate of return on investments was increased from 7% to 8.75%. As a result of the aforementioned changes, the unfunded pension benefit obligation decreased by \$832,842,310 in the 1989 plan year and the System returned excess employer contributions in the amount of \$52,900,000 to the State of New Jersey on June

30, 1992.

In our opinion, the 1992 component unit financial statements referred to above present fairly, in all material respects, the financial position of the Police and Firemen's Retirement System of New Jersey as of June 30, 1992, and its revenues, expenses and changes in fund balances for the year then ended in conformity with generally accepted accounting principles.

Our audit for the year ended June 30, 1992, was made for the purpose of forming an opinion on the component unit financial statements taken as a whole. The supplementary information included in the schedules of analysis of funding progress and revenues by source and expenses by type for the year ended June 30, 1992, is presented for purposes of additional analysis and is not a required part of the component unit financial statements. Such information has been subjected to the auditing procedures applied in the audit of the component unit financial statements and, in our opinion, after considering the revisions to the prior years' information required by the pension revaluation discussed in notes 2, 3 and 4 to the component unit financial statements, is fairly stated in all material respects in relation to the component unit financial statements taken as a whole for the year ended June 30, 1992.

We have also previously audited, in accordance with generally accepted auditing standards, the balance sheets of the Police and Firemen's Retirement System of New Jersey as of June 30, 1985, 1984, and 1983, and the related statements of revenues, expenses and changes in fund balances for the years then ended (none of which is presented herein), and we expressed unqualified opinions on those component unit financial statements. In our opinion, the supplementary information included in the schedule of revenues by source and expenses by type related to the 1985, 1984, and 1983 component unit financial statements is fairly stated in all material respects in relation to the component unit financial statements for which it has been derived.

The report of the other auditors referred to above, dated October 22, 1991, stated that the supplementary information, prior to the revision for the pension revaluation, for the six years ended June 30, 1991, included in the schedules of analysis of funding progress and revenues by source and expenses by type was fairly stated in all material respects in relation to the component unit financial statements for the six years ended June 30, 1991, taken as a whole.

/s/ KPMG Peat Marwick

December 18, 1992

POLICE AND FIREMEN'S RETIREMENT SYSTEM OF NEW JERSEY

Balance Sheets

June 30, 1992 and 1991

	<u>1992</u>	<u>1991</u>
Assets:		
Investments, at cost:		
Bonds (market value of \$128,690,364 in 1992 and \$47,243,603 in 1991)	\$ 125,375,141	47,562,783
Common Pension Fund A (market value of \$3,179,779,697 in 1992 and \$2,789,348,427 in 1991)	1,992,909,396	1,859,904,090
Common Pension Fund B (market value of \$2,092,509,854 in 1992 and \$1,905,704,426 in 1991)	1,959,494,582	1,874,731,101
Common Pension Fund D (market value of \$221,843,810 in 1992 and \$75,058,445 in 1991)	195,070,492	75,499,312
Cash Management Fund (market value of \$187,531,062 in 1992 and \$125,658,784 in 1991)	187,531,062	125,658,784
Mortgages (market value of \$661,172,198 in 1992 and \$791,509,522 in 1991)	615,861,735	774,557,590
Total investments	<u>5,076,242,408</u>	<u>4,757,913,660</u>
Receivables:		
Contributions:		
Members	23,953,074	20,682,468
Employers	366,531,346	248,344,148
Investments:		
Accrued interest	64,828,562	53,560,092
Dividends	22,559,199	20,747,591
Members' loans	170,634,530	155,574,156
Other	10,065,782	442,099
Total receivables	<u>658,572,493</u>	<u>499,350,554</u>
Cash	-	1,900,444
Total assets	<u>\$ 5,734,814,901</u>	<u>5,259,164,658</u>

See accompanying notes to component unit financial statements.

POLICE AND FIREMEN'S RETIREMENT SYSTEM OF NEW JERSEY

Balance Sheets

June 30, 1992 and 1991

	<u>1992</u>	<u>1991</u>
Liabilities and fund balances:		
Liabilities:		
Retirement benefits payable	\$ 24,111,586	20,636,190
Death benefits payable	1,016,475	936,668
Payable for investments purchased	29,733,508	218
Accounts payable and accrued expenses	746,817	2,597,527
Cash overdraft	<u>45,042,923</u>	<u>-</u>
Total liabilities	<u>100,651,309</u>	<u>24,170,603</u>
Fund Balances:		
Members' annuity savings fund	911,884,741	822,629,945
Retirement reserve fund	3,024,022,790	2,760,338,783
Special reserve fund	50,762,424	47,579,137
Pension accumulation fund	<u>1,647,493,637</u>	<u>1,604,446,190</u>
Total fund balances	<u>5,634,163,592</u>	<u>5,234,994,055</u>
Total liabilities and fund balances	<u>\$ 5,734,814,901</u>	<u>5,259,164,658</u>

See accompanying notes to component unit financial statements.

POLICE AND FIREMEN'S RETIREMENT SYSTEM OF NEW JERSEY

Statements of Revenues, Expenses and Changes in Fund Balances

For the year ended June 30, 1992

	Members' annuity savings fund	Pension accumulation fund	Retirement reserve fund	Special reserve fund	Total
Revenues:					
Contributions:					
Members	\$ 135,802,590	-	-	-	135,802,590
Employer	-	167,663,268	-	-	167,663,268
Investment revenue	-	193,688,275	193,223,715	3,183,287	390,095,277
Total revenues	<u>135,802,590</u>	<u>361,351,543</u>	<u>193,223,715</u>	<u>3,183,287</u>	<u>693,561,135</u>
Expenses:					
Benefit payments	-	-	226,849,029	-	226,849,029
Cost-of-living adjustments	-	-	39,969,652	-	39,969,652
Withdrawals	4,791,901	-	-	-	4,791,901
Noncontributory group insurance death benefits	-	14,038,425	-	-	14,038,425
Administrative expenses	-	2,895,955	-	-	2,895,955
Other	-	5,846,636	-	-	5,846,636
Total expenses	<u>4,791,901</u>	<u>22,781,016</u>	<u>266,818,681</u>	<u>-</u>	<u>294,391,598</u>
Excess (deficiency) of revenues over expenses	131,010,689	338,570,527	(73,594,966)	3,183,287	399,169,537
Transfers among funds:					
Retirements	(41,876,548)	(296,648,594)	338,525,142	-	-
Other	120,655	1,125,514	(1,246,169)	-	-
Fund balances, beginning of year	<u>822,629,945</u>	<u>1,604,446,190</u>	<u>2,760,338,783</u>	<u>47,579,137</u>	<u>5,234,994,055</u>
Fund balances, end of year	<u>\$ 911,884,741</u>	<u>1,647,493,637</u>	<u>3,024,022,790</u>	<u>50,762,424</u>	<u>5,634,163,592</u>

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POLICE AND FIREMEN'S RETIREMENT SYSTEM OF NEW JERSEY

Statements of Revenues, Expenses and Changes in Fund Balances

For the year ended June 30, 1991

	<u>Members' annuity savings fund</u>	<u>Pension accumulation fund</u>	<u>Retirement reserve fund</u>	<u>Special reserve fund</u>	<u>Total</u>
Revenues:					
Contributions:					
Members	\$ 122,308,022	-	-	-	122,308,022
Employer	-	223,062,967	-	-	223,062,967
Investment revenue	-	183,872,495	175,969,979	3,774,759	363,617,233
Total revenues	<u>122,308,022</u>	<u>406,935,462</u>	<u>175,969,979</u>	<u>3,774,759</u>	<u>708,988,222</u>
Expenses:					
Benefit payments	-	-	198,744,573	-	198,744,573
Cost-of-living adjustments	-	-	32,944,657	-	32,944,657
Withdrawals	5,076,047	-	-	-	5,076,047
Noncontributory group insurance death benefits	-	11,502,817	-	-	11,502,817
Administrative expenses	-	2,586,736	-	-	2,586,736
Other	-	591,282	-	-	591,282
Total expenses	<u>5,076,047</u>	<u>14,680,835</u>	<u>231,689,230</u>	<u>-</u>	<u>251,446,112</u>
Excess (deficiency) of revenues over expenses	117,231,975	392,254,627	(55,719,251)	3,774,759	457,542,110
Transfers among funds:					
Retirements	(37,992,159)	(325,592,975)	363,585,134	-	-
Other	133,719	1,152,375	(1,286,094)	-	-
Fund balances, beginning of year	<u>743,256,410</u>	<u>1,536,632,163</u>	<u>2,453,758,994</u>	<u>43,804,378</u>	<u>4,777,451,945</u>
Fund balances, end of year	<u>\$ 822,629,945</u>	<u>1,604,446,190</u>	<u>2,760,338,783</u>	<u>47,579,137</u>	<u>5,234,994,055</u>

See accompanying notes to component unit financial statements

POLICE AND FIREMEN'S RETIREMENT SYSTEM OF NEW JERSEY

Notes to Component Unit Financial Statements

June 30, 1992 and 1991

(1) Summary of Significant Accounting Policies

The component unit financial statements of the Police and Firemen's Retirement System of New Jersey (the "System") are prepared on the accrual basis of accounting and conform to generally accepted accounting principles.

Financial statement footnote disclosures are in accordance with Statement Numbers 3 and 5 of the Governmental Accounting Standards Board (GASB), "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements" and "Disclosure of Pension Information by Public Employee Retirement Systems and State and Local Governmental Employers," respectively.

Security valuation:

Bonds with fixed maturities are reported at cost, adjusted for amortization of premiums or accretion of discounts on the straight-line basis for securities which mature within one year and the effective interest rate method for long-term securities.

Investments in the Common Pension Funds, commingled funds in which the State of New Jersey Pension Trust Funds are the sole participants, are valued at cost plus undistributed realized net gains.

Investments in the State of New Jersey Cash Management Fund are stated at a cost of \$1.00 per unit, which approximates market.

Mortgages are valued at the amount of unpaid principal balance of the loan, adjusted for amortization of premiums or accretion of discounts which are amortized over the life of the loans.

Purchases and sales of investments are reflected on a trade date basis. Realized gains and losses on sales of investments are determined by the average cost basis and recognized as investment income when the sale occurs. Interest income on investments is recognized when earned and dividends are recorded on the ex-dividend date.

Administrative Expenses:

The System is administered by the State of New Jersey Division of Pensions and

Notes to Component Unit Financial Statements, Continued

(1) Summary of Significant Accounting Policies, continued

Benefits. Legislation passed during the year ended June 30, 1990 requires administrative expenses to be paid by the System and included in the normal cost of future employer contributions.

(2) Description of the System

Organization:

The System is a cost-sharing multiple-employer contributory defined benefit plan which was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. The System is considered a component unit of the State of New Jersey and is included along with other State-administered pension trust and agency funds in the general purpose financial statements of the State of New Jersey.

The System's designated purpose is to provide retirement allowances and other benefits to members. Membership in the System is mandatory for substantially all full-time county and municipal police or firemen, and State firemen or officer employees with police powers appointed after June 30, 1944. The System's Board of Trustees is responsible for its organization and administration.

Membership in the System as of June 30, 1991, the date of the most recent actuarial valuation, was as follows:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	<u>13,157</u>
Active members:	
Vested	18,197
Nonvested	<u>17,456</u>
Total active members	<u>35,653</u>

Notes to Component Unit Financial Statements, Continued

(2) Description of the System, continued

Loans Receivable:

The System provides for member loans up to 50% of their accumulated member contributions. To obtain a loan, a member must have three years of contributions to the members' annuity savings account. Repayment of loan balances is deducted from payroll checks and bears an annual interest rate of 4%. Outstanding loans to members who withdraw from the Fund prior to retirement are satisfied by applying the member's loan balance against the member's contributions. Upon retirement, termination, or death, any outstanding loans are repaid from withholdings from the retiree's benefit checks.

Vesting and Benefit Provisions:

The vesting and benefit provisions are set by N.J.S.A. 43:16A and 43:3B. The System provides retirement as well as death and disability benefits. All benefits vest after 10 years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 2% of final average compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Final average compensation equals the average compensation for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek special retirement after achieving 25 years of creditable service or they may elect deferred retirement after achieving 10 years of service in which case benefits would begin at age 55 equal to 2% of final average compensation up to 30 years plus 1% for each year of service in excess of 30.

Members are always fully vested for their own contributions. In the case of death before retirement, members' beneficiaries are entitled to full payment of members' contributions.

Eligible retirees receiving monthly benefits are entitled to cost-of-living increases equal to 60 percent of the change in the average consumer price index for the calendar year in which the pensioner retired as compared to the average consumer price index for a 12-month period ending with each August 31st immediately preceding the year in which the adjustment becomes payable. The regular retirement allowance is multiplied by the 60 percent factor as developed and results in the dollar amount of the adjustment payable. Retired members become eligible for pension adjustment benefits after 24 months of retirement.

POLICE AND FIREMEN'S RETIREMENT SYSTEM OF NEW JERSEY

Notes to Component Unit Financial Statements, Continued

(2) Description of the System, continued

In accordance with legislation enacted during the current year, the actuarial funding methodology has been revised retroactive to the June 30, 1989 valuation period. Significant changes required under the pension revaluation include the following: (1) the asset valuation method has been changed from book value to market-related value; (2) the unfunded accrued liability was reestablished as of June 30, 1989 by resetting the normal contribution at the entry age normal level; and (3) the assumed rate of return on investments has been increased from 7% to 8.75%. The effect of these changes on the pension benefit obligation and employer funding requirements is disclosed in Notes 3 and 4.

Legislation enacted in 1990 required cost-of-living adjustments to be determined actuarially, retroactive to June 30, 1988, and required the resulting liability to be funded within 30 years (See Note 3). Previously, cost-of-living benefits were paid from State of New Jersey Pension Adjustment Fund, which was funded by the State and State-related employers on a "pay-as-you go" basis.

Other:

According to the administrative code, all obligations of the System will be assumed by the State should the System terminate.

Information about the System, including vesting and benefit provisions, is contained in the pamphlet, "Police and Firemen's Retirement in New Jersey." Copies of the pamphlet are available from the State of New Jersey Division of Pensions and Benefits.

(3) Pension Benefit Obligation

The following "pension benefit obligation" is the actuarial present value of credited projected benefits. It is a standardized disclosure measure representing the present value of pension benefits adjusted for the effects of projected salary increases estimated to be payable in the future based on employee service credit to date. This measure is independent of the actuarial funding method used to determine employer contributions to the System discussed in Note 4.

The unfunded pension benefit obligation was determined as part of the most recent annual actuarial valuation dated June 30, 1991.

POLICE AND FIREMEN'S RETIREMENT SYSTEM OF NEW JERSEY

Notes to Component Unit Financial Statements, Continued

(3) Pension Benefit Obligation, continued

The unfunded pension benefit obligation as of June 30, 1991 was (in thousands):

Pension benefit obligation:	
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$ 2,632,090
Current employees:	
Accumulated employees' contributions	827,950
Vested	2,787,550
Nonvested	<u>348,307</u>
	<u>3,963,807</u>
Total pension benefit obligation	6,595,897
Actuarial value of assets	<u>6,054,006</u>
Unfunded pension benefit obligation	\$ <u><u>541,891</u></u>

The above obligation was calculated based on the actuarial assumptions of a) an 8.75% discount rate compounded annually; b) salary increases ranging from 10.2% at age 25 to 6.0% at age 64 which includes inflation, merit, and productivity; c) assets valued at market-related value; d) mortality, vesting, retirement and withdrawal estimates based on tables furnished by the actuary; and e) 3.0% increase in cost-of-living benefit provisions.

The actuarial assumptions used in the revalued June 30, 1991, 1990 and 1989 pension benefit obligations are the same.

As part of the pension revaluation, the following actuarial assumption changes were made retroactive to June 30, 1989: a) the assumed interest rate was increased from 7% to 8.75%; b) average salary increases were raised from 5% to 6%; c) the asset valuation

POLICE AND FIREMEN'S RETIREMENT SYSTEM OF NEW JERSEY

Notes to Component Unit Financial Statements, Continued

(3) Pension Benefit Obligation, continued

method was changed from book value to market-related value. As a result of the changes in actuarial assumptions, the unfunded pension benefit obligation as of June 30, 1989 decreased by \$832,842,310 to \$401,730,950. The revalued unfunded pension benefit obligation as of June 30, 1990 was \$495,576,789

(4) Contribution Policy

Contributions:

The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members, State-related employers, and the State. Beginning April 1, 1990, the uniform percentage contribution rate for all members is 8.5% of compensation. Prior to April 1, 1990 the contribution rate for members was established based on age at enrollment in the System.

In accordance with the provisions of N.J.S.A. 43:16A, the contribution policy requires State-related employers and the State to make a normal contribution and an accrued liability contribution as determined by a qualified actuary. The System's actuary uses the "entry age normal frozen initial liability method" to determine the method of funding (See Note 2). Legislation enacted in fiscal 1991 changed the payment date of the employer contribution amount from March 31st to July 1st of each year and rescinded the appropriation from the State for fiscal 1991. As a result, funding of the actuarially determined fiscal 1991 State contribution was deferred until July 1st of fiscal 1992 and, accordingly, no contribution revenue from the State was recognized by the Fund in the prior year. The State appropriation for the year ended June 30, 1992 is based on the 1989 revalued actuarial valuation, and the State-related employer contributions are accrued at June 30, 1992 based on the most recent 1991 actuarial valuation. The normal contribution includes an amount that is required to fund cost-of-living adjustments as well as noncontributory death benefits.

In connection with the pension revaluation, the System's actuarial accrued liability was revalued as of June 30, 1989 by resetting the normal contribution at the entry age normal level. The accrued liability contribution rate was calculated based on assets valued at cost written up by 60% of the excess of market value over adjusted book value as of June 30, 1989. The unfunded actuarial accrued liability is \$529,884,649 as of July 1, 1991 and is being funded over a 28 year period as a level percentage of payroll.

POLICE AND FIREMEN'S RETIREMENT SYSTEM OF NEW JERSEY

Notes to Component Unit Financial Statements, Continued

(4) Contribution Policy, continued

Total employer contributions received during the year from the State and state-related employers were based on the original actuarial valuation dated June 30, 1989. These amounts were redetermined under the pension revaluation and reduced. In accordance with the legislation, the System was required to reimburse the State (General Fund) the total State appropriation and local employer contributions which were paid in excess of the revalued certified amount. On June 30, 1992, the System issued a payment to the State in the amount of \$52,900,000, which consisted of \$47,200,000 in contributions and \$5,700,000 in interest.

Under pension revaluation legislation, the State contribution required under Chapter 109, P.L. 1979 was suspended for fiscal years ending 1992 and 1993 and will be resumed for fiscal years ending 1994 and subsequent years.

Total contributions recognized for the year ended June 30, 1992 and 1991 were \$303,465,858 and \$345,370,989, respectively (\$167,663,268 in 1992 and \$223,062,967 in 1991 from employers, and \$135,802,590 in 1992 and \$122,308,022 in 1991 from employees, or 11.80% and 16.79% respectively in 1992 and 1991 and 9.56% and 8.61%, respectively in 1992 and 1991 of annual covered compensation based on the most recent actuarial valuation) including \$148,055,790 in 1992 and \$135,185,676 in 1991 representing the normal contribution amount and \$42,044,560 in 1992 and \$38,540,002 in 1991 representing the accrued liability funding.

Total contributing employers as of June 30, 1991 were:

State	1
Municipalities	<u>462</u>
Total	<u><u>463</u></u>

(5) Description of Fund Balances

Members' Annuity Savings Fund:

The Members' Annuity Savings Fund (ASF) is credited with all contributions made by active members of the System. Upon retirement of a member, the accumulated

POLICE AND FIREMEN'S RETIREMENT SYSTEM OF NEW JERSEY

Notes to Component Unit Financial Statements, Continued

(5) Description of Fund Balances, continued

contributions are transferred to the Retirement Reserve Fund for subsequent payment of benefits.

Upon death or withdrawal from active service before qualifying for retirement, accumulated contributions are paid from the Members' Annuity Savings Fund.

Pension Accumulation Fund:

The Pension Accumulation Fund is credited with the contributions of the State and other employers. Additionally, investment earnings of the Fund, after crediting the Retirement Reserve Fund, as required, are credited to this account.

Upon retirement of a member, the employer contributions necessary to produce the balance of the retirement reserve allowance are transferred to the Retirement Reserve Fund for subsequent benefit payments.

Each year, the amounts necessary determined by the actuary for the payment of retirement benefits are transferred from the Pension Accumulation Fund to the Retirement Reserve Fund. In addition, payments for the group insurance administered by the Prudential Insurance Company of America to provide noncontributory cash death benefits are made from the Pension Accumulation Fund.

Retirement Reserve Fund:

The Retirement Reserve Fund is the account from which all retirement benefits, including cost-of-living benefits are paid. Upon retirement of a member, accumulated contributions are transferred to the Retirement Reserve Fund from the ASF. Any reserves needed to fund the balance of the retirement benefits are transferred from the Pension Accumulation Fund. Annually, interest as determined by the State Treasurer (7% for 1992 and 1991) is credited to the Retirement Reserve Fund. Any surplus or deficit developing in the Retirement Reserve Fund shall be adjusted from time to time by transfers to or from the Pension Accumulation Fund upon advice of the actuary.

Special Reserve Fund:

The Special Reserve Fund is the Fund to which any excess interest earnings and net realized gains or losses from the sale of securities are transferred. The maximum limit on the accumulation of this amount is 1% of the book value of the investments of the

POLICE AND FIREMEN'S RETIREMENT SYSTEM OF NEW JERSEY

Notes to Component Unit Financial Statements, Continued

(5) Description of Fund Balances, continued

System. Amounts in excess of 1% are credited to the Pension Accumulation Fund.

(6) Investments

The State of New Jersey Division of Investment under the jurisdiction of the State Investment Council, has the investment responsibility for all funds administered by the State of New Jersey Division of Pensions and Benefits. All investments must conform to standards set by State law.

The purchase, sale, receipt of income, and other transactions affecting investments are governed by custodial agreements between the System, through the State Treasurer, and custodian banks as agents for the System. State laws and policies set forth the requirements of such agreements and other particulars as to the size of the custodial institution, amount of the portfolio to be covered by the agreements, and other pertinent matters.

GASB Statement No. 3 requires disclosure of the level of investment risk assumed by the System. Category 1 includes investments that are insured or registered or for which the securities are held by the System or its agent in the System's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in the System's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in the System's name. As of June 30, 1992 and 1991, all investments held by the System are classified as Category 1.

Federal securities are maintained at Federal Reserve Banks in Philadelphia and New York through the custodian banks in trust for the System. A significant portion of corporate equity and debt securities are maintained by the Depository Trust Company (DTC) through the custodian banks in trust for the System. The custodian banks as agents for the System maintain internal accounting records identifying the securities maintained by the Federal Reserve Banks and the DTC as securities owned by the System.

Securities not maintained by the Federal Reserve Banks or DTC are in the name of a

POLICE AND FIREMEN'S RETIREMENT SYSTEM OF NEW JERSEY

Notes to Component Unit Financial Statements, Continued

(6) Investments, continued

designated nominee representing the securities of the System which establishes the System's unconditional right to the securities.

The following presents a summary of investment securities as of June 30, 1992 and 1991 and the approximate market values. Investments that represent 5 percent or more of the System's net assets are separately identified by an asterisk.

	1992	
	Amortized Cost	Market Value
	(In 000's)	
Bonds:		
U.S. and Municipal government bonds	\$ 3,529	3,712
Telephone bonds	1,961	1,916
Gas, electric and water bonds	6,415	6,348
Railroad equipment obligations	82	83
Other	<u>113,388</u>	<u>116,631</u>
Subtotal	125,375	128,690
Common Pension Fund A	1,992,909 *	3,179,780
Common Pension Fund B	1,959,495 *	2,092,510
Common Pension Fund D	195,070	221,844
Cash Management Fund	187,531	187,531
Mortgages	<u>615,862</u>	<u>661,172</u>
	<u>4,950,867</u>	<u>6,342,837</u>
 Total	 <u>\$ 5,076,242</u>	 <u>6,471,527</u>

POLICE AND FIREMEN'S RETIREMENT SYSTEM OF NEW JERSEY

Notes to Component Unit Financial Statements, Continued

(6) Investments, continued

	Amortized Cost	1991 <u>Market Value</u>
	(In 000's)	
Bonds:		
U.S. and Municipal government bonds	\$ 3,467	3,619
Industrial bonds	312	305
Telephone bonds	2,864	2,636
Gas, electric and water bonds	13,122	12,530
Finance companies-senior debt	500	500
Railroad equipment obligations	164	165
Other	<u>27,134</u>	<u>27,489</u>
Subtotal	47,563	47,244
Common Pension Fund A	1,859,904 *	2,789,348
Common Pension Fund B	1,874,731 *	1,905,704
Common Pension Fund D	75,499	75,058
Cash Management Fund	125,659	125,659
Mortgages	<u>774,558</u>	<u>791,510</u>
	4,710,351	5,687,279
Total	\$ <u>4,757,914</u>	<u>5,734,523</u>

7) Litigation

Subsequent to the enactment of the pension revaluation legislation (Chapter 41, P.L. 1992), various labor unions filed suit on July 21, 1992 naming as defendants the State Treasurer, the Directors of the Division of Pensions and Benefits and the Division of Investment, and the Trustees of the Teachers' Pension and Annuity Fund, Public Employees' Retirement System, Police and Firemen's Retirement System and State Police Retirement System. The suit alleges that certain provisions of Chapter 41, P.L. 1992 violate the contract, equal protection and due process clauses of the United States and New Jersey Constitutions, that implementation of Chapter 41, P.L. 1992 will result in a breach of trust and fiduciary duties of the Boards of Trustees of the four pension systems, and that certain changes in the pension system constitute a taking of property

POLICE AND FIREMEN'S RETIREMENT SYSTEM OF NEW JERSEY

Notes to Component Unit Financial Statements, Continued

(7) Litigation, continued

without just compensation. Plaintiffs are seeking to permanently enjoin the defendants from administering, enforcing, and implementing Chapter 41, P.L. 1992 as well as judgment directing the State Treasurer to refund all monies allegedly diverted pursuant to Chapter 41, P.L. 1992 from the pension systems and paid into the General Fund. The State intends to defend the suit vigorously. The State is unable to determine the outcome of the suit at this time.

(8) Income Tax Status

Based on a 1986 declaration of the Attorney General of the State of New Jersey, the System is a qualified plan as described in Section 401(a) of the Internal Revenue Code. In the opinion of the State of New Jersey Division of Pensions and Benefits, the System has operated within the terms of the System and remains qualified under the applicable provisions of the Internal Revenue Code.

**STATE OF NEW JERSEY
POLICE AND FIREMEN'S RETIREMENT SYSTEM
Required Supplementary Information
Analysis of Funding Progress
For the years 1986 through 1992**

Information from the most recent actuarial valuation for each plan fiscal year end, stated in millions:

Plan Fiscal Year	(1)	(2)	(3)	(4)	(5)	(6)
	Net assets Available for benefits	Pension Benefit Obligation*	Percentage Funded (1)/(2)	Unfunded Pension Benefit Obligation (2)-(1)	Annual Covered Payroll	Unfunded Benefit Obligation as a Percentage of Covered Payroll (4)/(5)
1986	\$ 2,522.1	2,527.9	99.8%	5.8	793.0	.7%
1987	2,917.0	3,410.5	85.5	493.5	878.7	56.2
1988	3,380.3	3,969.3	85.2	589.1	992.6	59.3
1989*	3,845.8	5,048.9	76.2	1,203.1	1,082.2	111.2
1990**(R)	4,971.4	5,373.2	92.5	401.8	1,202.2	33.4
1991 (R)	5,465.4	5,961.0	91.7	495.6	1,328.8	37.3
1992	6,054.0	6,595.9	91.8	541.9	1,450.3	37.4

(R): Restated for pension revaluation.

Analysis of the dollar amounts of net assets available for benefits, pension benefit obligation, and unfunded pension benefit obligation in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligation provides one indication of the System's funding status on a going-concern basis. Analysis of this percentage over time indicates whether the System is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the System. Trends in unfunded pension benefit obligation and covered payroll are both affected by inflation. Expressing the unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the System's progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the System.

Information for the three years prior to the year ended June 30, 1986 is unavailable.

* Beginning in 1989 the pension benefit obligation reflects the impact of funding cost-of-living adjustments.

** Beginning with fiscal 1990, net assets available for benefits reflect the market-related value of assets which recognizes realized and unrealized gains or losses in excess of expected over a five year period.

Schedule 2

POLICE AND FIREMEN'S RETIREMENT SYSTEM OF NEW JERSEY

Required Supplementary Information

Revenues by Source and Expenses by Type

For the years 1983 through 1992

Revenues by Source

Plan Fiscal Year	Employer Contributions			Investment Revenue	Total
	Members' Contributions	State and Local	Percentage of Annual Covered Compensation		
1983	\$ 54,407,642	111,077,089	18.52	142,693,728	308,178,459
1984	57,323,201	124,054,546	18.67	165,204,918	346,582,665
1985	61,485,398	127,124,306	17.62	187,361,940	375,971,644
1986	82,850,214	138,465,083	17.46	231,905,058	453,220,355
1987	88,606,176	180,464,482	20.54	331,440,601	600,511,259
1988	93,565,698	200,579,558	20.21	328,047,351	622,192,607
1989	99,577,335	205,901,282	19.02	339,742,912	645,221,529
1990	112,102,400	236,481,315	19.67	361,466,781	710,050,496
1991	122,308,022	223,062,967	16.79	363,617,233	708,988,222
1992	135,802,590	167,663,268	11.80	390,095,277	693,561,135

Expenses by Type

Plan Fiscal Year	Benefits		Withdrawals And Administrative Expenses	Transfers To Other Retirement Systems	Total
	Retirement	Other			
1983	\$ 64,024,547	-	3,090,823	268,167	67,383,537
1984	75,829,121	9,058,649	3,221,097	1,838,858	89,947,725
1985	89,511,080	7,894,013	3,695,546	188,230	101,288,869
1986*	103,566,676	28,735,688	3,950,178	275,178	136,527,720
1987	119,136,734	31,835,426	4,330,250	774,983	156,077,393
1988	137,856,735	33,717,962	5,091,920	896,733	177,563,350
1989	155,192,327	36,751,961	5,829,504	884,591	198,658,383
1990	173,563,280	42,798,799	8,395,697	632,349	225,390,125
1991	198,744,573	44,137,019	7,662,783	901,737	251,446,112
1992	226,849,029	54,008,077	7,437,870	374,218	288,669,194

Contributions were made in accordance with actuarially determined contribution requirements. Legislation enacted in fiscal 1991 delayed State contributions until fiscal 1992.

* Beginning in fiscal 1986 other benefits include benefits for cost-of-living increases.

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