



State of New Jersey

Department of the Treasury

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For Information Contact:
Mark Perkiss
(609) 633-6565

Division of Pensions and Benefits Posts 2008 Estimated Pension Contributions for Local Governments

TRENTON – Treasurer Bradley Abelow today announced that the Division of Pensions and Benefits has posted the 2008 estimated pension contributions for local government employers on its web site.

The estimated contributions are listed on an employer-by-employer basis for both the Public Employees Retirement System and the Police and Fire Retirement System. Payments are not due to the Division until April 2008. The estimated obligations are being released now to help local governments with their budget planning for next year. The estimated contributions are located at the following link:
<http://www.state.nj.us/treasury/pensions/2008-employer-billing.htm>

Under a 2003 law enacted to ease the impact of annual pension contributions for public employees, local employers have paid a portion of their obligations due to the major pension systems on a progressive, 20 percent increment basis. For 2008, employers will be required to make their full (100 percent) contribution to PFRS and an 80 percent contribution to PERS.

For 2008 the full estimated aggregate contribution to PFRS by local employers is \$639.7 million. In 2007 the full payment due to PFRS was \$528.4 million. Local governments were at the 80 percent phase-in level in 2007 and contributed \$422.7 million.

For 2008, the full estimated aggregate contribution to PERS by local employers is \$519.6 million. Under the phase-in program, local employers will pay \$415.7 million or 80 percent of the total. For 2007 the total aggregate amount owed to PERS was \$379.2 million. In 2007, local governments were at the 60 percent phase-in level and contributed \$227.5 million.

In addition to showing on a town-by-town basis what municipalities and counties are scheduled to contribute to PERS at the 80 percent level on behalf of their employees, the posting on the Pensions and Benefits web page also shows what the obligations would have been if there was no phase-in and full payments needed to be made.

“We recognize that these contribution amounts are large and represent substantial increases from last year,” Treasurer Abelow said. “They are symptomatic of the need for New Jersey to put its fiscal house in order which Governor Corzine is committed to doing and is making significant progress toward.”

The increases for 2008, in large part, are because the phased-in payments have not kept pace with the overall funding needed for the pension plans, leading to a greater unfunded liability.

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