

*Required
Supplementary
Information*

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**STATE OF NEW JERSEY
REQUIRED SUPPLEMENTARY INFORMATION
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**STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE
MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>General Fund</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget</u>
REVENUES				
Taxes	\$ 17,503,680,000	\$ 18,347,364,000	\$ 18,453,360,689	\$ 105,996,689
Federal and other grants	14,870,028,129	15,042,819,713	14,123,648,869	(919,170,844)
Licenses and fees	1,088,880,396	1,158,707,575	1,406,659,764	247,952,189
Port Authority and Component Units	217,580,000	217,580,000	383,931,029	166,351,029
Services and assessments	1,555,833,114	1,515,797,160	1,809,450,424	293,653,264
Investment earnings	-	8,038,457	72,704,319	64,665,862
Other	1,597,973,319	1,348,715,828	1,129,259,471	(219,456,357)
Total Revenues	<u>36,833,974,958</u>	<u>37,639,022,733</u>	<u>37,379,014,565</u>	<u>(260,008,168)</u>
OTHER FINANCING SOURCES				
Transfers from other funds	<u>1,687,413,000</u>	<u>1,724,643,664</u>	<u>1,700,134,831</u>	<u>(24,508,833)</u>
Total Other Financing Sources	<u>1,687,413,000</u>	<u>1,724,643,664</u>	<u>1,700,134,831</u>	<u>(24,508,833)</u>
Total Revenues and Other Financing Sources	<u>38,521,387,958</u>	<u>39,363,666,397</u>	<u>39,079,149,396</u>	<u>(284,517,001)</u>
EXPENDITURES				
Public safety and criminal justice	3,546,105,206	3,516,203,721	3,477,080,541	39,123,180
Physical and mental health	14,720,687,121	14,501,165,698	15,015,048,659	(513,882,961)
Educational, cultural, and intellectual development	3,552,005,793	3,646,526,218	4,103,767,748	(457,241,530)
Community development and environmental management	2,078,654,405	2,156,369,865	1,600,498,837	555,871,028
Economic planning, development, and security	4,488,863,228	4,428,538,082	4,291,403,349	137,134,733
Transportation programs	1,555,191,340	1,597,567,636	892,658,504	704,909,132
Government direction, management, and control	5,703,481,597	5,778,318,042	4,210,789,321	1,567,528,721
Special government services	414,273,792	401,595,659	380,710,817	20,884,842
Total Expenditures	<u>36,059,262,482</u>	<u>36,026,284,921</u>	<u>33,971,957,776</u>	<u>2,054,327,145</u>
OTHER FINANCING USES				
Transfers to other funds	<u>2,688,233,476</u>	<u>2,688,233,476</u>	<u>4,389,474,620</u>	<u>(1,701,241,144)</u>
Total Other Financing Uses	<u>2,688,233,476</u>	<u>2,688,233,476</u>	<u>4,389,474,620</u>	<u>(1,701,241,144)</u>
Total Expenditures and Other Financing Uses	<u>38,747,495,958</u>	<u>38,714,518,397</u>	<u>38,361,432,396</u>	<u>353,086,001</u>
Net Change in Fund Balance	<u>(226,108,000)</u>	<u>649,148,000</u>	<u>717,717,000</u>	<u>68,569,000</u>
Fund Balances - July 1, 2018	<u>990,608,000</u>	<u>990,608,000</u>	<u>990,608,000</u>	<u>-</u>
Fund Balances - June 30, 2019	<u>\$ 764,500,000</u>	<u>\$ 1,639,756,000</u>	<u>\$ 1,708,325,000</u>	<u>\$ 68,569,000</u>

**STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE
MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Property Tax Relief Fund				
	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
REVENUES				
Taxes	\$ 16,779,937,000	\$ 16,728,700,000	\$ 16,747,799,826	\$ 19,099,826
Federal and other grants	-	-	-	-
Licenses and fees	-	-	-	-
Port Authority and Component Units	-	-	-	-
Services and assessments	-	-	-	-
Investment earnings	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>16,779,937,000</u>	<u>16,728,700,000</u>	<u>16,747,799,826</u>	<u>19,099,826</u>
OTHER FINANCING SOURCES				
Transfers from other funds	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues and Other Financing Sources	<u>16,779,937,000</u>	<u>16,728,700,000</u>	<u>16,747,799,826</u>	<u>19,099,826</u>
EXPENDITURES				
Public safety and criminal justice	25,883,568	25,592,176	25,493,932	98,244
Physical and mental health	119,582,732	118,236,493	108,192,911	10,043,582
Educational, cultural, and intellectual development	14,460,342,455	14,306,673,310	14,181,385,283	125,288,027
Community development and environmental management	286,005,158	282,785,368	281,986,318	799,050
Economic planning, development, and security	87,290,556	86,307,855	85,989,393	318,462
Transportation programs	18,865,568	18,653,183	17,293,387	1,359,796
Government direction, management, and control	1,781,966,963	1,801,102,615	1,755,476,460	45,626,155
Special government services	-	-	-	-
Total Expenditures	<u>16,779,937,000</u>	<u>16,639,351,000</u>	<u>16,455,817,684</u>	<u>183,533,316</u>
OTHER FINANCING USES				
Transfers to other funds	-	89,349,000	288,982,142	(199,633,142)
Total Other Financing Uses	<u>-</u>	<u>89,349,000</u>	<u>288,982,142</u>	<u>(199,633,142)</u>
Total Expenditures and Other Financing Uses	<u>16,779,937,000</u>	<u>16,728,700,000</u>	<u>16,744,799,826</u>	<u>(16,099,826)</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>3,000,000</u>	<u>3,000,000</u>
Fund Balances - July 1, 2018	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - June 30, 2019	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>

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**STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE
MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Total Major Governmental Funds			
	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
REVENUES				
Taxes	\$ 34,283,617,000	\$ 35,076,064,000	\$ 35,201,160,515	\$ 125,096,515
Federal and other grants	14,870,028,129	15,042,819,713	14,123,648,869	(919,170,844)
Licenses and fees	1,088,880,396	1,158,707,575	1,406,659,764	247,952,189
Port Authority and Component Units	217,580,000	217,580,000	383,931,029	166,351,029
Services and assessments	1,555,833,114	1,515,797,160	1,809,450,424	293,653,264
Investment earnings	-	8,038,457	72,704,319	64,665,862
Other	1,597,973,319	1,348,715,828	1,129,259,471	(219,456,357)
Total Revenues	<u>53,613,911,958</u>	<u>54,367,722,733</u>	<u>54,126,814,391</u>	<u>(240,908,342)</u>
OTHER FINANCING SOURCES				
Transfers from other funds	1,687,413,000	1,724,643,664	1,700,134,831	(24,508,833)
Total Other Financing Sources	<u>1,687,413,000</u>	<u>1,724,643,664</u>	<u>1,700,134,831</u>	<u>(24,508,833)</u>
Total Revenues and Other Financing Sources	<u>55,301,324,958</u>	<u>56,092,366,397</u>	<u>55,826,949,222</u>	<u>(265,417,175)</u>
EXPENDITURES				
Public safety and criminal justice	3,571,988,774	3,541,795,897	3,502,574,473	39,221,424
Physical and mental health	14,840,269,853	14,619,402,191	15,123,241,570	(503,839,379)
Educational, cultural, and intellectual development	18,012,348,248	17,953,199,528	18,285,153,031	(331,953,503)
Community development and environmental management	2,364,659,563	2,439,155,233	1,882,485,155	556,670,078
Economic planning, development, and security	4,576,153,784	4,514,845,937	4,377,392,742	137,453,195
Transportation programs	1,574,056,908	1,616,220,819	909,951,891	706,268,928
Government direction, management, and control	7,485,448,560	7,579,420,657	5,966,265,781	1,613,154,876
Special government services	414,273,792	401,595,659	380,710,817	20,884,842
Total Expenditures	<u>52,839,199,482</u>	<u>52,665,635,921</u>	<u>50,427,775,460</u>	<u>2,237,860,461</u>
OTHER FINANCING USES				
Transfers to other funds	2,688,233,476	2,777,582,476	4,678,456,762	(1,900,874,286)
Total Other Financing Uses	<u>2,688,233,476</u>	<u>2,777,582,476</u>	<u>4,678,456,762</u>	<u>(1,900,874,286)</u>
Total Expenditures and Other Financing Uses	<u>55,527,432,958</u>	<u>55,443,218,397</u>	<u>55,106,232,222</u>	<u>336,986,175</u>
Net Change in Fund Balance	<u>(226,108,000)</u>	<u>649,148,000</u>	<u>720,717,000</u>	<u>71,569,000</u>
Fund Balances - July 1, 2018	<u>990,608,000</u>	<u>990,608,000</u>	<u>990,608,000</u>	<u>-</u>
Fund Balances - June 30, 2019	<u>\$ 764,500,000</u>	<u>\$ 1,639,756,000</u>	<u>\$ 1,711,325,000</u>	<u>\$ 71,569,000</u>

**STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE
BUDGET-TO-GAAP RECONCILIATION - MAJOR FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Explanation of differences between budgetary inflows and outflows
and GAAP revenues and expenditures**

	General Fund	Property Tax Relief Fund
Sources/inflows of resources:		
Total revenues and other financing sources - actual amounts (budgetary basis) from the budgetary comparison schedule	\$ 39,079,149,396	\$ 16,747,799,826
Differences - budget to GAAP:		
Receipt of federal food stamp coupons is not a budgetary resource but is revenue for financial reporting purposes (GASB Statement No. 24).	973,527,700	-
Proceeds and premiums from the sale of installment obligation bonds are not inflows of budgetary resources but are other financing sources for financial reporting purposes.	1,278,604,351	-
Additions to other debt are not inflows of budgetary resources but are financing sources for financial reporting purposes.	69,492,848	-
Subfund activity: revenues, bonds, notes, installment obligations, COPS issued, capital lease acquisitions, refunding bonds issued, premiums/discounts and transfers from other funds.	48,275,675	-
Total revenues and other financing sources as reported on the GAAP-basis statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 41,449,049,970	\$ 16,747,799,826
GAAP-basis statement of revenues, expenditures, and changes in fund balances - governmental funds reconciliation:		
Total revenues	\$ 38,590,165,700	\$ 16,747,799,826
Bonds, notes, installment obligations, COPS issued, and capital lease acquisitions	419,492,848	-
Refunding bonds issued	843,808,000	-
Premiums/discounts	84,796,351	-
Transfers from other funds	1,510,787,071	-
Total revenues and other financing sources	\$ 41,449,049,970	\$ 16,747,799,826

**STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE
BUDGET-TO-GAAP RECONCILIATION - MAJOR FUNDS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Explanation of differences between budgetary inflows and outflows
and GAAP revenues and expenditures**

	General Fund	Property Tax Relief Fund
Uses/outflows of resources:		
Total expenditures and other financing uses - actual amounts (budgetary basis) from the budgetary comparison schedule	\$ 38,278,132,396	\$ 16,744,799,826
Differences - budget to GAAP:		
Encumbrances for items ordered but not received are reported in the year the resources are encumbered for budgetary purposes, but in the year the items are received for financial reporting purposes.	(918,601,478)	(18,526,100)
Expenditures in prior budget fiscal year accounts are reported in the year the resources are encumbered for budgetary purposes, but in the year the funds are disbursed for financial reporting purposes.	760,169,620	19,987,269
Distribution of federal food stamp coupons is not a budgetary outflow but is an expenditure for financial reporting purposes (GASB Statement No. 24).	973,527,700	-
Installment obligation refunding bonds proceeds deposited with fiscal agent are not outflows of budgetary resources but are expenditures and other financing uses for financial reporting purposes.	1,278,604,351	-
Additions to other debt are not budgetary outflows but are expenditures and other financing uses for financial reporting purposes.	69,492,848	-
Subfund activity: expenditures, payment to bond escrow agents and transfers to other funds	76,372,943	-
Total expenditures and other financing uses as reported on the GAAP-basis statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 40,517,698,380	\$ 16,746,260,995
 GAAP-basis statement of revenues, expenditures, and changes in fund balances - governmental funds reconciliation:		
Total expenditures	\$ 35,606,424,579	\$ 16,457,278,853
Transfers to other funds	4,388,974,620	288,982,142
Payment to bond escrow agents	522,299,181	-
Total expenditures and other financing uses	\$ 40,517,698,380	\$ 16,746,260,995

STATE OF NEW JERSEY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Process

The Appropriations Act provides annual departmental budgets for the General Fund and certain special revenue funds (Casino Control, Casino Revenue, Gubernatorial Elections, and Property Tax Relief). The State Legislature enacts the Appropriations Act through passage of specific departmental appropriations, the sum of which may not exceed estimated resources. It is a constitutional requirement that the Budget be balanced. The Governor certifies the revenues. Before signing the Appropriations Act, the Governor may veto or reduce any specific appropriation, subject to State Legislative override. Once passed and signed, the Appropriations Act becomes the State's financial plan for the coming fiscal year. Spending authority contained in the Appropriations Act may be revised by supplemental appropriations approved by both the State Legislature and the Governor. Expenditures are presented on the accompanying budgetary basis financial statements by statewide program classifications, not by the legal level of budgetary control. Detail at the departmental level is presented on the accompanying Schedules of Appropriations and Expenditures.

For the General Fund and budgeted special revenue funds, budgetary control (legal control) is maintained within the department (as indicated on the organization chart shown in the Transmittal Letter) at the appropriation line item level. Program classifications represent a lower level, operating program function, consisting of closely related activities with identifiable objectives or goals. Program classification examples include Water Supply Management, Forestry Management, Shellfish and Marine Fisheries Management, in the Department of Environmental Protection. Revisions to the Appropriations Act during the fiscal year may be effected with certain executive and legislative branch approvals. In accordance with the "General Provisions" section of the Appropriations Act, the Executive Branch may amend the budget within a department with the approval of the Director of the Division of Budget and Accounting. Under specific conditions, additional approval by the Office of Legislative Services is required. Only the State Legislature, however, may transfer appropriations between departments. Transfers within a department are permitted within certain guidelines and Executive Branch approval.

Appropriations are authorized for expenditure during the fiscal year and for a period of one month thereafter, and unencumbered appropriations lapse at the end of the fiscal year, unless otherwise specified by the Appropriations Act.

The State's budgetary basis of accounting differs from that utilized to present fund financial statements in conformance with generally accepted accounting principles (GAAP). The main differences between the budgetary basis and the GAAP basis used to present fund financial statements, are that under the budgetary basis encumbrances are recognized as expenditures, the federal revenue related to such encumbrances is also recognized, and the budgetary basis reflects transactions only for the current fiscal year. In addition, under the GAAP basis in the fund financial statements, certain grants and other financial assistance are required to be recorded as revenues and expenditures.

The Budgetary Comparison Schedule displays the unassigned fund balance for the original budget, final budget, and actual amounts (budgetary basis). The beginning fund balance for the original budget is estimated as of July 1 while the beginning fund balance for the final budget and actual amount columns represent actual amounts.

STATE OF NEW JERSEY
SCHEDULE OF CHANGES IN THE STATE'S NET PENSION LIABILITY AND RELATED RATIOS
SINGLE-EMPLOYER PENSION PLANS
FOR THE FISCAL YEAR ENDED JUNE 30

Judicial Retirement System

	2019	2018
Total pension liability:		
Service cost	\$ 35,477,981	\$ 37,224,230
Interest on total pension liability	36,209,627	30,788,977
Effect of economic/demographic (gains) or losses	(8,553,096)	14,120,673
Effect of assumptions changes or inputs	(23,084,707)	(70,235,370)
Transfers from other systems	2,859,841	1,121,097
Benefit payments	(58,286,421)	(56,365,718)
Net change in total pension liability	(15,376,775)	(43,346,111)
Total pension liability - Beginning	937,395,995	980,742,106
Total pension liability - Ending	\$ 922,019,220	\$ 937,395,995
Plan fiduciary net position:		
Contributions - employer	\$ 24,023,637	\$ 20,341,379
Contributions - employee	9,177,453	10,348,191
Net investment (loss) income	14,809,869	20,031,152
Transfers from other systems	2,859,841	1,121,097
Benefit payments, including refunds of employee contributions	(58,286,421)	(56,365,718)
Administrative expense	(185,364)	(150,588)
Net change in plan fiduciary net position	(7,600,985)	(4,674,487)
Plan fiduciary net position - Beginning	175,325,333	179,999,820
Plan fiduciary net position - Ending	\$ 167,724,348	\$ 175,325,333
Net pension liability - Ending	\$ 754,294,872	\$ 762,070,662
Plan fiduciary net position as a percentage of total pension liability	18.19%	18.70%
Covered payroll	\$ 69,216,709	\$ 68,062,584
State's net pension liability as a percentage of covered payroll	1,089.76%	1,119.66%

Notes:

Changes in assumptions:

Discount rate	4.09%	3.83%
Long-term expected rate of return	7.00%	7.00%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

For Fiscal Year 2017, salary increases were assumed to increase 2.00 percent through Fiscal Year 2025 and 3.00 percent for each fiscal year thereafter.

For Fiscal Year 2016, the demographic assumptions were revised to reflect those recommended on the basis of the July 1, 2011 - June 30, 2014 experience study.

	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$	33,333,864	\$ 30,702,986	\$ 32,123,341
	36,471,524	41,473,055	40,332,123
	254,822	(1,733,197)	-
	85,677,552	(41,873,530)	26,907,821
	726,284	2,081,523	-
	(54,686,521)	(52,430,016)	(49,604,080)
	<u>101,777,525</u>	<u>(21,779,179)</u>	<u>49,759,205</u>
	878,964,581	900,743,760	850,984,555
\$	<u><u>980,742,106</u></u>	<u><u>878,964,581</u></u>	<u><u>900,743,760</u></u>
\$	14,794,774	\$ 17,031,026	\$ 15,874,857
	9,271,869	6,310,124	5,096,577
	(2,721,949)	8,475,641	34,448,036
	726,284	2,081,523	-
	(54,686,521)	(52,430,016)	(49,604,080)
	(168,008)	(168,762)	(162,372)
	<u>(32,783,551)</u>	<u>(18,700,464)</u>	<u>5,653,018</u>
	212,783,371	231,483,835	225,830,817
\$	<u><u>179,999,820</u></u>	<u><u>212,783,371</u></u>	<u><u>231,483,835</u></u>
\$	<u><u>800,742,286</u></u>	<u><u>666,181,210</u></u>	<u><u>669,259,925</u></u>
	18.35%	24.21%	25.70%
\$	67,097,166	\$ 66,028,491	\$ 67,810,110
	1,193.41%	1,008.93%	986.96%
	3.11%	4.12%	4.58%
	7.65%	7.90%	7.90%

STATE OF NEW JERSEY
SCHEDULE OF CHANGES IN THE STATE'S NET PENSION LIABILITY AND RELATED RATIOS
SINGLE-EMPLOYER PENSION PLANS
FOR THE FISCAL YEAR ENDED JUNE 30

Prison Officers' Pension Fund

	2019	2018
Total pension liability:		
Interest on total pension liability	\$ 215,068	\$ 198,788
Effect of economic/demographic (gains) or losses	(407,471)	82,047
Effect of assumptions changes or inputs	(73,662)	(240,233)
Benefit payments	(947,877)	(1,069,209)
Net change in total pension liability	(1,213,942)	(1,028,607)
Total pension liability - Beginning	6,477,263	7,505,870
Total pension liability - Ending	\$ 5,263,321	\$ 6,477,263
Plan fiduciary net position:		
Contributions - other	\$ 484,565	\$ 552,131
Net investment income	70,215	30,847
Benefit payments, including refunds of employee contributions	(947,877)	(1,069,209)
Administrative expense	(4,315)	(4,134)
Net change in plan fiduciary net position	(397,412)	(490,365)
Plan fiduciary net position - Beginning	5,620,868	6,111,233
Plan fiduciary net position - Ending	\$ 5,223,456	\$ 5,620,868
Net pension liability - Ending	\$ 39,865	\$ 856,395
Plan fiduciary net position as a percentage of total pension liability	99.24%	86.78%
Covered payroll	N/A	N/A
State's net pension liability as a percentage of covered payroll	N/A	N/A

Notes:

Changes in assumptions:

Discount rate	3.87%	3.58%
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This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

For Fiscal Year 2017, the mortality improvement assumption was revised to be projected on a generational basis from the base year of 2000 to 2014 using Projection Scale BB as the base tables and further projected beyond the valuation date using the plan actuary's modified 2014 projection. Further, the RP-2000 disabled retiree mortality table is used for the period after disability retirement for disability retirements.

<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 251,254	\$ 331,362	\$ 401,659
96,657	(296,620)	-
1,171,953	163,490	129,449
(1,240,307)	(1,377,505)	(1,583,408)
<u>279,557</u>	<u>(1,179,273)</u>	<u>(1,052,300)</u>
7,226,313	8,405,586	9,457,886
<u>\$ 7,505,870</u>	<u>\$ 7,226,313</u>	<u>\$ 8,405,586</u>
\$ 634,217	\$ 698,360	\$ 793,174
18,067	6,355	7,368
(1,240,307)	(1,377,505)	(1,583,408)
(5,312)	(5,843)	(5,853)
<u>(593,335)</u>	<u>(678,633)</u>	<u>(788,719)</u>
6,704,568	7,383,201	8,171,920
<u>\$ 6,111,233</u>	<u>\$ 6,704,568</u>	<u>\$ 7,383,201</u>
<u>\$ 1,394,637</u>	<u>\$ 521,745</u>	<u>\$ 1,022,385</u>
81.42%	92.78%	87.84%
N/A	N/A	N/A
N/A	N/A	N/A
2.85%	3.80%	4.29%

STATE OF NEW JERSEY
SCHEDULE OF CHANGES IN THE STATE'S NET PENSION LIABILITY AND RELATED RATIOS
SINGLE-EMPLOYER PENSION PLANS
FOR THE FISCAL YEAR ENDED JUNE 30

State Police Retirement System

	2019	2018
Total pension liability:		
Service cost	\$ 119,718,797	\$ 139,506,057
Interest on total pension liability	226,928,605	202,545,532
Effect of economic/demographic (gains) or losses	(19,592,172)	23,786,696
Effect of assumptions changes or inputs	(379,490,284)	(697,970,471)
Transfers from other systems	190,903	3,925
Benefit payments	(222,315,723)	(217,303,946)
Net change in total pension liability	(274,559,874)	(549,432,207)
Total pension liability - Beginning	5,124,274,114	5,673,706,321
Total pension liability - Ending	\$ 4,849,714,240	\$ 5,124,274,114
Plan fiduciary net position:		
Contributions - employer	\$ 74,603,780	\$ 53,006,614
Contributions - employee	22,416,571	23,721,785
Net investment (loss) income	154,029,009	207,401,590
Transfers from other systems	190,903	3,925
Benefit payments, including refunds of employee contributions	(222,315,723)	(217,303,946)
Administrative expense	(377,193)	(294,745)
Net change in plan fiduciary net position	28,547,347	66,535,223
Plan fiduciary net position - Beginning	1,761,497,335	1,694,962,112
Plan fiduciary net position - Ending	\$ 1,790,044,682	\$ 1,761,497,335
Net pension liability - Ending	\$ 3,059,669,558	\$ 3,362,776,779
Plan fiduciary net position as a percentage of total pension liability	36.91%	34.38%
Covered payroll	\$ 284,707,387	\$ 277,771,135
State's net pension liability as a percentage of covered payroll	1,074.67%	1,210.63%

Notes:

Changes in assumptions:

Discount rate	4.97%	4.42%
Long-term expected rate of return	7.00%	7.00%

Changes in benefit terms:

P.L.2016, c.26 amended statutes to change the definition of a child to include a child 18 years of age or older and enrolled in a secondary school, or under the age of 24 and enrolled in a degree program in an institution of higher education for at least 12 credits in each semester, provided that the member dies in the line of duty while in active service. It also increases the accidental death benefit payable to children if there is no surviving spouse to 70.00 percent of final compensation.

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

For Fiscal Year 2017, salary increases were assumed to increase 2.95 percent through Fiscal Year 2025 and 3.95 percent for each fiscal year thereafter.

For Fiscal Year 2016, the discount rate changed to 4.59 percent and the demographic assumptions were revised to reflect those recommended on the basis of July 1, 2011 - June 30, 2014 experience study. In addition, the social security wage base was set at \$118,500 for Fiscal Year 2016, increasing 4.00 percent per annum, compounded annually and the 401(a)(17) pay limit was set at \$265,000 for Fiscal Year 2016, increasing 3.00 percent per annum, compounded annually.

	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$	113,546,510	\$ 93,740,921	\$ 93,623,020
	221,675,495	216,980,562	209,010,706
	(17,580,385)	35,245,543	-
	747,941,075	435,691,094	92,686,900
	54,000	222,557	-
	(213,436,150)	(206,493,624)	(197,958,938)
	<u>852,200,545</u>	<u>575,387,053</u>	<u>197,361,688</u>
	4,821,505,776	4,246,118,723	4,048,757,035
\$	<u><u>5,673,706,321</u></u>	<u><u>4,821,505,776</u></u>	<u><u>4,246,118,723</u></u>
\$	37,435,541	\$ 38,527,297	\$ 36,436,923
	22,818,295	22,315,431	24,034,496
	(19,284,054)	75,532,779	287,098,217
	54,000	222,557	-
	(213,436,150)	(206,493,624)	(197,958,938)
	(334,630)	(351,724)	(280,026)
	<u>(172,746,998)</u>	<u>(70,247,284)</u>	<u>149,330,672</u>
	1,867,709,110	1,937,956,394	1,788,625,722
\$	<u><u>1,694,962,112</u></u>	<u><u>1,867,709,110</u></u>	<u><u>1,937,956,394</u></u>
\$	<u><u>3,978,744,209</u></u>	<u><u>2,953,796,666</u></u>	<u><u>2,308,162,329</u></u>
	29.87%	38.74%	45.64%
\$	275,477,457	\$ 262,496,289	\$ 262,063,829
	1,444.31%	1,125.27%	880.76%
	3.55%	4.59%	5.12%
	7.65%	7.90%	7.90%

**STATE OF NEW JERSEY
SCHEDULE OF EMPLOYER CONTRIBUTIONS
SINGLE-EMPLOYER PENSION PLANS
FOR THE FISCAL YEAR ENDED JUNE 30
(Expressed in Millions)**

Judicial Retirement System (JRS)

Year	Actuarially determined contribution	Actual employer contribution	Contribution excess (deficiency)	Covered payroll	Actual employer contribution as a percentage of covered payroll
2018	\$ 47.2	\$ 24.0	\$ (23.2)	\$ 69.2	34.68 %
2017	44.8	20.3	(24.5)	68.1	29.81
2016	47.3	14.8	(32.5)	67.1	22.06
2015	45.1	17.0	(28.1)	66.0	25.76
2014	43.9	15.9	(28.0)	67.8	23.45

State Police Retirement System (SPRS)

Year	Actuarially determined contribution	Actual employer contribution	Contribution excess (deficiency)	Covered payroll	Actual employer contribution as a percentage of covered payroll
2018	\$ 145.9	\$ 74.6	\$ (71.3)	\$ 284.7	26.20 %
2017	135.0	53.0	(82.0)	277.8	19.08
2016	120.8	37.4	(83.4)	275.5	13.58
2015	110.9	38.5	(72.4)	262.5	14.67
2014	105.1	36.4	(68.7)	262.1	13.89

Notes:

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

There are no active members in the Prison Officers' Pension Fund. Based on the recent pension actuarial valuation report, there was no contribution required by the State.

**STATE OF NEW JERSEY
SCHEDULE OF EMPLOYER CONTRIBUTIONS
SINGLE-EMPLOYER PENSION PLANS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Methods and Assumptions Used to Determine Contribution Rates:

	<u>JRS</u>	<u>SPRS</u>
Valuation date	July 1, 2016	July 1, 2016
Actuarial cost method	Projected Unit Credit	Projected Unit Credit
Amortization method	Level dollar	Level dollar
Remaining amortization period	30 years	30 years
Asset valuation method	Five-year average of market values	Five-year average of market values
Investment rate of return for determining actuarially determined contributions	7.65%	7.65%
Salary increases:		
Through year	2025	2025
Rate	2.00%	2.95%
Thereafter	3.00%	3.95%
Mortality rate table	RP-2000	RP-2000
Period of actuarial experience study upon which actuarial assumptions were based	July 1, 2011 - June 30, 2014	July 1, 2011 - June 30, 2014

**STATE OF NEW JERSEY
SCHEDULE OF EMPLOYER (STATE) CONTRIBUTIONS
COST-SHARING EMPLOYER PENSION PLANS
FOR THE FISCAL YEAR ENDED JUNE 30
(Expressed in Millions)**

Public Employees' Retirement System (PERS)

Year	Actuarially determined contribution	Actual employer contribution	Contribution excess (deficiency)	Covered payroll	Actual employer contribution as a percentage of covered payroll
2018	\$ 1,151.4	\$ 581.0	\$ (570.4)	\$ 3,655.1	15.90 %
2017	1,103.7	459.2	(644.5)	3,700.5	12.41
2016	1,039.4	328.7	(710.7)	3,781.8	8.69
2015	938.1	193.4	(744.7)	3,884.6	4.98
2014	878.0	147.2	(730.8)	3,913.5	3.76

Consolidated Police and Firemen's Pension Fund (CPFPP) (Special Funding)

Year	Actuarially determined contribution	Actual employer contribution	Contribution excess (deficiency)	Covered payroll	Actual employer contribution as a percentage of covered payroll
2018	\$ 0.3	\$ 0.3	\$ -	N/A	N/A
2017	0.9	0.6	(0.3)	N/A	N/A
2016	0.5	0.2	(0.3)	N/A	N/A
2015	-	-	-	N/A	N/A
2014	0.9	-	(0.9)	N/A	N/A

Notes:

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

Actuarially determined contributions for PFRS have been restated for years 2014 to 2017.

**STATE OF NEW JERSEY
SCHEDULE OF EMPLOYER (STATE) CONTRIBUTIONS
COST-SHARING EMPLOYER PENSION PLANS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Methods and Assumptions Used to Determine Contribution Rates:

	<u>PERS</u>	<u>CPFPF</u>
Valuation date	July 1, 2016	July 1, 2016
Actuarial cost method	Projected Unit Credit	Projected Unit Credit
Amortization method	Level dollar	Level dollar
Remaining amortization period	30 years	One year
Asset valuation method	Five-year average of market values	Five-year average of market values
Investment rate of return for determining actuarially determined contributions	7.65%	2.00%
Salary increases:		
Through year	2026	N/A
Rate	1.65% - 4.15% based on age	N/A
Thereafter	2.65% - 5.15% based on age	N/A
Mortality rate table	RP-2000	RP-2000
Period of actuarial experience study upon which actuarial assumptions were based	July 1, 2011 - June 30, 2014	N/A

N/A - This is a closed plan. There are no active employees.

STATE OF NEW JERSEY
SCHEDULE OF EMPLOYER (STATE) CONTRIBUTIONS
COST-SHARING EMPLOYER PENSION PLANS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30
(Expressed in Millions)

Police and Firemen's Retirement System (PFRS) (Special Funding)

Year	Actuarially determined contribution	Actual employer contribution	Contribution excess (deficiency)	Covered payroll	Actual employer contribution as a percentage of covered payroll
2018	\$ 498.6	\$ 252.2	\$ (246.4)	\$ 463.1	54.46 %
2017	481.0	198.9	(282.1)	465.4	42.74
2016	458.3	142.8	(315.5)	475.4	30.04
2015	413.8	144.1	(269.7)	487.7	29.55
2014	391.9	124.1	(267.8)	491.2	25.26

Teachers' Pensions and Annuity Fund (TPAF) (Special Funding)

Year	Actuarially determined contribution	Actual employer contribution	Contribution excess (deficiency)	Covered payroll	Actual employer contribution as a percentage of covered payroll
2018	\$ 3,035.3	\$ 1,516.1	\$ (1,519.2)	\$ 10,636.8	14.25 %
2017	2,776.3	1,127.0	(1,649.3)	10,436.2	10.80
2016	2,580.4	800.1	(1,780.3)	10,305.5	7.76
2015	2,342.9	540.6	(1,802.3)	10,162.3	5.32
2014	2,192.6	427.7	(1,764.9)	10,038.8	4.26

Notes:

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

Actuarially determined contributions for PFRS have been restated for years 2014 to 2017.

**STATE OF NEW JERSEY
SCHEDULE OF EMPLOYER (STATE) CONTRIBUTIONS
COST-SHARING EMPLOYER PENSION PLANS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Methods and Assumptions Used to Determine Contribution Rates:

	<u>PFRS</u>	<u>TPAF</u>
Valuation date	July 1, 2016	July 1, 2016
Actuarial cost method	Projected Unit Credit	Projected Unit Credit
Amortization method	Level dollar	Level dollar
Remaining amortization period	30 years	30 years
Asset valuation method	Five-year average of market values	Five-year average of market values
Investment rate of return for determining actuarially determined contributions	7.65%	7.65%
Salary increases:		
Through year	2025	2026
Rate	2.10% - 8.98% based on age	1.55% - 4.55% based on experience
Thereafter	3.10% - 9.98% based on age	2.00% - 5.45% based on experience
Mortality rate table	RP-2000	RP-2006
Period of actuarial experience study upon which actuarial assumptions were based	July 1, 2010 - June 30, 2013	July 1, 2012 - June 30, 2015

**STATE OF NEW JERSEY
SCHEDULE OF NET PENSION LIABILITY
COST-SHARING EMPLOYER PENSIONS PLANS
FOR THE FISCAL YEAR ENDED JUNE 30
(Expressed in Millions)**

Public Employees' Retirement System

	2019	2018
Employer's portion of the collective net pension liability	46.27 %	44.61 %
Employer's proportionate share of the collective net pension liability	\$ 20,077.2	\$ 21,826.3
Employer's covered payroll	\$ 3,655.1	\$ 3,700.5
Employer's proportionate share of the collective net pension liability as a percentage of the employer's covered payroll	549.29 %	589.82 %
Plan fiduciary net position as a percentage of the total pension liability	40.45 %	36.78 %

Note:

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

	<u>2017</u>		<u>2016</u>		<u>2015</u>
	42.52 %		44.06 %		44.46 %
\$	25,092.9	\$	20,344.6	\$	17,274.1
\$	3,781.8	\$	3,884.6	\$	3,913.5
	663.52 %		523.72 %		441.40 %
	31.20 %		38.21 %		42.74 %

**STATE OF NEW JERSEY
SCHEDULE OF NET PENSION LIABILITY
COST-SHARING EMPLOYER PENSIONS PLANS
FOR THE FISCAL YEAR ENDED JUNE 30
(Expressed in Millions)**

Consolidated Police and Firemen's Pension (Special Funding)

	2019	2018
Employer's portion of the collective net pension liability	N/A	N/A
Employer's proportionate share of the collective net pension liability	\$ -	\$ -
Nonemployer proportionate share of the collective net pension liability	3.9	5.5
Total proportionate share of the collective net pension liability	\$ 3.9	\$ 5.5
Employer's covered payroll	N/A	N/A
Employer's proportionate share of the collective net pension liability as a percentage of the employer's covered payroll	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	30.96 %	25.75 %

Note:

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

N/A - This is a closed plan. There are no active employees.

	<u>2017</u>	<u>2016</u>	<u>2015</u>
	N/A	N/A	N/A
\$	-	-	-
	8.0	7.8	9.7
<u>\$</u>	<u>8.0</u>	<u>7.8</u>	<u>9.7</u>
	N/A	N/A	N/A
	N/A	N/A	N/A
	19.15 %	23.76 %	25.49 %

**STATE OF NEW JERSEY
SCHEDULE OF NET PENSION LIABILITY
COST-SHARING EMPLOYER PENSIONS PLANS
FOR THE FISCAL YEAR ENDED JUNE 30
(Expressed in Millions)**

Police and Firemen's Retirement System (Special Funding)

	<u>2019</u>	<u>2018</u>
Employer's portion of the collective net pension liability	21.05 %	19.59 %
Employer's proportionate share of the collective net pension liability	\$ 4,147.6	\$ 4,223.8
Nonemployer proportionate share of the collective net pension liability	1,838.1	1,729.2
Total proportionate share of the collective net pension liability	<u>\$ 5,985.7</u>	<u>\$ 5,953.0</u>
Employer's covered payroll	\$ 463.1	\$ 465.4
Employer's proportionate share of the collective net pension liability as a percentage of the employer's covered payroll	895.62 %	907.56 %
Plan fiduciary net position as a percentage of the total pension liability	57.91 %	54.52 %

Note:

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

	<u>2017</u>		<u>2016</u>		<u>2015</u>
	17.80 %		18.40 %		19.51 %
\$	4,525.2	\$	4,122.8	\$	3,412.1
	1,604.1		1,460.7		1,354.6
	<u>\$ 6,129.3</u>		<u>\$ 5,583.5</u>		<u>\$ 4,766.7</u>
\$	475.4	\$	487.7	\$	491.2
	951.87 %		845.36 %		694.65 %
	48.55 %		52.84 %		58.86 %

**STATE OF NEW JERSEY
SCHEDULE OF NET PENSION LIABILITY
COST-SHARING EMPLOYER PENSIONS PLANS
FOR THE FISCAL YEAR ENDED JUNE 30
(Expressed in Millions)**

Teachers' Pension and Annuity Fund (Special Funding)

	<u>2019</u>	<u>2018</u>
Employer's portion of the collective net pension liability	0.30 %	0.36 %
Employer's proportionate share of the collective net pension liability	\$ 188.5	\$ 246.6
Nonemployer proportionate share of the collective net pension liability	63,617.9	67,423.6
Total proportionate share of the collective net pension liability	<u>\$ 63,806.4</u>	<u>\$ 67,670.2</u>
Employer's covered payroll	\$ 10,636.8	\$ 10,436.2
Employer's proportionate share of the collective net pension liability as a percentage of the employer's covered payroll	1.77 %	2.36 %
Plan fiduciary net position as a percentage of the total pension liability	26.49 %	25.41 %

Note:

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

<u>2017</u>	<u>2016</u>	<u>2015</u>
0.46 %	0.59 %	0.68 %
\$ 362.5	\$ 373.6	\$ 366.3
78,666.4	63,204.3	53,446.7
<u>\$ 79,028.9</u>	<u>\$ 63,577.9</u>	<u>\$ 53,813.0</u>
\$ 10,305.5	\$ 10,162.3	\$ 10,038.8
3.52 %	3.68 %	3.65 %
22.33 %	28.71 %	33.64 %

STATE OF NEW JERSEY
SCHEDULE OF CHANGES IN THE STATE'S OPEB LIABILITY AND RELATED RATIOS
SINGLE-EMPLOYER OPEB PLAN
FOR THE FISCAL YEAR ENDED JUNE 30

State Health Benefit State Retired Employees Plan

	<u>2019</u>	<u>2018</u>
Total OPEB liability:		
Service cost	\$ 953,073,726	\$ 1,142,717,669
Interest on total OPEB liability	1,028,754,138	884,184,646
Difference between expected and actual experiences	(2,681,029,913)	-
Changes of assumptions	(3,155,083,136)	(3,480,198,182)
Contributions - member	40,294,036	42,350,455
Benefit payments	<u>(689,441,850)</u>	<u>(684,268,680)</u>
Net change in total OPEB liability	<u>(4,503,432,999)</u>	<u>(2,095,214,092)</u>
Total OPEB liability - Beginning	<u>28,104,795,207</u>	<u>30,200,009,299</u>
Total OPEB liability - Ending	<u>\$ 23,601,362,208</u>	<u>\$ 28,104,795,207</u>
Covered payroll	\$ 6,868,657,246	\$ 7,150,647,462
State's OPEB liability as a percentage of covered payroll	343.61%	393.04%

Notes:

Changes in benefit terms:

None

None

Changes in assumptions:

The decrease in the liability from Fiscal Year 2018 to Fiscal Year 2019 is due to the increase in the assumed discount rate from 3.58 percent for June 30, 2018 to 3.87 percent for June 30, 2019; and a decrease in the assumed health care cost trend and excise tax assumptions.

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

Fiscal Year 2018 has been restated to exclude the New Jersey Schools Development Authority.

STATE OF NEW JERSEY
SCHEDULE OF CHANGES IN THE STATE'S OPEB LIABILITY AND RELATED RATIOS
MULTIPLE-EMPLOYER OPEB PLAN
FOR THE FISCAL YEAR ENDED JUNE 30

State Health Benefit Local Education Retired Employees Plan

	<u>2019</u>	<u>2018</u>
Total OPEB liability:		
Service cost	\$ 1,984,642,729	\$ 2,391,878,884
Interest on total OPEB liability	1,970,236,232	1,699,441,736
Difference between expected and actual experiences	(5,002,065,740)	-
Changes of assumptions	(5,291,448,855)	(7,086,599,129)
Contributions - member	42,614,005	45,748,749
Benefit payments	<u>(1,232,987,247)</u>	<u>(1,242,412,566)</u>
Net change in total OPEB liability	(7,529,008,876)	(4,191,942,326)
Total OPEB liability - Beginning	<u>53,639,841,858</u>	<u>57,831,784,184</u>
Total OPEB liability - Ending	<u><u>\$ 46,110,832,982</u></u>	<u><u>\$ 53,639,841,858</u></u>
Covered payroll	\$ 13,640,275,833	\$ 13,493,400,208
State's OPEB liability as a percentage of covered payroll	338.05%	397.53%

Notes:

Changes in benefit terms:

None

None

Changes in assumptions:

The decrease in the liability from Fiscal Year 2018 to Fiscal Year 2019 is due to the increase in the assumed discount rate from 3.58 percent for June 30, 2018 to 3.87 percent for June 30, 2019; and a decrease in the assumed health care cost trend and excise tax assumptions.

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

STATE OF NEW JERSEY
SCHEDULE OF CHANGES IN THE STATE'S OPEB LIABILITY AND RELATED RATIOS
MULTIPLE-EMPLOYER OPEB PLAN
FOR THE FISCAL YEAR ENDED JUNE 30

State Health Benefit Local Government Retired Employees Plan

	<u>2019</u>	<u>2018</u>
Total OPEB liability:		
Service cost	\$ 357,507,066	\$ 455,854,134
Interest on total OPEB liability	304,791,433	277,669,666
Difference between expected and actual experiences	(1,446,560,027)	-
Changes of assumptions	(923,147,689)	(1,108,176,498)
Changes in proportion	(598,671,568)	-
Contributions - member	21,535,412	22,946,529
Benefit payments	(168,184,187)	(178,778,198)
Net change in total OPEB liability	<u>(2,452,729,560)</u>	<u>(530,484,367)</u>
Total OPEB liability - Beginning	<u>8,833,825,014</u>	<u>9,364,309,381</u>
Total OPEB liability - Ending	<u>\$ 6,381,095,454</u>	<u>\$ 8,833,825,014</u>
Plan Fiduciary Net Position:		
Contributions - employer and nonemployer	\$ 189,374,364	\$ 186,224,472
Contributions - member	21,535,412	22,946,529
Net investment income	925,613	338,747
Benefit payments	(168,184,187)	(178,778,198)
Administrative expense	(3,271,015)	(3,808,859)
Net Change in Plan Fiduciary Net Position	<u>40,380,187</u>	<u>26,922,691</u>
Plan fiduciary net position - Beginning	<u>91,321,025</u>	<u>64,398,334</u>
Plan fiduciary net position - Ending	<u>\$ 131,701,212</u>	<u>\$ 91,321,025</u>
Net OPEB liability - Ending	<u>\$ 6,249,394,242</u>	<u>\$ 8,742,503,989</u>
Plan fiduciary net position as a percentage of total OPEB liability	2.06%	1.03%
Covered payroll	\$ 2,375,957,419	\$ 2,287,493,638
State's OPEB liability as a percentage of covered payroll	263.03%	382.19%

Notes:

Changes in benefit terms:

None

None

Changes in assumptions:

The decrease in the liability from Fiscal Year 2018 to Fiscal Year 2019 is due to the increase in the assumed discount rate from 3.58 percent for June 30, 2018 to 3.87 percent for June 30, 2019; and a decrease in the assumed health care cost trend and excise tax assumptions.

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

This schedule includes the New Jersey Schools Development Authority, which resulted in a restatement to Fiscal Year 2018.