

# **Public Employees' Retirement System of New Jersey**

## **Actuarial Valuation Report as of July 1, 2025**

**Produced by Cheiron**

**March 2026**

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## *Letter Of Transmittal*

March 17, 2026

Board of Trustees  
Public Employees' Retirement System of New Jersey  
State of New Jersey  
Department of the Treasury  
Division of Pension and Benefits, CN 295  
Trenton, New Jersey 08625-0295

Dear Board Members:

At your request, we have performed the July 1, 2025 Actuarial Valuation of the Public Employees' Retirement System of New Jersey (PERS or System).

In preparing our report, we relied without audit on information (some oral and some written) supplied by the Division of Pensions and Benefits (DPB). This information includes, but is not limited to, plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23, *Data Quality*.

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

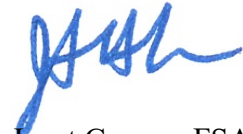
The demographic and economic (other than the investment rate of return) actuarial assumptions are based on the recommended assumptions from the July 1, 2021 – June 30, 2024 Experience Study, approved by the Board of Trustees on September 17, 2025. The investment rate of return assumption of 7.00% is based on the recommendation of the State Treasurer.

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

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

Sincerely,

Cheiron



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



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**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
JULY 1, 2025 ACTUARIAL VALUATION**

**SECTION I – BOARD SUMMARY**

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

- The financial condition of the Public Employees Retirement System of New Jersey,
- Past and expected future trends and risks to the System's financial condition, and
- The State's and Local employers' contributions for the Fiscal Year Ending (FYE) 2027.

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

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

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

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY**  
**JULY 1, 2025 ACTUARIAL VALUATION**

**SECTION I – BOARD SUMMARY**

**Valuation Basis**

The July 1, 2025 valuation results are based on the same actuarial methods as used in the July 1, 2024 valuation. The demographic and economic assumptions, aside from the valuation interest rate, are based on the July 1, 2021 – June 30, 2024 Experience Study, which was approved by the Board of Trustees on September 17, 2025. The valuation is based on a 7.00% interest rate as recommended by the State Treasurer.

This report is prepared using census data, plan provisions, and financial information as of July 1, 2025 provided by the Division of Pensions and Benefits, and does not reflect any changes in the membership, plan provisions, or assets that occur after the valuation date. Events following that date are not reflected in this report. Actual experience, both demographic and economic, will be reflected in subsequent valuations as experience emerges.

This report reflects two changes to the Plan provisions. Chapter 97, P.L. 2024 establishes eligibility for enrollment in PERS and subsequent retirement benefits for county fire instructors who were employed and enrolled before November 1, 2008. Chapter 56, P.L. 2024 permits county prosecutors to purchase and receive credit in the Prosecutors Part of PERS for judicial law clerk service in a State court. Additionally, Chapter 56, P.L. 2024 permits a retired member of the Judicial Retirement System (JRS) to be appointed as a county prosecutor but such member cannot be enrolled in any other State-administered retirement system based on that service. The impact of Chapter 97, P.L. 2024 and Chapter 56, P.L. 2024 will be recognized as experience emerges.

The Appropriations Act of Fiscal Year 2025 increased the State pension contribution from the Statutory amount of \$1,842,034,709 to \$1,939,602,600. The \$1,939,602,600 is based on an appropriation amount of 100% of the Statutory contribution and includes revenue of \$227,646,600 from the Lottery Enterprise Contribution Act. In addition, there was a contribution of \$2,120,000 for Chapter 259, P.L. 2001 and Chapter 140, P.L. 2021, which was payable by fund transfer from the Second Injury Fund.

The potential impact of the Appropriations Act of 2026 increases the State pension contribution for Fiscal Year Ending 2026 from the Statutory amount of \$1,874,367,280 to \$1,982,903,082 (100.00% of the State Statutory contribution less the Lottery Enterprise Contribution offset plus expected revenue from the Lottery Enterprise Contribution Act {100.00% x \$1,874,367,280 - \$130,078,903 + \$238,614,705}). The \$1,982,903,082 also includes expected State-paid Local contributions of \$58,399,491. In addition, there is a contribution of \$2,501,758 for Chapter 259, P.L. 2001 and Chapter 140, P.L. 2021, which is payable by fund transfer from the Second Injury Fund. This valuation reflects the potential impact of the Appropriations Act of 2026.

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

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In accordance with Chapter 78, P.L. 2011, a pension committee is to be established for the State portion of the System and the Local portion of the System when the employer's "target funded ratio" is achieved. The "target funded ratio" is defined as the ratio of the actuarial value of assets plus the special asset value divided by the actuarial liability expressed as a percentage that is 75% in fiscal year 2012 and increased annually by equal increments in each of the subsequent seven fiscal years, until the funded ratio equals 80% at which time it will remain at 80% for all subsequent fiscal years. The Local employers' portion of the System attained the required "target funded ratio" in Fiscal Year Ending 2012, establishing the committee for the Local employers' portion of the System. The State portion of the System has not attained the required "target funded ratio" and thus the pension committee has not been established for the State portion of the System.

Under Chapter 98, P.L. 2017, the Lottery Enterprise Contribution Act, the Public Employees' Retirement System receives 21.02% of the proceeds of the Lottery Enterprise, based on its members' past or present employment in schools and institutions in the State for a term of 30 years. As of the July 1, 2025 valuation, 21 years remain. Revenues from Chapter 98, P.L. 2017, the Lottery Enterprise Contribution Act, are assumed to be contributed to the trust on a monthly basis. The Chapter 78, P.L. 2011 "target funded ratio" is based on the actuarial value of assets plus the allocable special asset value. The special asset value is the present value of remaining lottery contributions to the retirement systems. As per N. J. Statute, the special asset value is to be appraised once every five years. Effective with the fiscal year 2018, the State's pension contribution shall be reduced by the product of the allocable percentage for such retirement system, the adjustment percentage for such retirement system and the special asset adjustment.

Chapter 82, P.L. 2025 revises the apportionment of State lottery revenue. The percentage of lottery revenue dedicated to the New Jersey Retirement Systems is reduced from 30% to 27% for at least FYE 2026 through FYE 2028 and may revert to 30% thereafter depending on future lottery revenue. We continue to rely on the projected lottery revenue proceeds from the most recent New Jersey Lottery Valuation Report as of December 31, 2021, as provided by the Division of Pensions and Benefits.

The valuation excludes assets and liabilities under the Non-Contributory Group Insurance Premium Fund. The Non-Contributory Group Insurance premiums are separately funded on a pay-as-you-go basis. For Local employers, the Non-Contributory Group Insurance Contribution is calculated as the present value of expected benefit payments for the upcoming year based on valuation assumptions.

## **Key Results**

Following are Table I-1 and Table I-2 which summarize the key results of the valuation with respect to the System's membership, assets and liabilities, and contributions for State and Local employers. The results are presented and compared for both the current and prior year.

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
JULY 1, 2025 ACTUARIAL VALUATION**

**SECTION I – BOARD SUMMARY**

<b>Table I-1 Summary of Key Valuation Results State</b>			
<b>Valuation Date Fiscal Year Ending (FYE)</b>	<b>July 1, 2025 2027</b>	<b>July 1, 2024 2026</b>	<b>% Change</b>
<b><u>Member Data</u></b>			
Contributing Actives <sup>1</sup>	67,296	65,660	2.5%
Non-Contributing Members <sup>1</sup>	10,374	10,636	-2.5%
Deferred Beneficiaries	10	10	0.0%
Deferred Vesteds	154	142	8.5%
Retirees and Beneficiaries <sup>2</sup>	64,761	64,395	0.6%
Total Members	<u>142,595</u>	<u>140,843</u>	1.2%
Appropriation Payroll <sup>3</sup>	\$ 5,413,110,813	\$ 5,088,317,819	6.4%
Annual Retirement Allowances in Pay	\$ 2,005,885,325	\$ 1,966,256,030	2.0%
<b><u>Assets and Liabilities</u></b>			
Actuarial Liability	\$ 30,246,484,921	\$ 29,484,814,054	2.6%
Actuarial Value of Assets (AVA) <sup>4</sup>	<u>11,299,371,110</u>	<u>10,544,572,052</u>	7.2%
Unfunded Actuarial Liability/(Surplus)	\$ 18,947,113,811	\$ 18,940,242,002	0.0%
Funded Ratio (AVA)	37.4%	35.8%	1.6%
Actuarial Value of Assets <sup>4</sup> including Special Asset Value (AVA + SAV)	<u>\$ 13,845,582,429</u>	<u>\$ 13,120,826,322</u>	5.5%
Unfunded Actuarial Liability/(Surplus)	\$ 16,400,902,492	\$ 16,363,987,732	0.2%
Funded Ratio (AVA + SAV)	45.8%	44.5%	1.3%
Market Value of Assets (MVA) <sup>4</sup>	<u>\$ 11,204,442,174</u>	<u>\$ 10,142,431,285</u>	10.5%
Unfunded Actuarial Liability/(Surplus)	\$ 19,042,042,747	\$ 19,342,382,769	-1.6%
Funded Ratio (MVA)	37.0%	34.4%	2.6%
<b><u>Contribution Amounts<sup>5</sup></u></b>			
State Normal Cost at End of Year <sup>6</sup>	\$ 260,914,388	\$ 232,246,035	12.3%
Amortization Payment of UAL <sup>6</sup>	<u>1,668,961,808</u>	<u>1,642,121,245</u>	1.6%
Total Statutory Contribution for FYE	\$ 1,929,876,196	\$ 1,874,367,280	3.0%
Expected Percent Appropriated	100%	100%	0.0%
State Appropriation for Pension	\$ 1,929,876,196	\$ 1,874,367,280	3.0%
Lottery Enterprise Contribution Offset	<u>(130,078,903)</u>	<u>(130,078,903)</u>	0.0%
Net State Contribution	\$ 1,799,797,293	\$ 1,744,288,377	3.2%

<sup>1</sup> Reflects all records for multiple members, which are members employed by more than one PERS-participating employer at the same time

<sup>2</sup> QDRO recipients are excluded from member counts

<sup>3</sup> Limited annual compensation for contributing actives

<sup>4</sup> Includes discounted State receivable contributions and Lottery proceeds from the upcoming Fiscal Year as shown in Table III-2

<sup>5</sup> In addition to the amounts shown, the Statutory Contributions are satisfied by funds transferred from the Second Injury Fund in amounts equal to \$2,602,490 and \$2,501,758 for FYE 2027 and 2026, respectively.

<sup>6</sup> Includes \$57,705,590 and \$58,399,491 for FYE 2027 and 2026, respectively for Local obligations payable by the State in accordance with Chapter 133, P.L. 2001 and Chapter 366, P.L. 2001

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
JULY 1, 2025 ACTUARIAL VALUATION**

**SECTION I – BOARD SUMMARY**

<b>Table I-2 Summary of Key Valuation Results Local Employers</b>			
<b>Valuation Date Fiscal Year Ending (FYE)</b>	<b>July 1, 2025 2027</b>	<b>July 1, 2024 2026</b>	<b>% Change</b>
<b><u>Member Data</u></b>			
Contributing Actives <sup>1</sup>	144,139	142,752	1.0%
Non-Contributing Members <sup>1</sup>	29,303	29,717	-1.4%
Deferred Beneficiaries	63	63	0.0%
Deferred Vesteds	471	388	21.4%
Retirees and Beneficiaries <sup>2</sup>	133,227	131,643	1.2%
<b>Total Members</b>	<b>307,203</b>	<b>304,563</b>	<b>0.9%</b>
Appropriation Payroll <sup>3</sup>	\$ 8,712,657,240	\$ 8,355,205,061	4.3%
Annual Retirement Allowances in Pay	\$ 2,784,931,054	\$ 2,696,736,397	3.3%
<b><u>Assets and Liabilities</u></b>			
Actuarial Liability	\$ 42,348,163,025	\$ 41,377,056,578	2.3%
Actuarial Value of Assets (AVA) <sup>4</sup>	30,183,628,108	28,802,958,441	4.8%
Unfunded Actuarial Liability/(Surplus)	\$ 12,164,534,917	\$ 12,574,098,137	-3.3%
Funded Ratio (AVA)	71.3%	69.6%	1.7%
Market Value of Assets (MVA) <sup>4</sup>	\$ 31,548,250,182	\$ 29,327,970,775	7.6%
Unfunded Actuarial Liability/(Surplus)	\$ 10,799,912,843	\$ 12,049,085,803	-10.4%
Funded Ratio (MVA)	74.5%	70.9%	3.6%
<b><u>Contribution Amounts</u></b>			
Employer Normal Cost at End of Year <sup>5</sup>	\$ 267,740,748	\$ 236,360,944	13.3%
Amortization Payment of UAL <sup>5</sup>	1,052,135,462	1,069,885,388	-1.7%
ERI Payments	2,148,599	2,102,306	2.2%
Chapter 19, P.L. 2009 Payments	0	8,651,442	N/A
<b>Total Statutory Contribution for FYE</b>	<b>\$ 1,322,024,809</b>	<b>\$ 1,317,000,080</b>	<b>0.4%</b>
Non-Contributory Group Insurance Contribution	\$ 63,525,886	\$ 60,417,617	5.1%

<sup>1</sup> Reflects all records for multiple members, which are members employed by more than one PERS-participating employer at the same time

<sup>2</sup> QDRO recipients are excluded from member counts

<sup>3</sup> Limited annual compensation for contributing actives

<sup>4</sup> Includes discounted State receivable contributions as shown in Table III-2

<sup>5</sup> Excludes \$57,705,590 and \$58,399,491 for FYE 2027 and 2026, respectively for Local obligations payable by the State in accordance with Chapter 133, P.L. 2001 and Chapter 366, P.L. 2001

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY**  
**JULY 1, 2025 ACTUARIAL VALUATION**

**SECTION I – BOARD SUMMARY**

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

- The total Statutory contribution increased from \$1.87 billion for FYE 2026 to \$1.93 billion for FYE 2027 prior to any adjustments for the potential Appropriations Act of 2027 or the Lottery Enterprise offset.
- The funded ratio, the ratio of actuarial asset value over liabilities, increased from 35.8% as of July 1, 2024 to 37.4% as of July 1, 2025. The funded ratio that is used to measure against the “target funded ratio” and is based on the actuarial value of assets plus special asset value, increased from 44.5% as of July 1, 2024 to 45.8% as of July 1, 2025. Using the market value of assets, the funded ratio also increased from 34.4% as of July 1, 2024 to 37.0% as of July 1, 2025.
- The unfunded actuarial liability used in determining the Statutory contributions (excess of actuarial liability over the actuarial value of assets) increased from \$18.94 billion on July 1, 2024 to \$18.95 billion on July 1, 2025. The unfunded actuarial liability based on the actuarial asset value plus special asset value increased from \$16.36 billion on July 1, 2024 to \$16.40 billion on July 1, 2025.
- During the year there was a total actuarial experience loss of \$312 million, consisting of an asset loss of \$34 million and a liability loss of \$278 million. The liability loss of \$278 million represents 0.9% of liabilities and is primarily driven by salary increases higher than expected and benefit payments made from the State reserve to retirees in the Local employers’ portion of the System who have service with multiple employers. The rate of return on the actuarial value of assets was 6.72% compared to the expected return of 7.00%, resulting in the \$34 million asset loss. The rate of return on the market value of assets was 10.80%.
- The updates in assumptions – including the retirement rates, the termination rates, the ordinary and accidental disability rates, the salary increase rates, and the base mortality rates – increased the Actuarial Liability by \$58 million.

The key results of the July 1, 2025 actuarial valuation **for Local employers** are as follows:

- The total Statutory contribution increased from \$1.317 billion for FYE 2026 to \$1.322 billion for FYE 2027.
- The funded ratio, the ratio of actuarial asset value over liabilities, increased from 69.6% as of July 1, 2024 to 71.3% as of July 1, 2025. Based on the market value of assets, the funded ratio also increased from 70.9% as of July 1, 2024 to 74.5% as of July 1, 2025.
- The unfunded actuarial liability decreased from \$12.6 billion on July 1, 2024 to \$12.2 billion on July 1, 2025 on an actuarial value of assets basis.
- During the year, there was a total actuarial experience gain of \$139 million, consisting of an asset gain of \$319 million and a liability loss of \$180 million. The liability loss of \$180 million represents 0.4% of liabilities and is primarily driven by higher than expected salary increases. The rate of return on the actuarial value of assets was 8.27% compared to the expected return of 7.00%, resulting in the \$319 million asset gain. The rate of return on the market value of assets was 11.19%.
- The updates in assumptions – including the retirement rates, the termination rates, the ordinary disability rates, the salary increase rates, and the base mortality rates – decreased the Actuarial Liability by \$57 million.

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY**  
**JULY 1, 2025 ACTUARIAL VALUATION**

**SECTION I – BOARD SUMMARY**

**Recent Trends**

Although most of the attention given to the valuation reflects the current computed unfunded actuarial liability, funded ratio, and contribution amounts, each valuation is merely a snapshot of the long-term progress of a pension fund. It is important to take a step back from these latest results and view them in the context of the System's recent history. Below, we present a series of graphs which display historical trends for key factors in the valuations of the last 10 years. Additionally, in Appendix D we provide the numerical values of the historical unfunded actuarial liability, funded ratio, and contribution amounts. Note that the contribution amounts in this section include State-paid Local obligations with Local employers' contribution amounts to illustrate their impact on the Local employers' portion of the unfunded actuarial liability. The historical amounts in Appendix D show the State-paid Local obligations with State contributions.

In reviewing the historic trends over the first half of the 10-year period, the declining funded status coupled with significant negative net cash flow highlights the potential risk of running out of assets to pay benefits unless the State continues to consistently contribute the full amount of the Statutory required contributions.

Assets and Liabilities

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

The liability has been increasing over time in part due to additional benefit accruals but also due to decreases in the discount rate and other changes in assumptions.

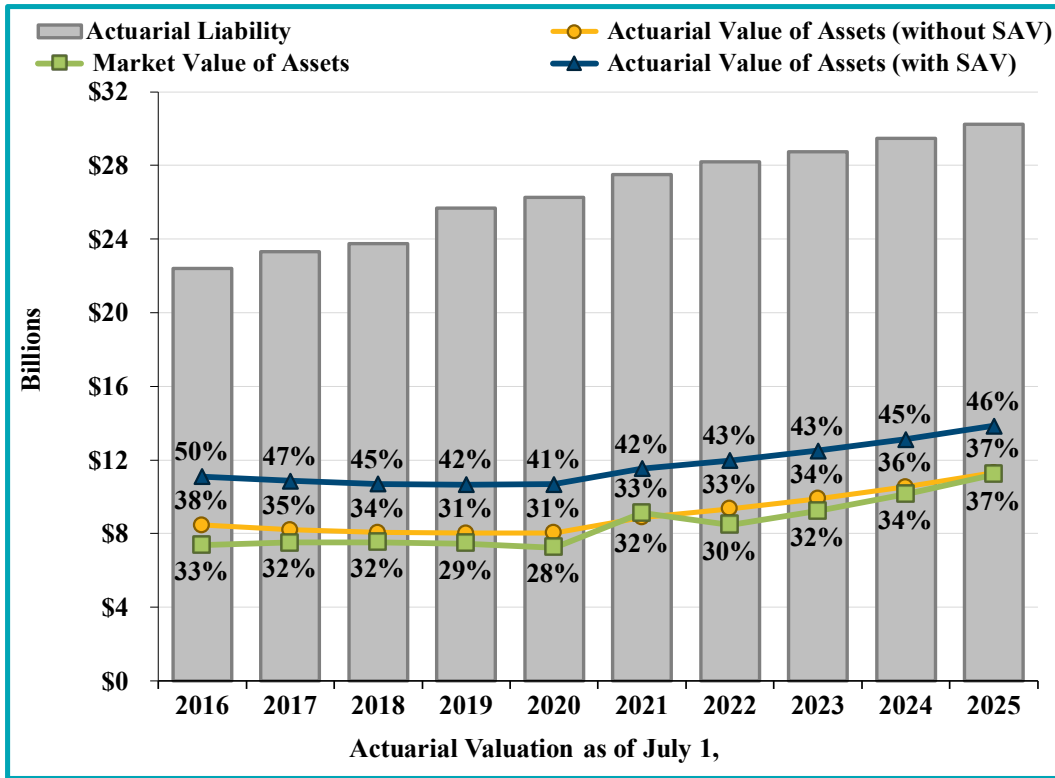
For the State, until 2021, the funded ratio had been decreasing over time in part due to decreases in the discount rate and because the State had not been making the full Statutory contribution. The funded ratio reversed that trend in 2021 and increased due to higher than expected asset returns and State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

For Local employers, until 2021, the AVA funded ratio had decreased over the period due to decreases in the discount rate and asset losses. (The MVA funded ratio behaved differently during the period because the market gains and losses are immediately recognized in the MVA.) In addition, while Local employers have been making the full Statutory contribution, the State had not been making the full State-paid Local Statutory contribution until FYE 2022. Prior to FYE 2022, the State-paid Local Statutory contributions had been small relative to the overall Statutory contribution. However, the State-paid Local obligations have increased since the Benefit Enhancement Fund (BEF) was depleted. The State is now responsible for the full Local employer normal cost associated with Chapter 133, P.L. 2001. In 2021, the funded ratio increased due to the higher than expected asset returns. Since 2021, the AVA funded ratio increased each year, despite liability losses, as the State and Local employers continued to contribute the full Statutory contribution amount.

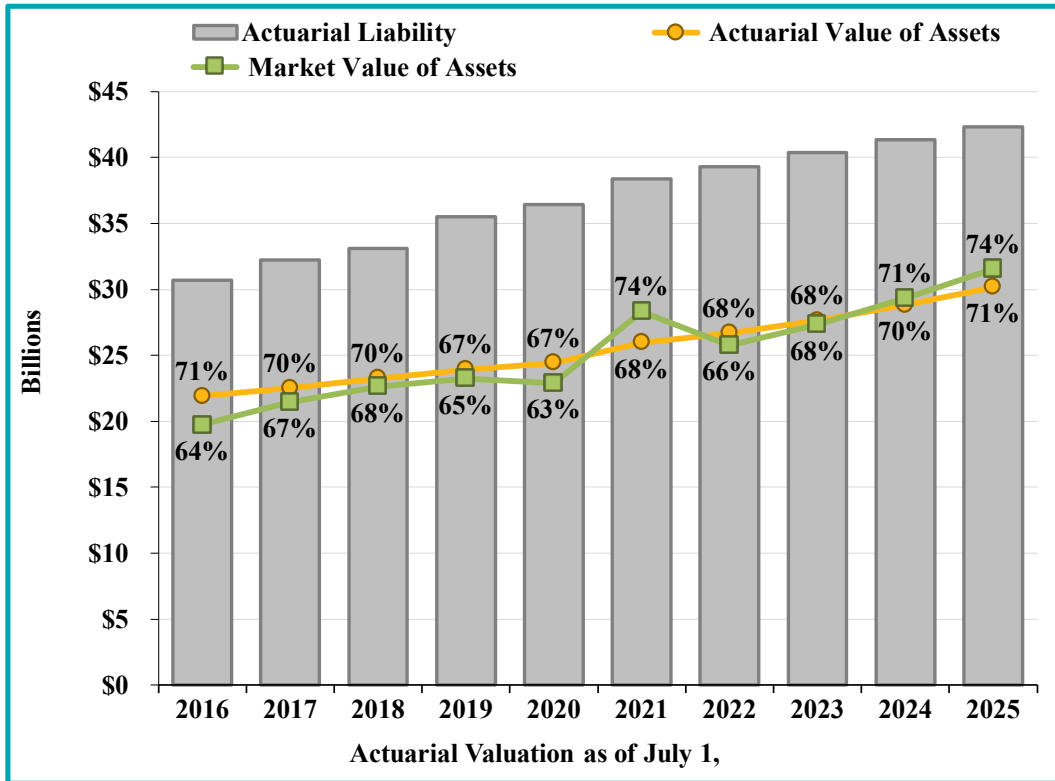
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**SECTION I – BOARD SUMMARY**

**State**



**Local Employers**



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**SECTION I – BOARD SUMMARY**

Membership Trends

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

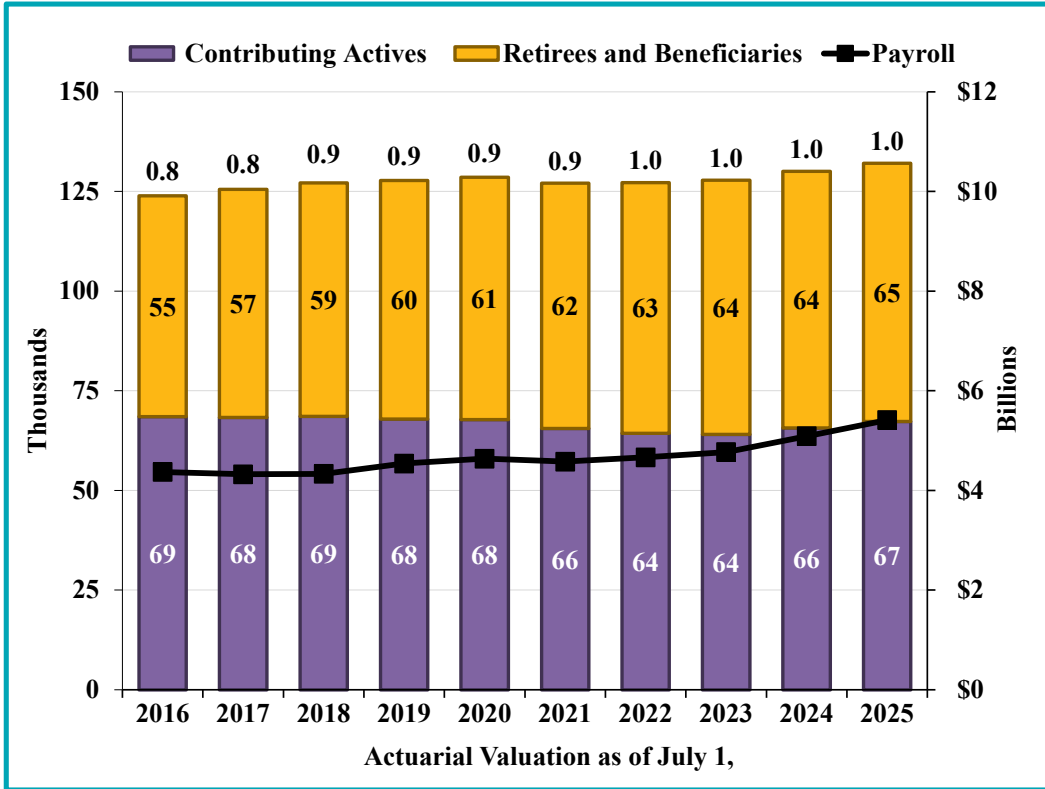
Valuations for 2017 and later reflect all records for multiple members, which are active members employed by more than one participating employer at the same time. Valuations for 2022 and later only reflect one record for retirees who earned benefits under both a State and Local employer.

The numbers that are shown in the middle of the bars represent the number of contributing actives or retirees and beneficiaries in thousands. The black line represents the appropriation payroll for contributing actives over the period and corresponds with the right-hand scale.

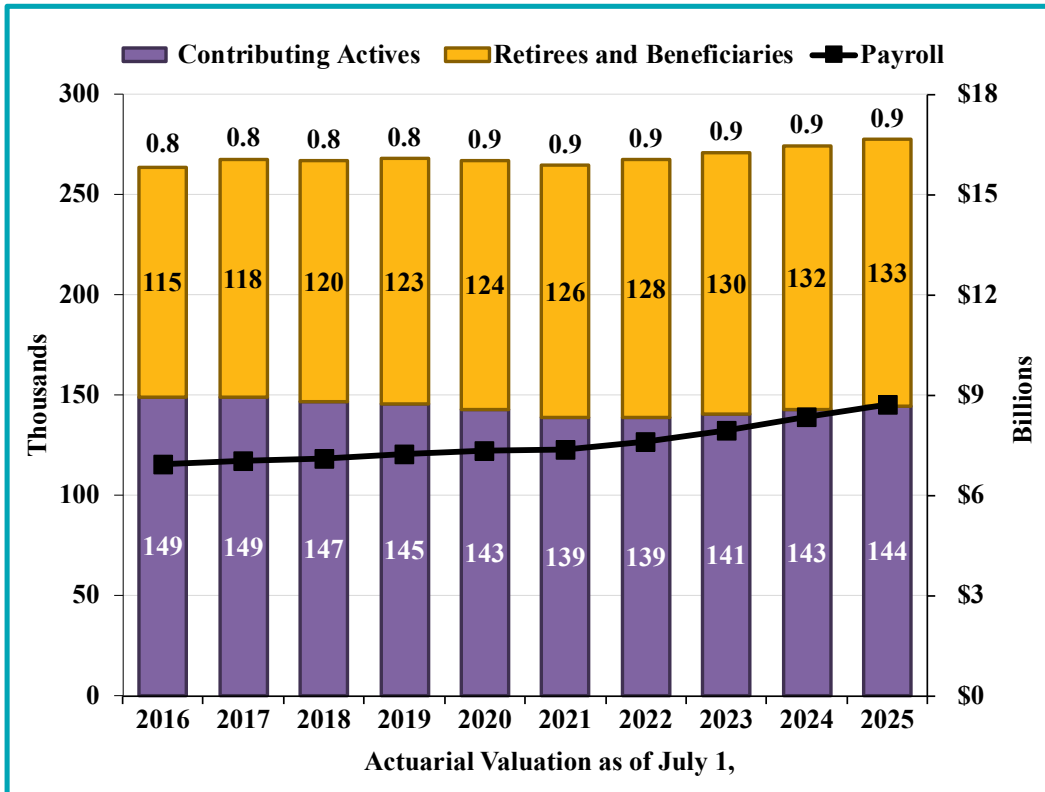
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**State**



**Local Employers**



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Cash Flows

The following graphs show the System net cash flow (contributions less benefit payments and expenses) at the end of each fiscal year. The net cash flow, which excludes investment returns, has been negative every year for both the State and Local employers, with the notable exception of the State in the last four years. This illustrates that contributions have not been sufficient to cover benefits and expenses in any years over the past decade, except for the State in the last four years. A major implication of a negative cash flow is that the difference each year must be met first from cash generated by investments and then be paid out of the principal assets, representing additional risk for the System if investments need to be sold in a down market to cover benefit payments. The black dotted line shows the net cash flow as a percentage of the market assets and corresponds with the axis on the right.

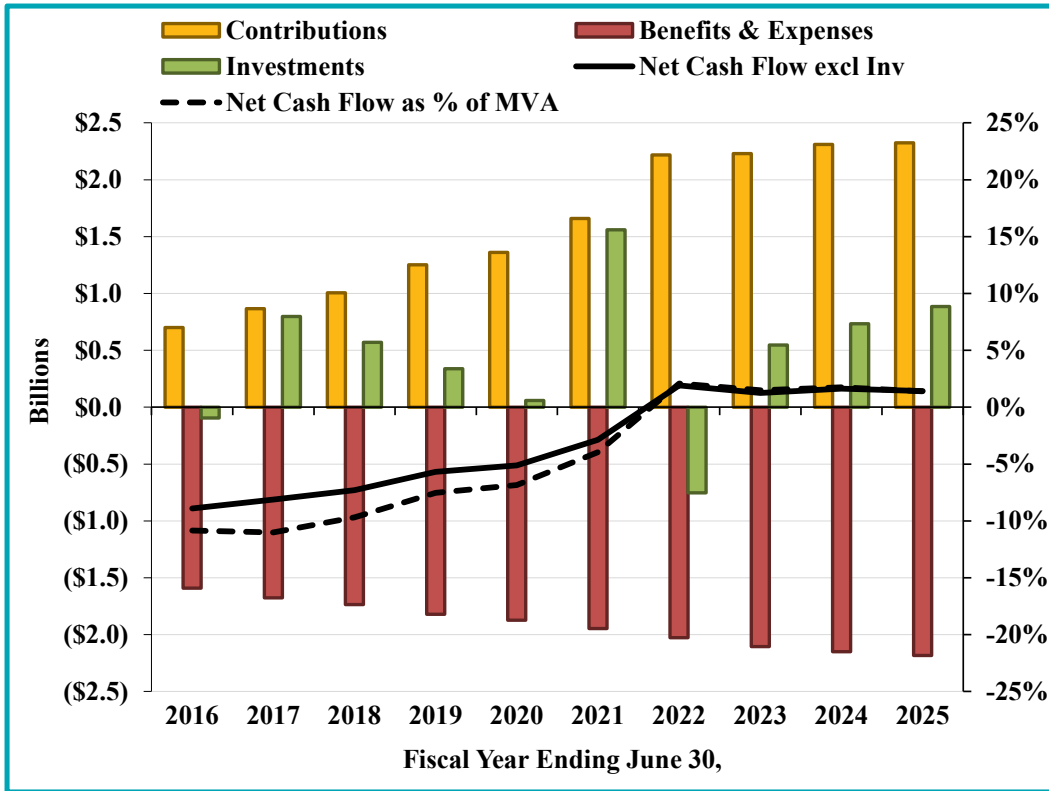
The net cash flow for State had been significantly more negative than the net cash flow for Local employers. At the beginning of the period, the net cash flow for the State as a percentage of assets was about -11%. This indicated that this portion of the System was expected to defund with an increased risk of insolvency if the contributions did not consistently cover a higher portion of the benefit payments and expenses. Net cash flow gradually improved from -11.0% for FYE 2017 to 2.1% for FYE 2022, as a result of the increase in the State appropriation percentage. Recent years of positive net cash flow (1.4% for 2025) indicates that this portion of the System did not need to rely on investment returns to cover benefit payments and expenses.

For Local employers, the negative cash flow as a percent of assets has remained level over the period shown due to both an increase in the assets and an increase in the number of retirees and their corresponding benefit payments. For comparison with the State, the Local employers had a 2025 net cash flow of -2.7%.

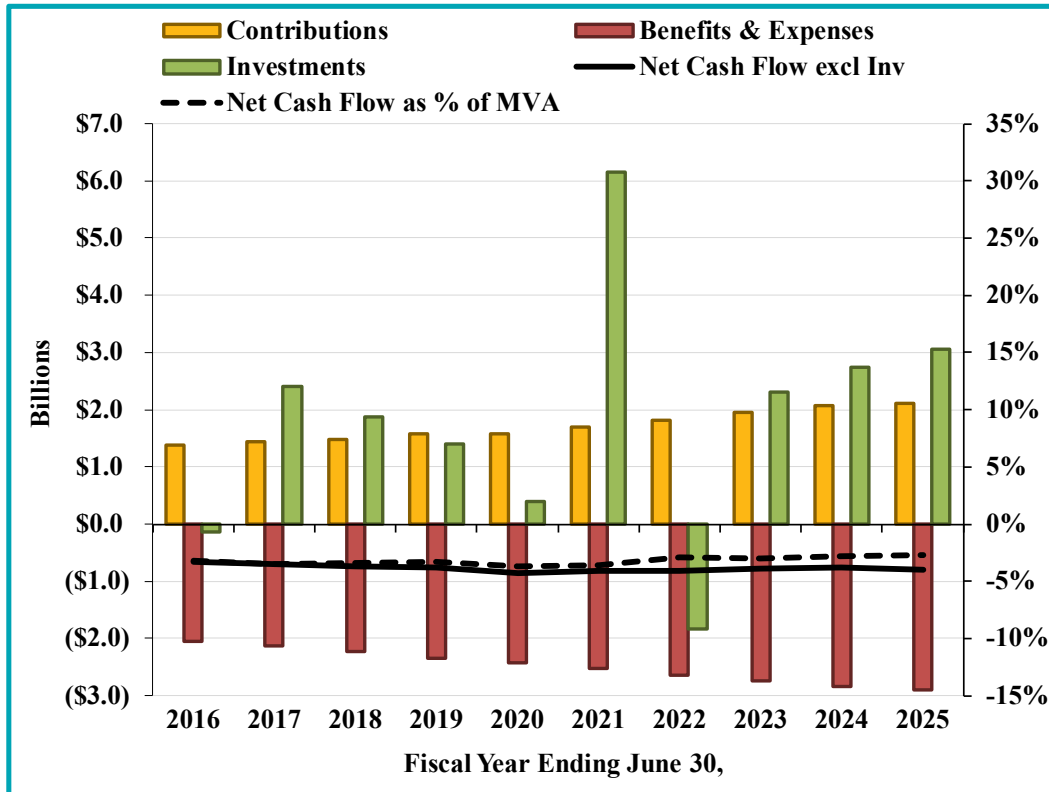
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**SECTION I – BOARD SUMMARY**

**State**



**Local Employers**



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Contributions

These graphs show the historical trends for the State and Local employer contributions. The Local employer contributions include the State-paid Local obligations, but not Early Retirement Incentive (ERI) or Chapter 19, P.L. 2009 payments. The Statutory contributions are comprised of the normal cost (blue bars) and the amortization of the UAL (gold bars). The green line shows the actual contributions over the period. For FYE 2026 and 2027, the green line has a lighter shade to indicate that these are expected, rather than actual, contributions based on the State appropriating 100% of the Statutory contribution in both years. Since FYE 2023, the State contribution has been larger than the Statutory contribution because lottery revenue has been greater than the Lottery Enterprise Contribution Offset. The expected State appropriations are shown in Table I-1 and Table I-2.

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

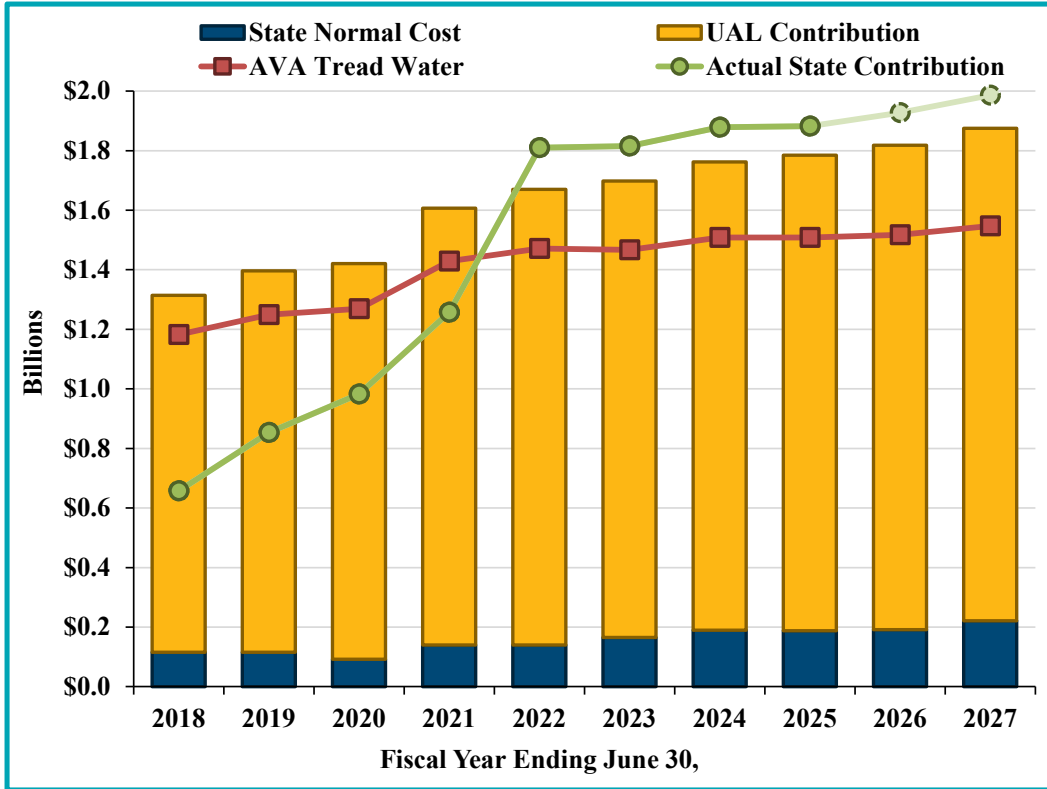
The graph for State shows that, prior to FYE 2022, not only had the State been making contributions less than required by Statute, but that the State contributions had been significantly below the tread water line. When contributions are lower than the normal cost plus interest on the UAL, the UAL is expected to grow from one year to the next. In FYE 2022, actual State contributions were greater than the tread water amount for the first time during the period. State contributions are expected to be greater than the tread water amount going forward as the State continues to contribute 100% of the Statutory contribution.

The graph for Local employers shows that the Local employers have consistently made their Statutory contributions. While the State was not contributing the full State-paid Local obligations, the total contributions were still greater than the tread water line. For FYE 2021 and FYE 2022, actual contributions were lower than the Statutory contribution because the Board adopted a three-year phase-in of the impact of the assumption changes from the July 1, 2014 – June 30, 2018 Experience Study. Even with the phase-in, actual contributions exceeded the tread water line each year. Actual contributions returned to the Statutory contribution level in FYE 2023, as the impact of the assumption changes was fully phased-in and are expected to remain at that level going forward.

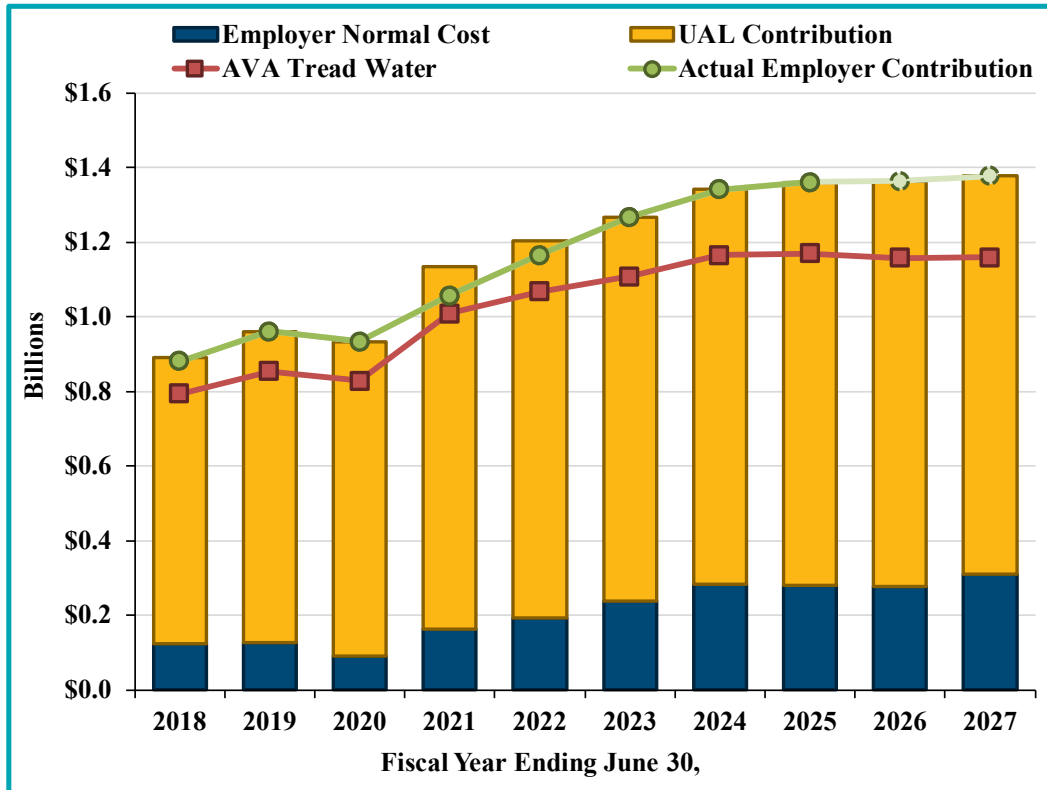
**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
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**SECTION I – BOARD SUMMARY**

**State**



**Local Employers**



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**SECTION I – BOARD SUMMARY**

**Projected Future Outlook**

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

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

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

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

Baseline Scenario

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

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

The State's funded ratio on an Actuarial Value of Assets basis is projected to steadily increase to 100% by 2049.

The Local employers' funded ratio on an Actuarial Value of Assets basis is projected to steadily increase to 100% by 2051.

The estimated period to fully amortize the UAL may be longer than the Statutory amortization period due to the timing of contributions during the fiscal year and the lack of a dedicated administrative expense contribution.

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The funded ratio for State increases faster than the Local employers' portion and reaches 100% by 2049 for State compared to 2051 for Local employers because of the expected lottery revenue that is contributed each year in excess of the Statutory contributions. This additional revenue helps pay down the UAL sooner for the State portion of the System.

The bottom graph shows the contributions by fiscal year. The member contributions are in purple, the State contributions are in gold, the State-paid Local contributions are in light blue and the Local employers' contributions are in green. We show the contribution values in dollars except for the State-paid Local contributions which are small compared to total contributions.

The projected lottery revenue is provided by the DPB and is outlined in dark blue. Lottery revenue amounts shaded in gold are offsets to Statutory contributions. Lottery revenue amounts shaded white are additional contributions in excess of the Statutory contributions that pay down the UAL. The lottery offsets during the projection period are calculated based on the methodology as defined in Chapter 98, P.L. 2017.

The projection assumes the State and Local employers contribute 100% of the Statutory amount each year. Both the appropriated State and Local employer contributions and the member contributions are labeled. The contributions exclude amounts payable for the Non-Contributory Group Insurance.

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

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

While total member contributions are expected to increase throughout the projection period based on payroll increases, the State's contributions are expected to remain relatively steady until the projected lottery revenue offsets end after FYE 2047, at which point there is an increase. Following that, when the System reaches 100%, the contributions drop down to the normal cost level. Because the appropriated amounts equal the Statutory contributions, the contributions pay down the UAL and the tread water line decreases relative to the Statutory contribution. Additionally, expected lottery revenue that is contributed each year in excess of the Statutory contribution also helps pay down the UAL sooner.

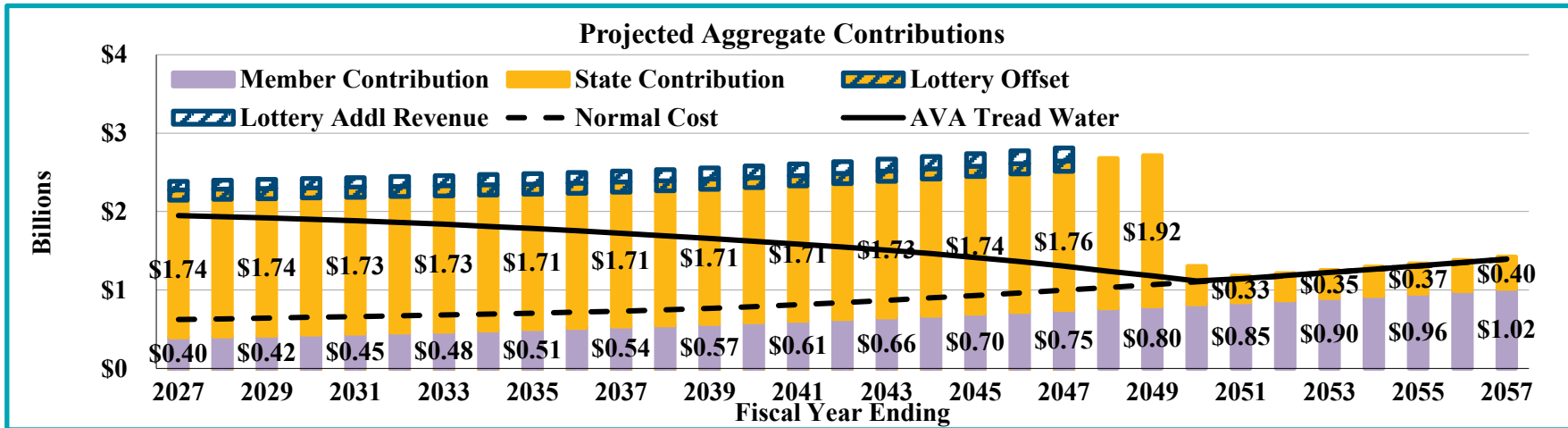
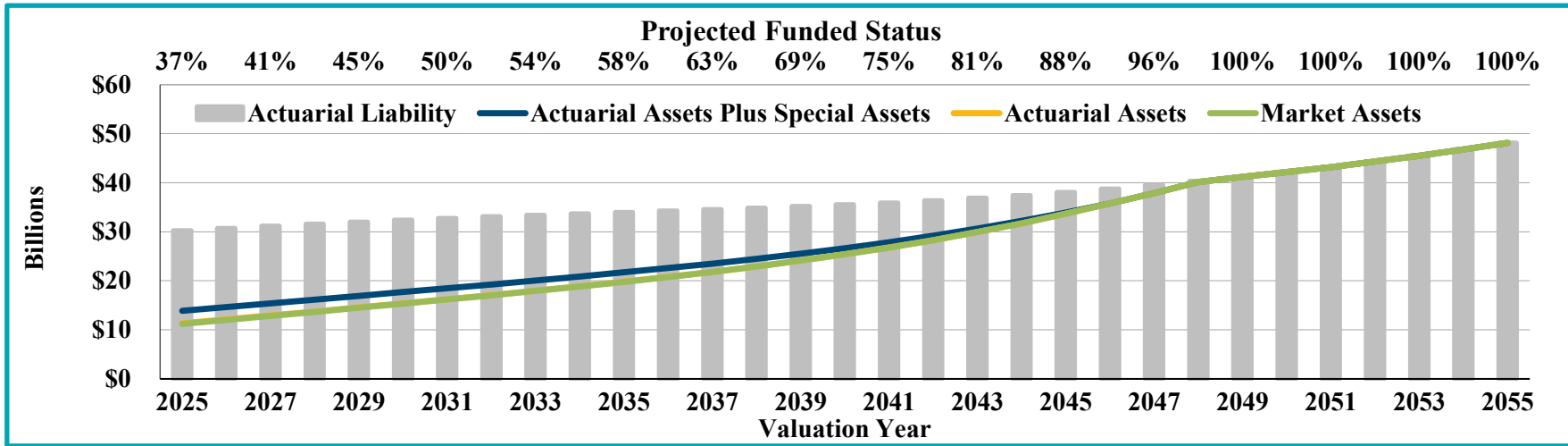
The Local employers' contributions are expected to remain relatively steady for the first fifteen years and then gradually increase until the System reaches 100%. At that point, the contributions drop down to the normal cost level. The State-paid Local contributions gradually decrease as the population eligible for the Chapter 133, P.L. 2001 benefit enhancements decreases.

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**Baseline: 7.0% return for all years**

State

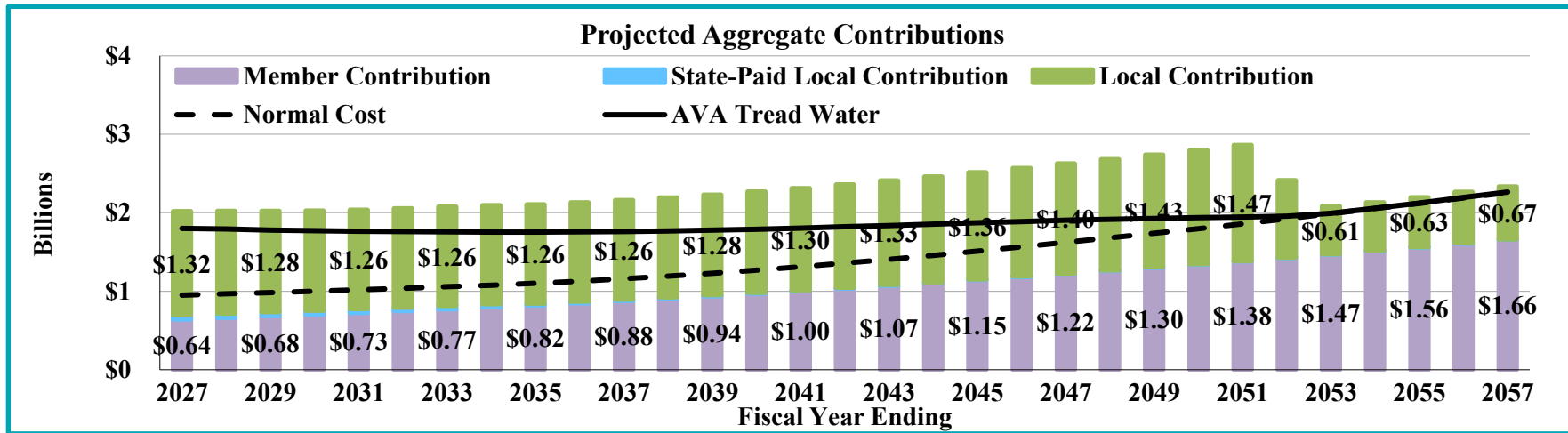
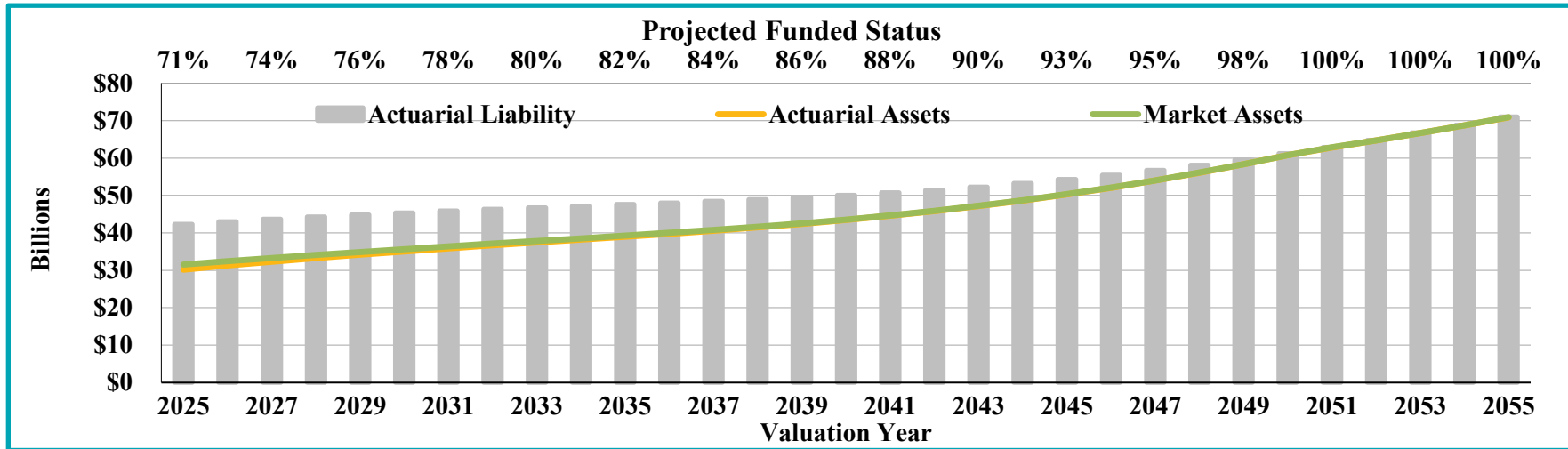


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**Baseline: 7.0% return for all years**

**Local Employers**



## SECTION II – ASSESSMENT AND DISCLOSURE OF RISK

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

### Identification of Risks

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

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

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

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

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

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

The charts below show the components of changes in the Unfunded Actuarial Liability (UAL) for the State and Local employers over the last 10 years, including investment gains and losses on the Actuarial Value of Assets, liability gains and losses, assumption and plan/policy changes, and contributions compared to the tread water level of contributions (normal cost plus interest on the UAL.) The net UAL change is shown by the dark blue line. Tables II-1 and II-2 below the chart summarize the changes in the UAL over the last 10 years.

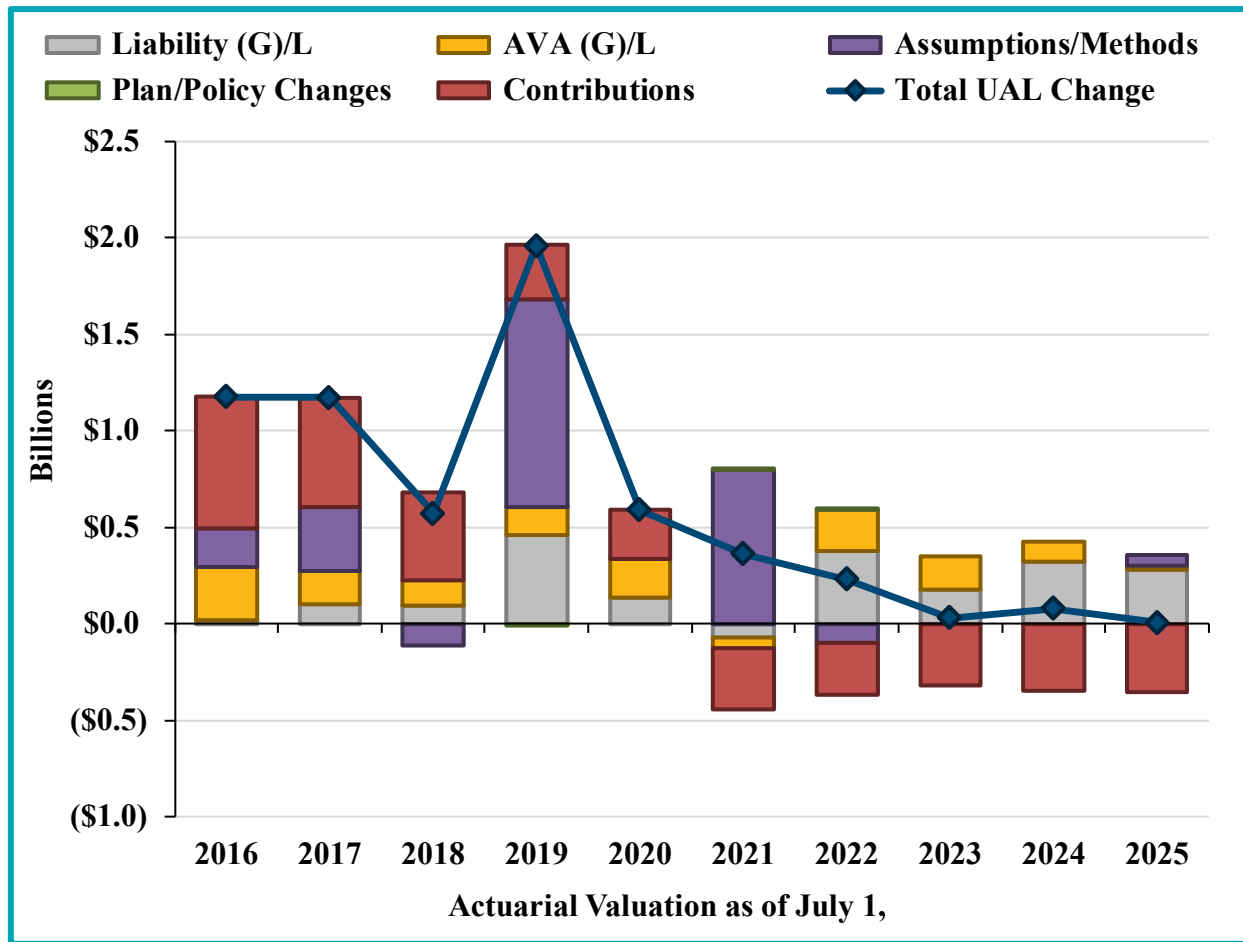
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**SECTION II – ASSESSMENT AND DISCLOSURE OF RISK**

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

**Historical Changes in UAL 2016-2025**

State



Actuarial Valuation as of July 1,

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

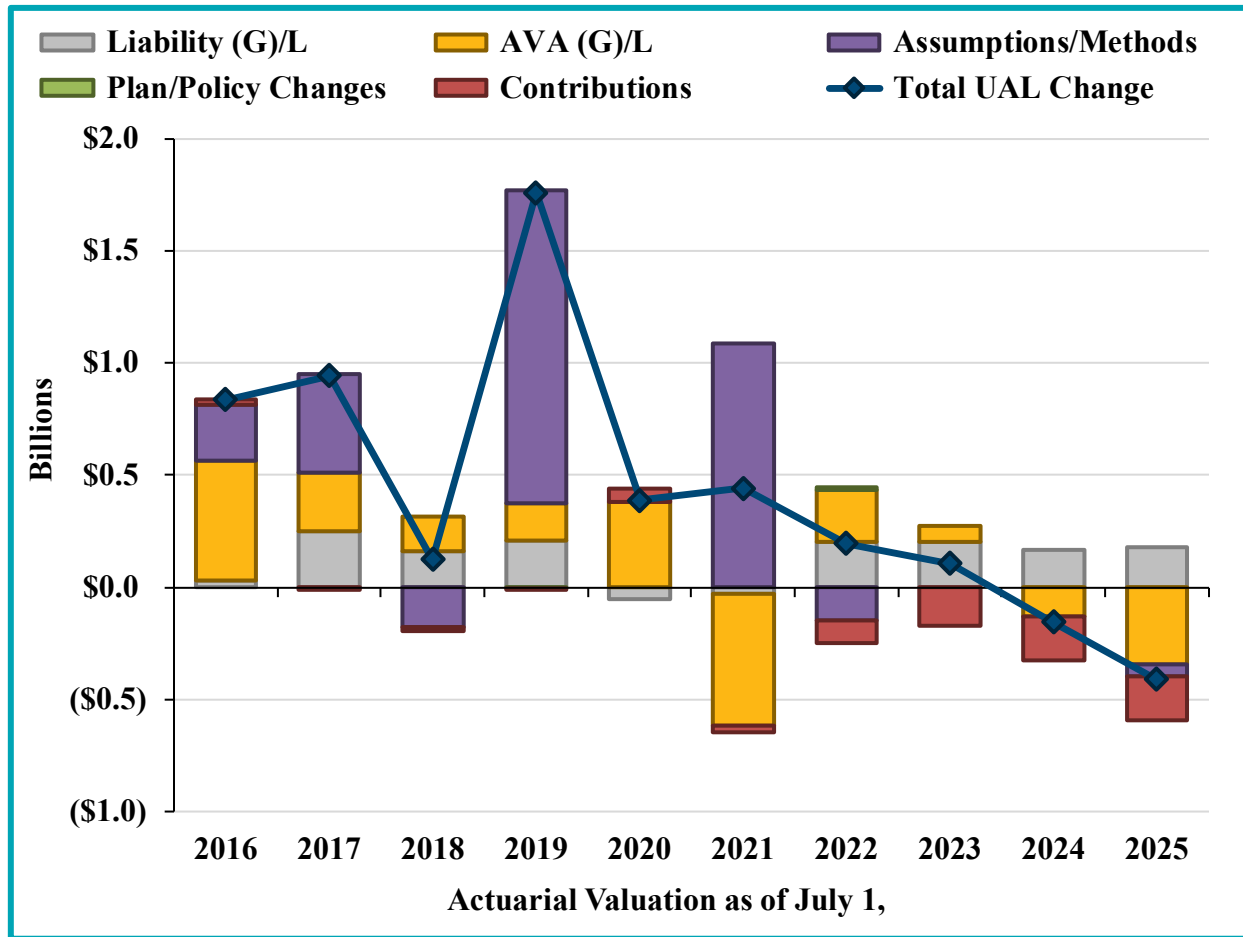
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
<b>Discount Rate</b>	7.65%	7.50%	7.50%	7.30%	7.30%	7.00%	7.00%	7.00%	7.00%	7.00%	
<b>Source</b>											
AVA (G)/L	\$ 274.0	\$ 171.9	\$ 131.0	\$ 140.7	\$ 199.0	\$ (56.7)	\$ 217.2	\$ 169.4	\$ 100.5	\$ 23.7	\$ 1,370.8
Liability (G)/L	21.2	103.2	93.3	461.3	138.4	(70.6)	377.5	179.4	323.6	278.2	1,905.4
Assumptions/Methods	199.0	328.7	(112.3)	1,081.7	0.0	798.4	(100.6)	0.0	0.0	57.5	2,252.6
Plan/Policy Changes	0.0	0.0	0.0	(6.6)	0.0	4.8	2.9	0.0	0.0	0.0	1.1
Contributions <sup>1</sup>	683.4	567.9	460.2	283.5	252.8	(315.1)	(267.1)	(316.3)	(346.6)	(352.6)	650.1
<b>Net UAL Change</b>	<b>\$ 1,177.6</b>	<b>\$ 1,171.7</b>	<b>\$ 572.1</b>	<b>\$ 1,960.7</b>	<b>\$ 590.1</b>	<b>\$ 360.9</b>	<b>\$ 230.0</b>	<b>\$ 32.5</b>	<b>\$ 77.5</b>	<b>\$ 6.9</b>	<b>\$ 6,179.9</b>

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

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**Local Employers**



	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
<b>Discount Rate</b>	7.65%	7.50%	7.50%	7.30%	7.30%	7.00%	7.00%	7.00%	7.00%	7.00%	
<b>Source</b>											
AVA (G)/L	\$ 536.0	\$ 263.1	\$ 154.9	\$ 169.8	\$ 383.2	\$ (591.0)	\$ 234.1	\$ 72.7	\$ (131.3)	\$ (341.2)	\$ 750.4
Liability (G)/L	28.9	249.2	161.1	207.2	(53.2)	(27.0)	202.5	200.7	168.5	180.2	1,318.2
Assumptions/Methods	252.0	439.2	(176.7)	1,392.6	0.0	1,086.4	(150.1)	0.0	0.0	(57.0)	2,786.3
Plan/Policy Changes	0.0	0.0	0.0	(6.4)	0.0	0.0	8.2	0.0	0.0	0.0	1.8
Contributions <sup>1</sup>	20.5	(9.2)	(16.2)	(4.2)	57.8	(26.0)	(99.5)	(168.2)	(191.4)	(191.7)	(628.2)
<b>Net UAL Change</b>	<b>\$ 837.4</b>	<b>\$ 942.2</b>	<b>\$ 123.0</b>	<b>\$ 1,758.9</b>	<b>\$ 387.8</b>	<b>\$ 442.4</b>	<b>\$ 195.2</b>	<b>\$ 105.2</b>	<b>\$ (154.1)</b>	<b>\$ (409.6)</b>	<b>\$ 4,228.5</b>

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

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On a smoothed asset basis, the investment gains and losses (gold bars) from 2016 to 2025 largely reflect investment losses. In aggregate, over the 10-year period, investment losses have added approximately \$1.4 billion to the State's UAL and approximately \$0.8 billion to the Local employers' UAL. However, investment experience has exceeded the investment return assumption recently for the Local employers, with investment gains in three of the past five years.

On the liability side (gray bars), the System has experienced mostly losses, increasing the UAL by approximately \$1.9 billion for the State and \$1.3 billion for Local employers over the 10-year period. Triennial experience studies are performed in an effort to identify emerging trends and avoid consistent liability gains or losses.

Assumption and method changes (purple bars) over the last 10 years have increased the UAL by approximately \$2.3 billion for the State and \$2.8 billion for Local employers. The significant assumption changes have included reductions in the discount rate from 7.90% to 7.00% as well as changes in mortality rates, projected mortality improvement, and salary increase rates. It is important to note that the discount rate changes simply reflect a downward revision to the estimate of future investment earnings and ultimately costs will be determined by actual investment earnings.

Plan and policy changes (green bars) over the last 10 years have increased the UAL by approximately \$1.1 million for the State and \$1.8 million for Local employers.

Each year, the UAL is expected to increase for benefit accruals attributable to the current year (the normal cost) and interest on the UAL. This expected increase is referred to as the tread water level. If contributions are greater than the tread water level, the UAL is expected to decrease. Conversely, if contributions are less than the tread water level, the UAL is expected to increase. Changes due to contributions greater or less than the tread water level (red bars) have increased the State's UAL by approximately \$0.7 billion and decreased Local employers' UAL by approximately \$0.6 billion over the last 10 years.

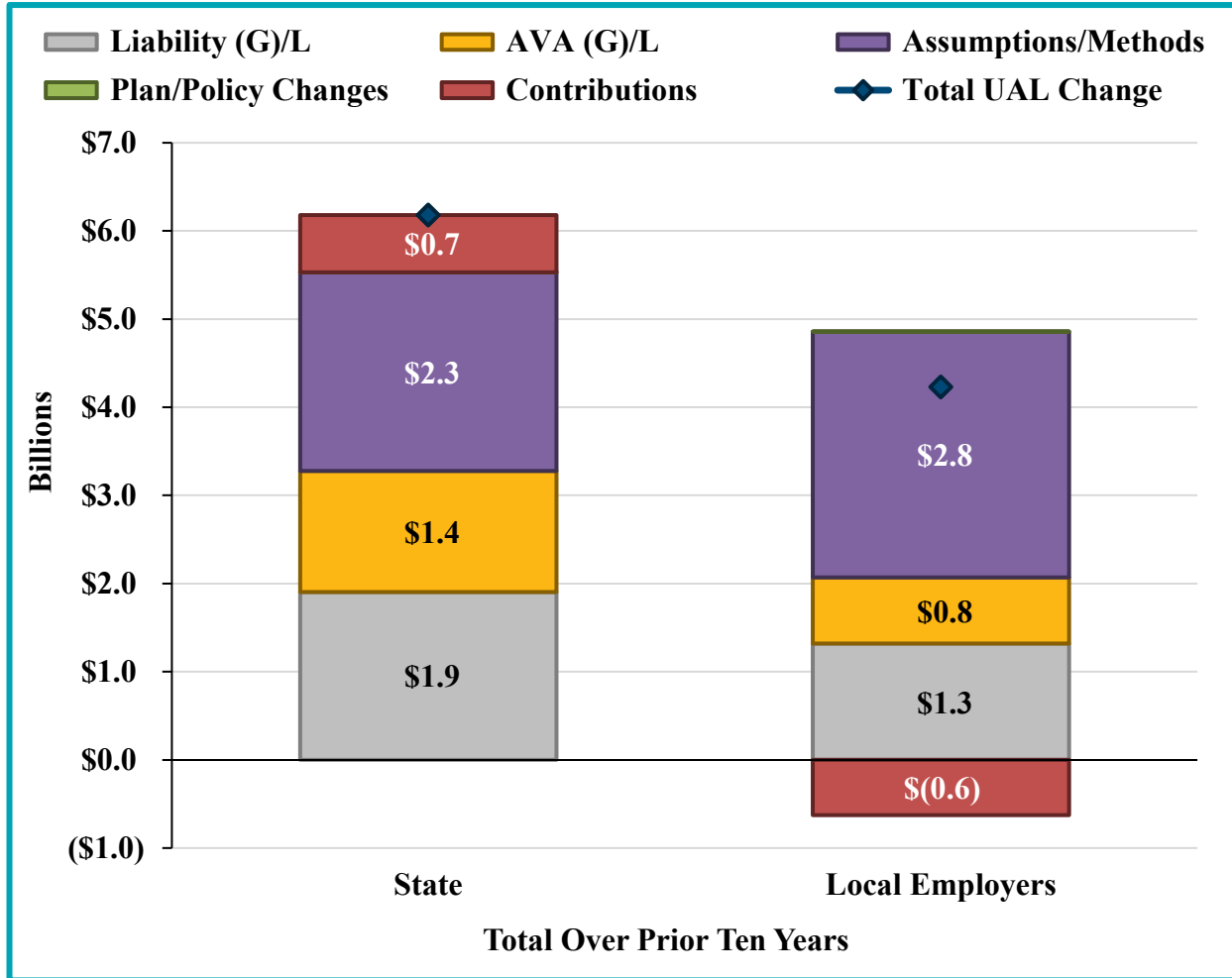
In general, the amortization methods used to determine the Statutory contributions are designed to collect more than the tread water level. However, contributions may be less than this threshold due to the State appropriating less than the Statutory contributions. Notably, the trend of contributions less than the tread water level reversed beginning in FYE 2021 which resulted in the contributions decreasing the UAL since then.

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

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**SECTION II – ASSESSMENT AND DISCLOSURE OF RISK**

The following chart shows the total changes to the UAL for each portion of the System over the 10-year period by source.



**Plan Maturity Measures**

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

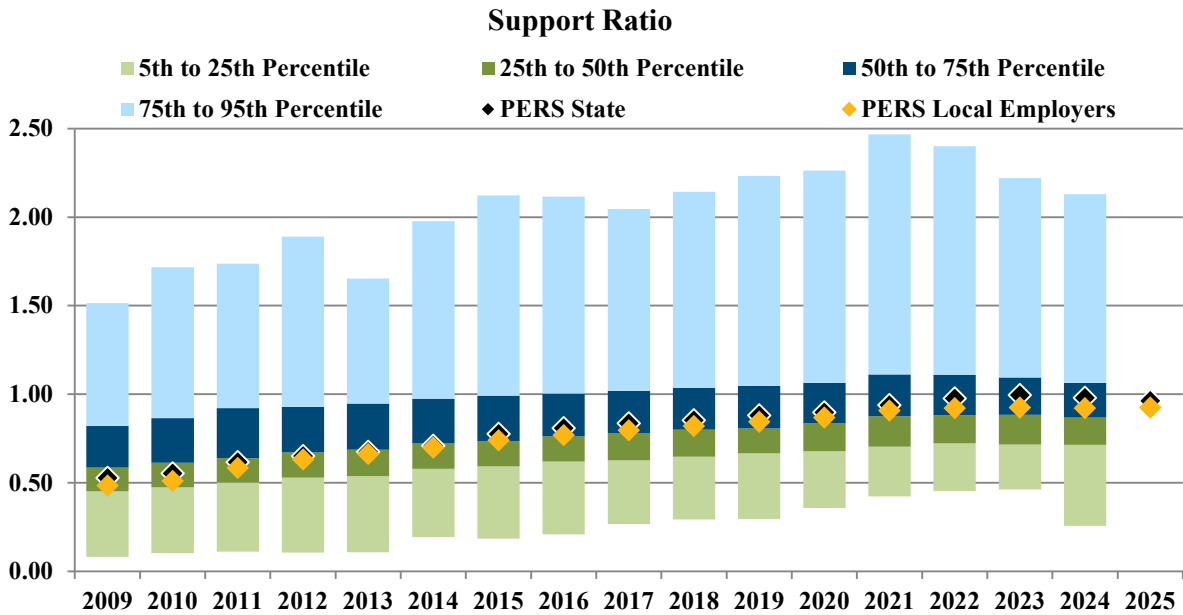
Plan maturity can be measured in a variety of ways, but they all get at one basic dynamic - the larger the plan is compared to the contribution or revenue base that supports it, the more sensitive the plan will be to risk. The measures below have been selected as the most important in understanding the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

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**Inactives per Active (Support Ratio)**

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



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

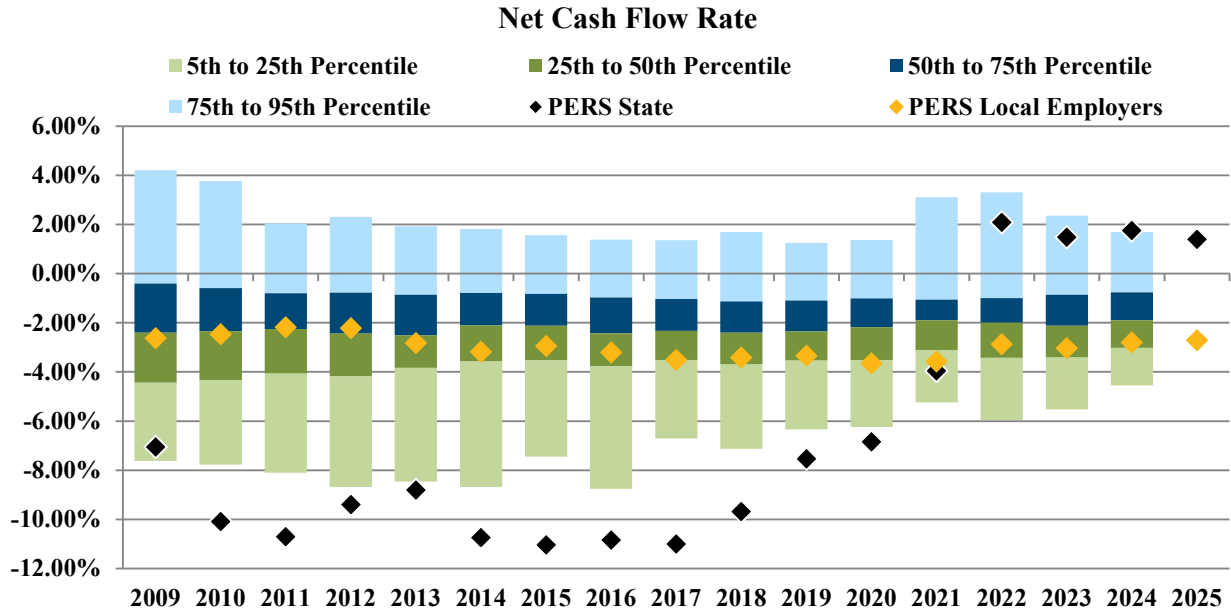
The chart above shows the distribution from the 5<sup>th</sup> to 95<sup>th</sup> percentile of support ratios for the plans in the Public Plans Database. The diamonds show how the State (black) and Local employers (gold) compare to other Systems dating back to 2009. Note that the PERS support ratios for State and Local employers are very similar to each other and overlap in some years. Both State and Local employers had been slightly less mature than the median plan at the start of the period and have been gradually becoming slightly more mature than the median plan.

**Net Cash Flow**

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

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

The chart above shows the distribution from the 5<sup>th</sup> to 95<sup>th</sup> percentile of net cash flow for the plans in the Public Plans Database. The diamonds show how the State and Local employers' net cash flow compares to other public plans. The State had been at or below the 5<sup>th</sup> percentile compared to the database of other public plans in terms of negative cash flow as a percentage of assets, causing a serious defunding risk for the System. However, with the State's increased appropriation percentages, the State's net cash flow has improved considerably since 2017. For State, the net cash flow has been positive since 2022 and will likely remain above the 75<sup>th</sup> percentile for 2025. The Local employers were near the 50<sup>th</sup> percentile from 2009 to 2013 and have since fallen closer to the 25<sup>th</sup> percentile.

**Assessing Costs and Risks**

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

**Investment Risk - Stress Testing**

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

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

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

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

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

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

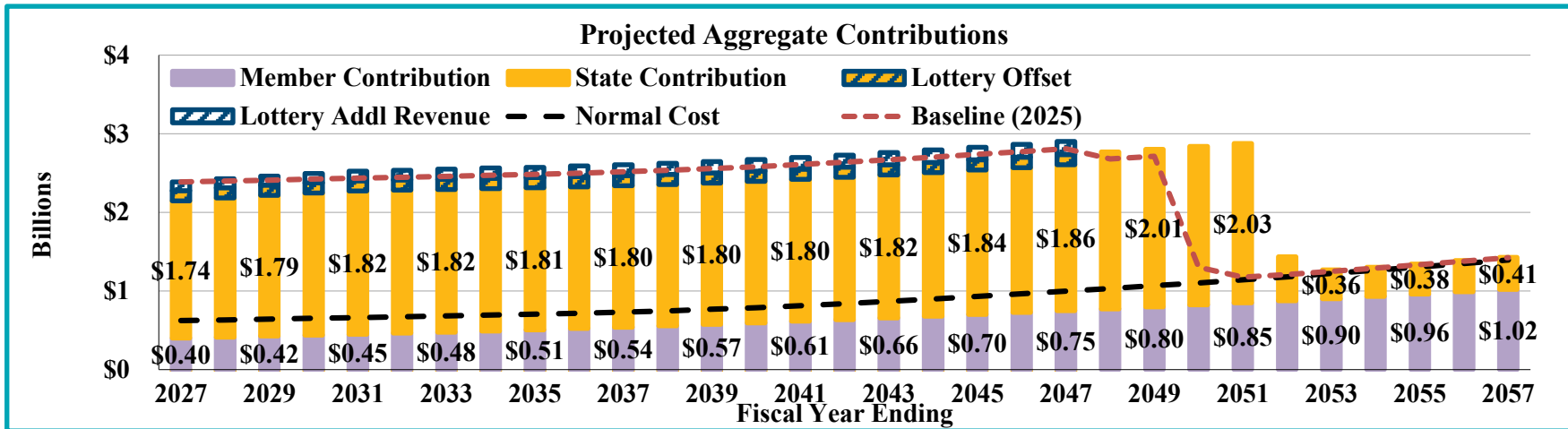
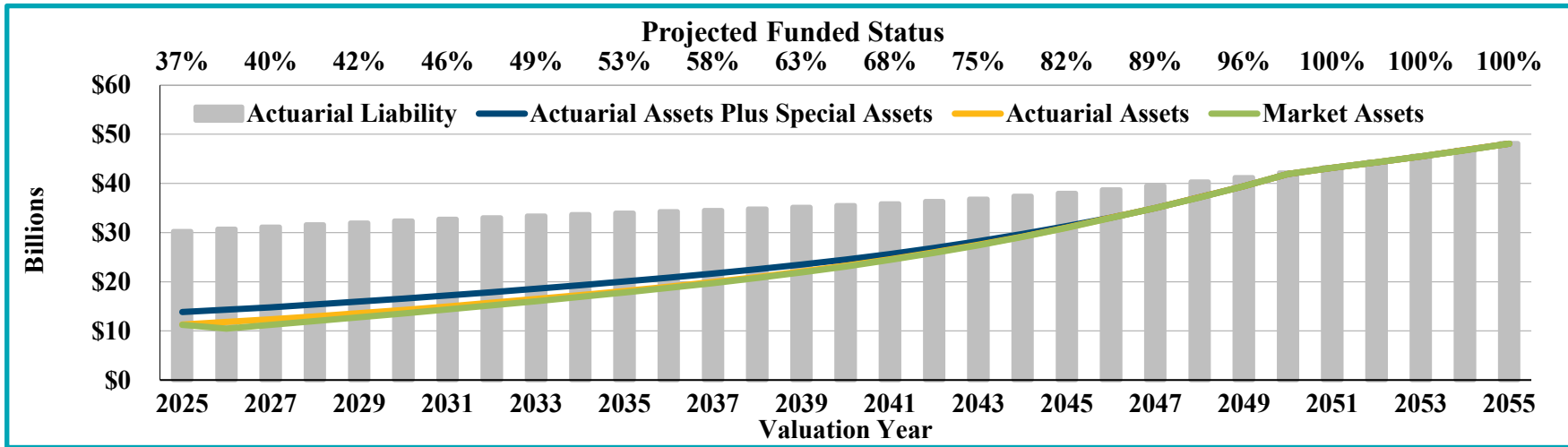
We note that when asset returns are high, excess assets may be used to offset employer costs. We have not shown the implications of a surplus and assume that the employer will always contribute at least the normal cost.

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

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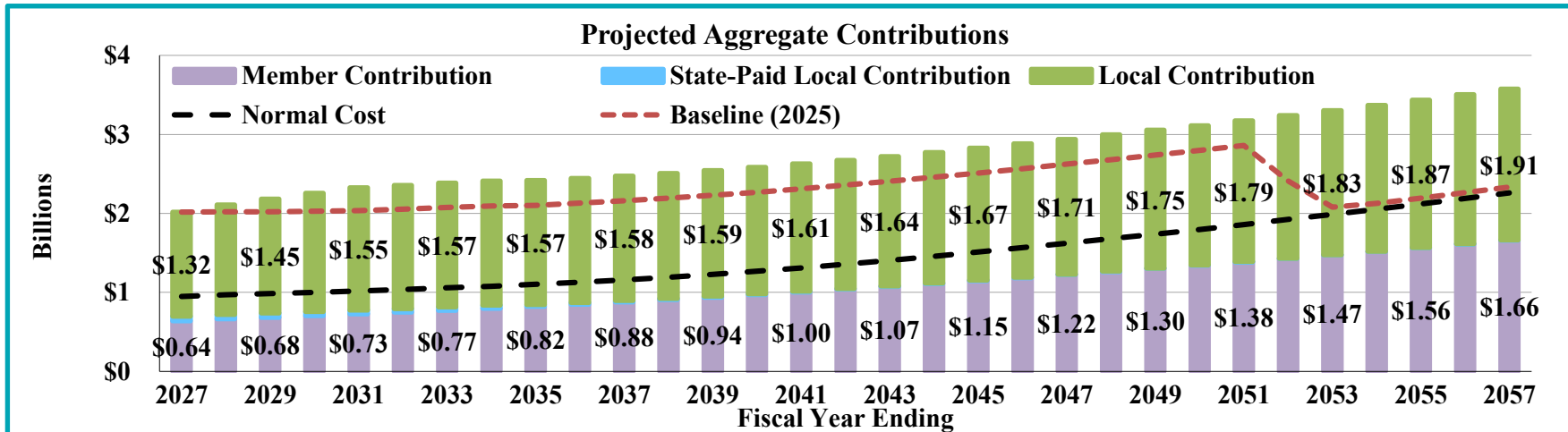
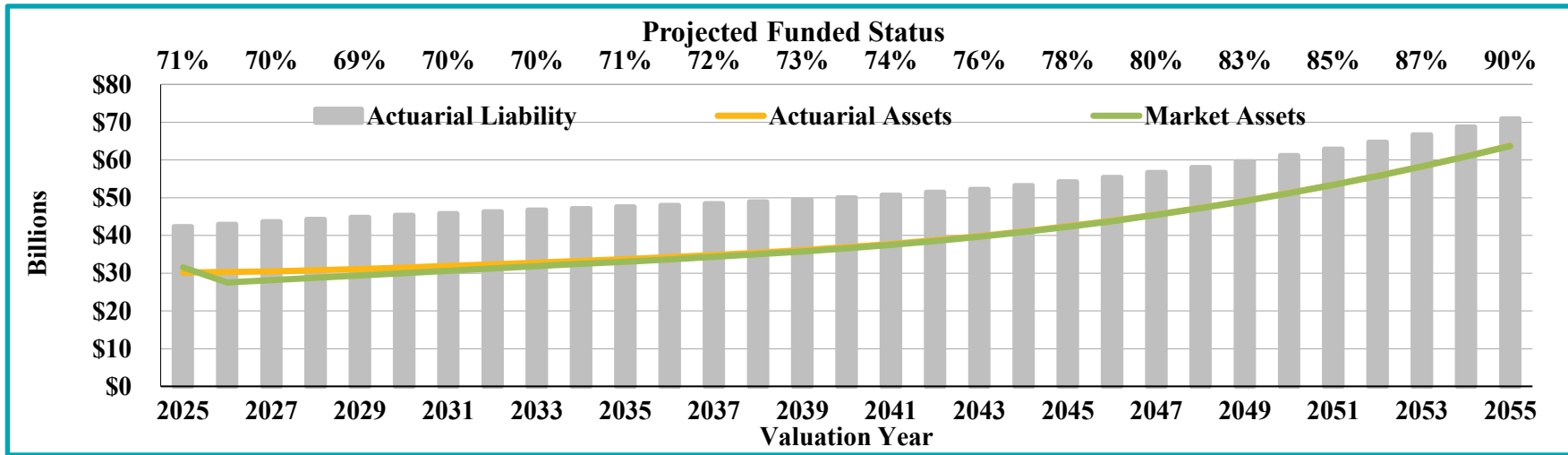
**One-Year Negative Shock Scenario: -9.7% return FYE 2026, 7.0% after**  
**State**



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SECTION II – ASSESSMENT AND DISCLOSURE OF RISK

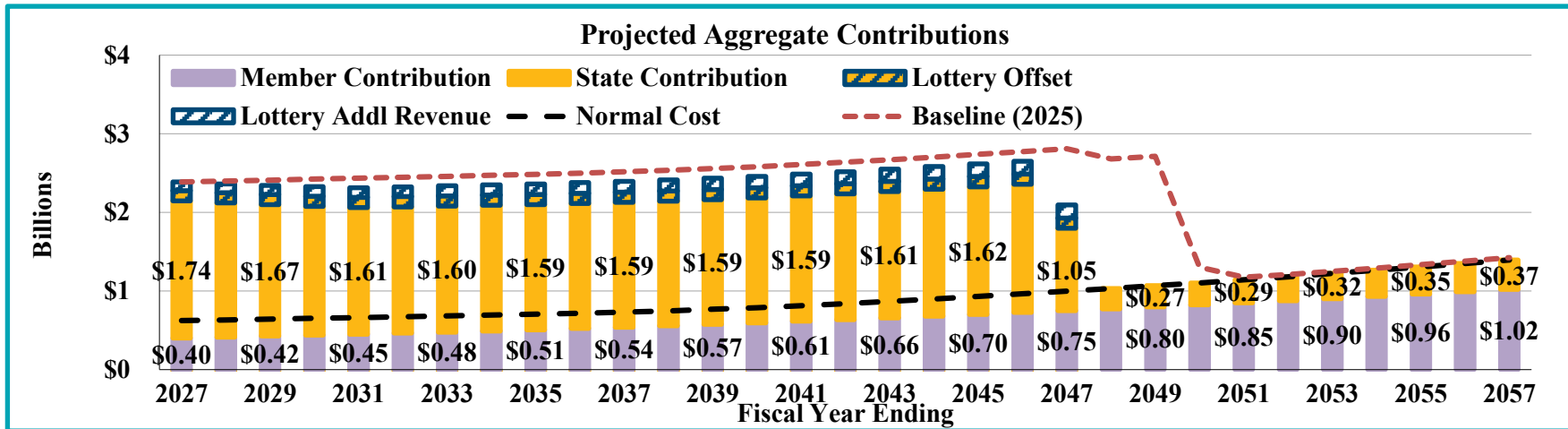
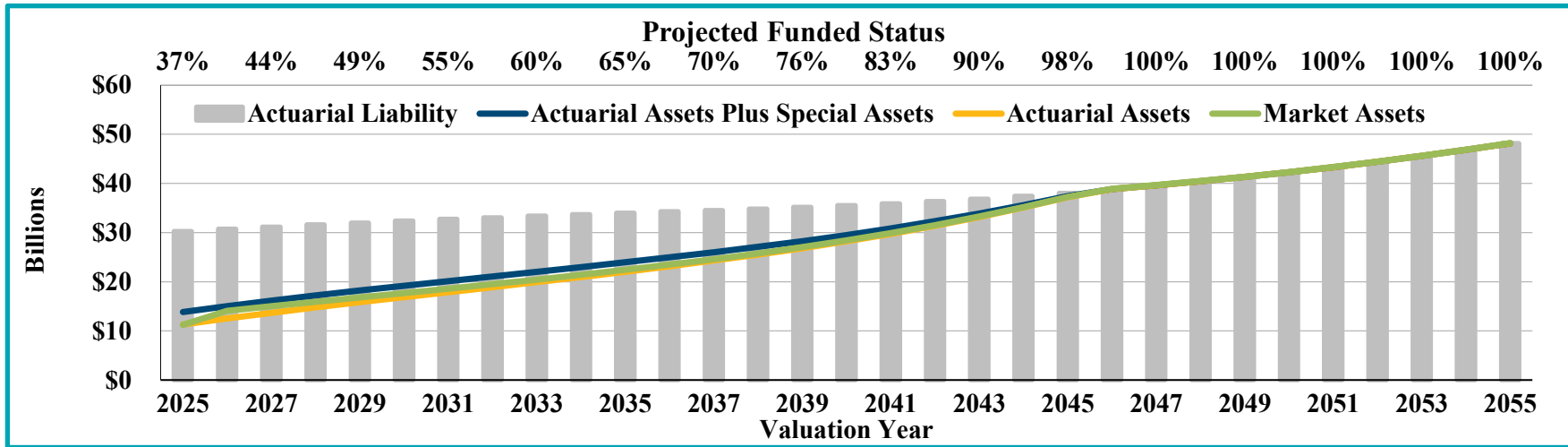
**One-Year Negative Shock Scenario: -9.7% return FYE 2026, 7.0% after**  
**Local Employers**



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SECTION II – ASSESSMENT AND DISCLOSURE OF RISK

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

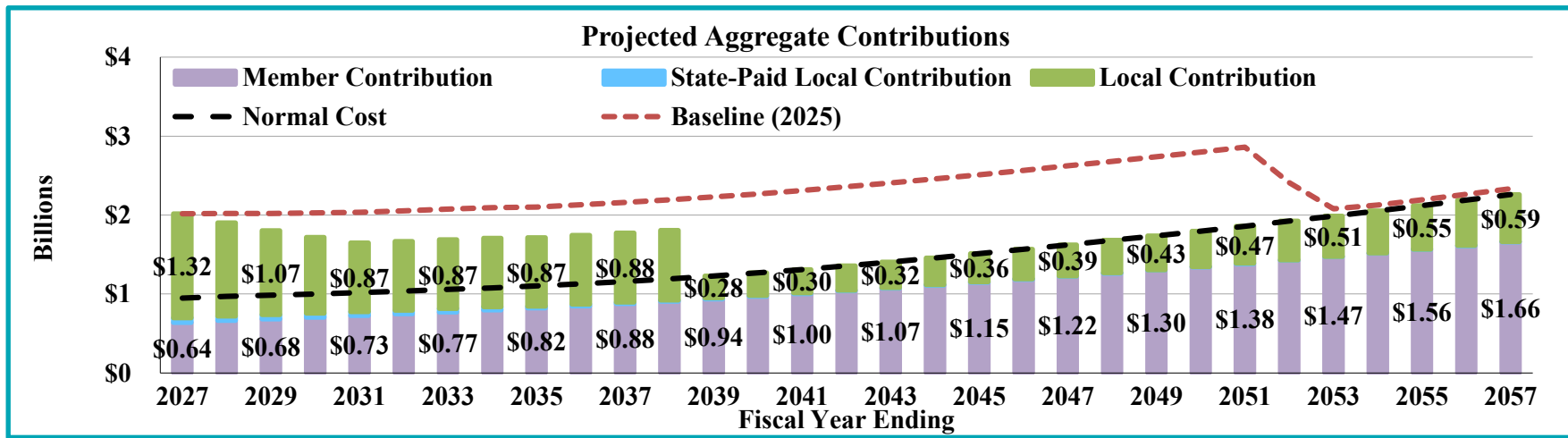
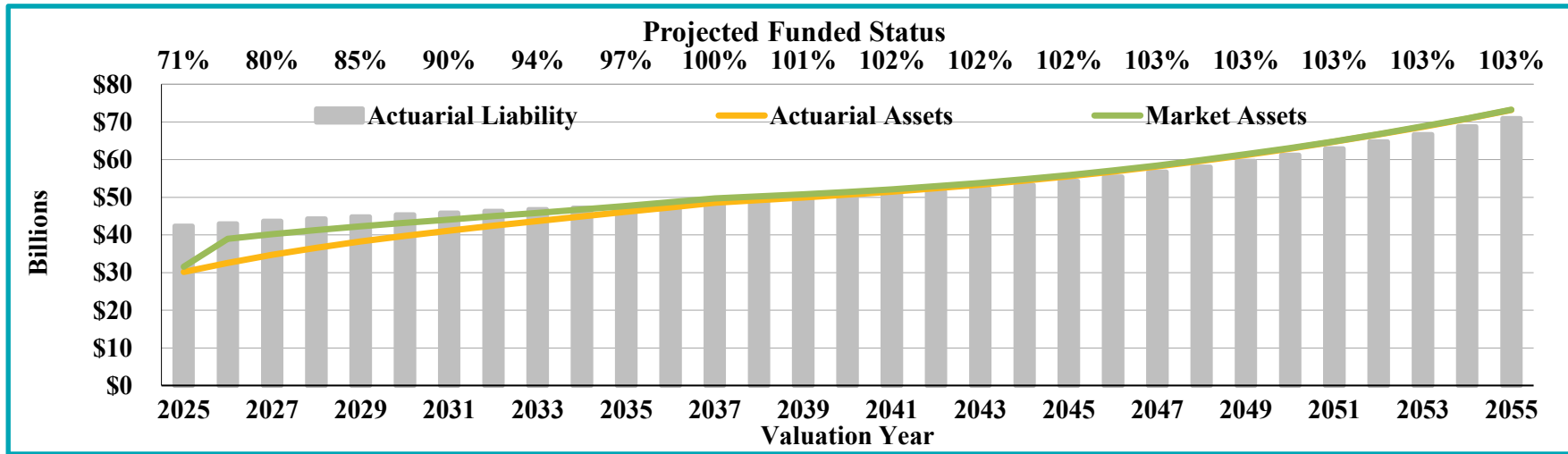


PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
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SECTION II – ASSESSMENT AND DISCLOSURE OF RISK

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

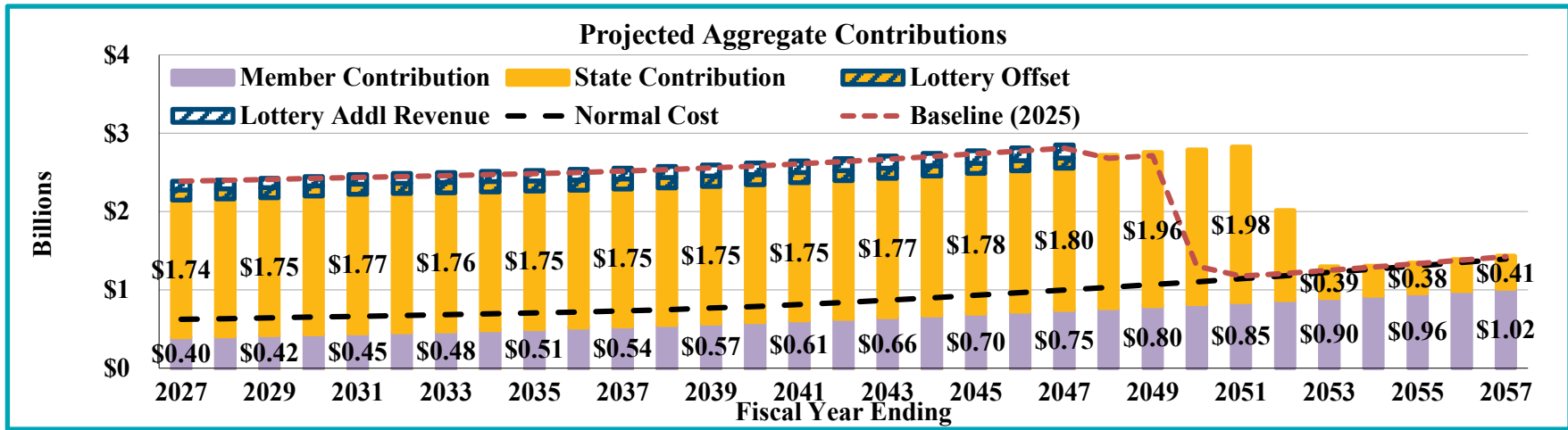
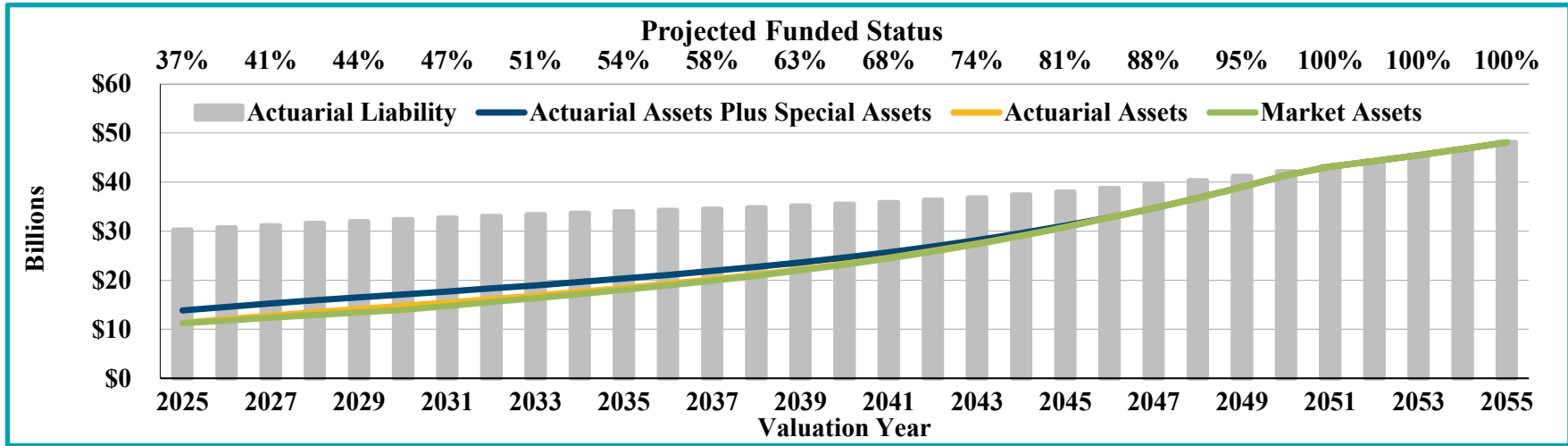
**Local Employers**



PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
 JULY 1, 2025 ACTUARIAL VALUATION

SECTION II – ASSESSMENT AND DISCLOSURE OF RISK

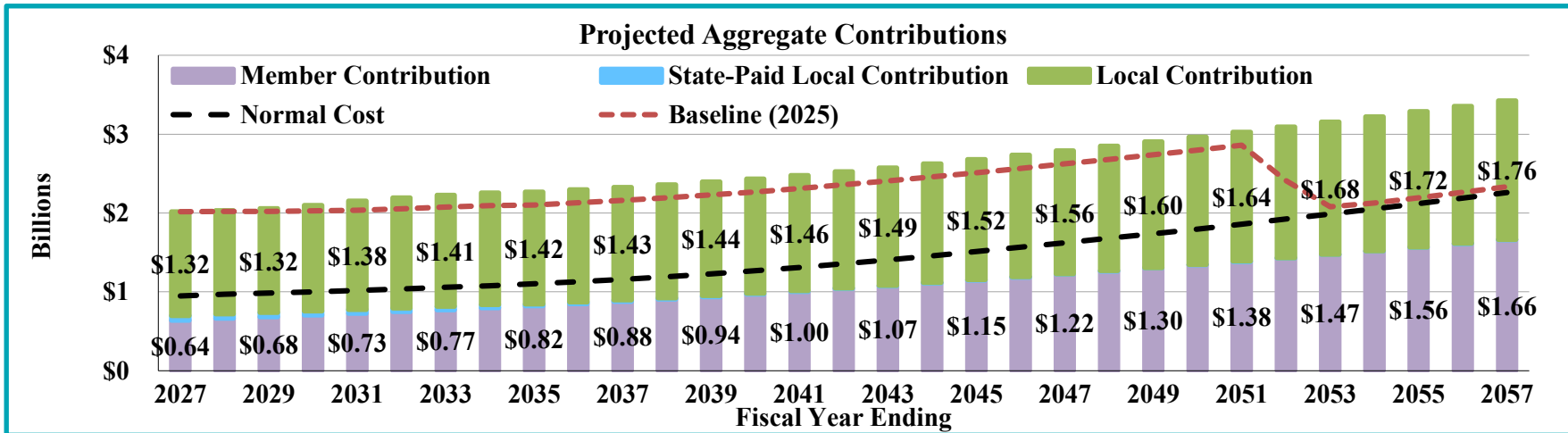
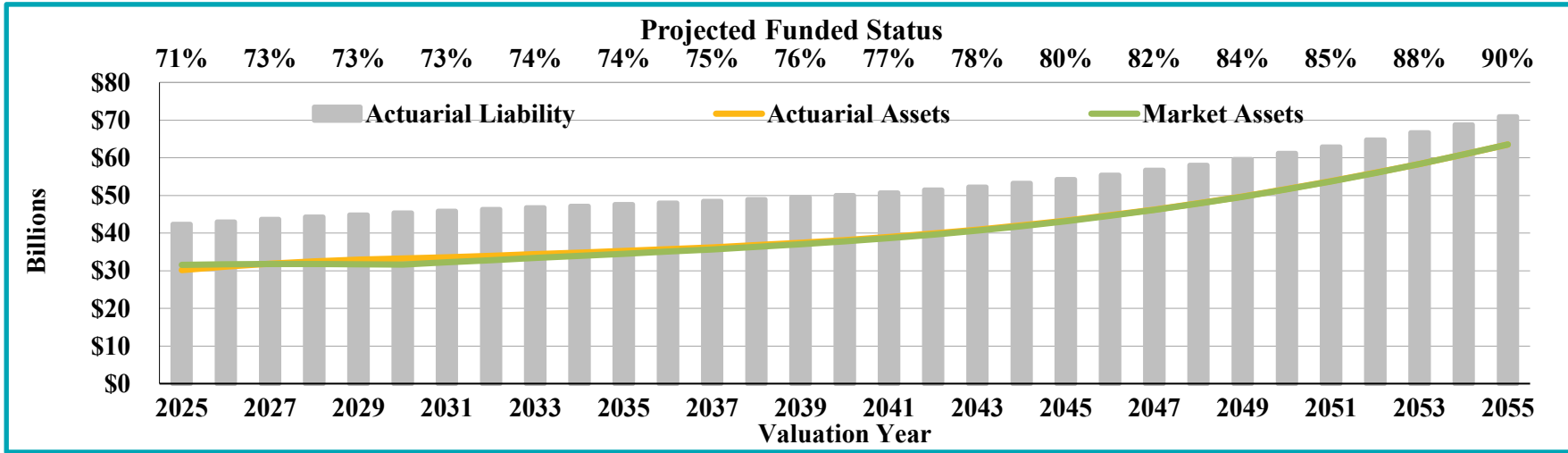
**Five-Year Moderate Negative Scenario: 4.5% return FYE 2026-2030, 7.0% after State**



PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
 JULY 1, 2025 ACTUARIAL VALUATION

SECTION II – ASSESSMENT AND DISCLOSURE OF RISK

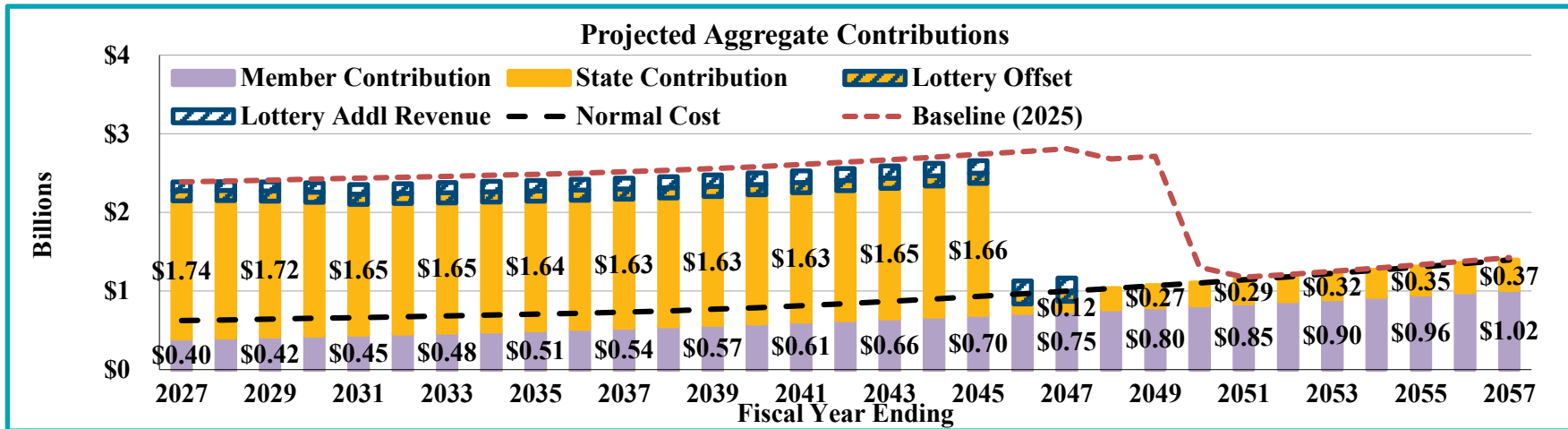
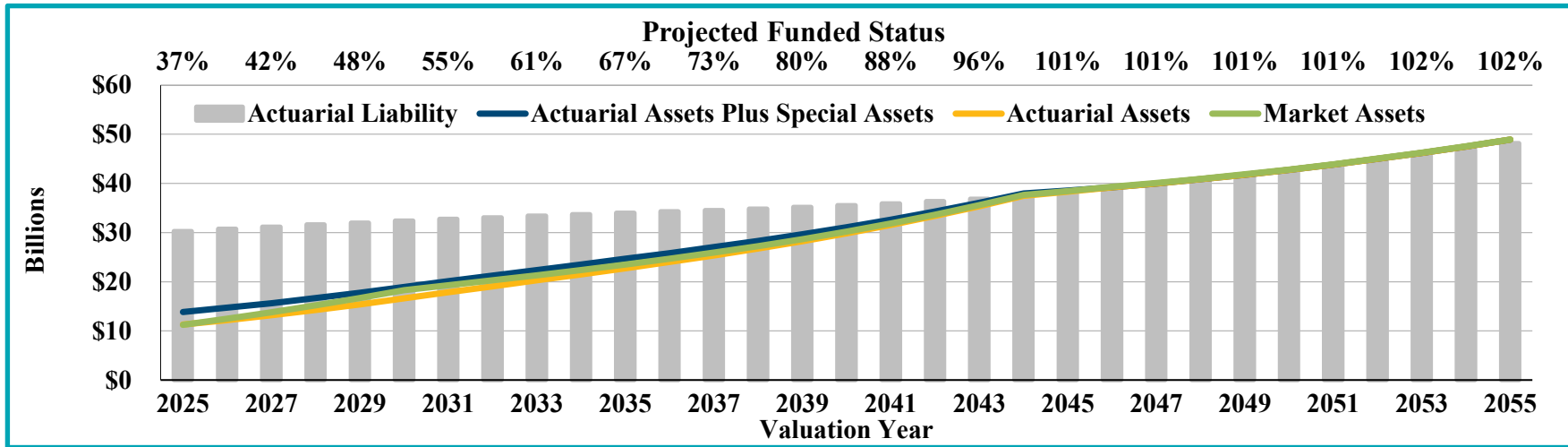
**Five-Year Moderate Negative Scenario: 4.5% return FYE 2026-2030, 7.0% after**  
**Local Employers**



PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
 JULY 1, 2025 ACTUARIAL VALUATION

SECTION II – ASSESSMENT AND DISCLOSURE OF RISK

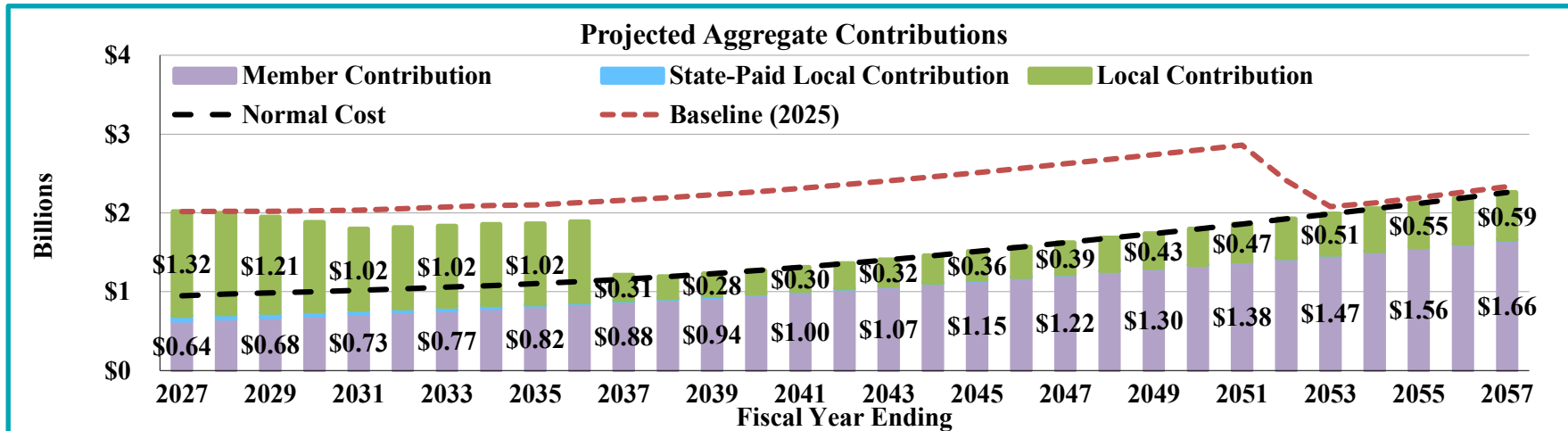
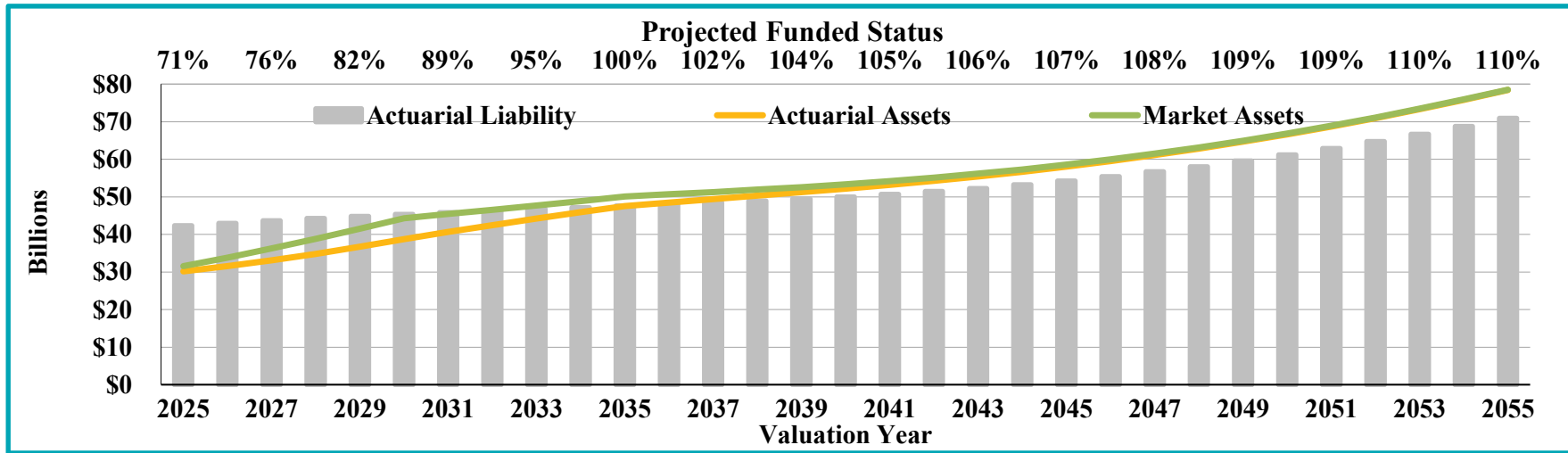
**Five-Year Moderate Positive Scenario: 11.7% return FYE 2026-2030, 7.0% after State**



PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
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SECTION II – ASSESSMENT AND DISCLOSURE OF RISK

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

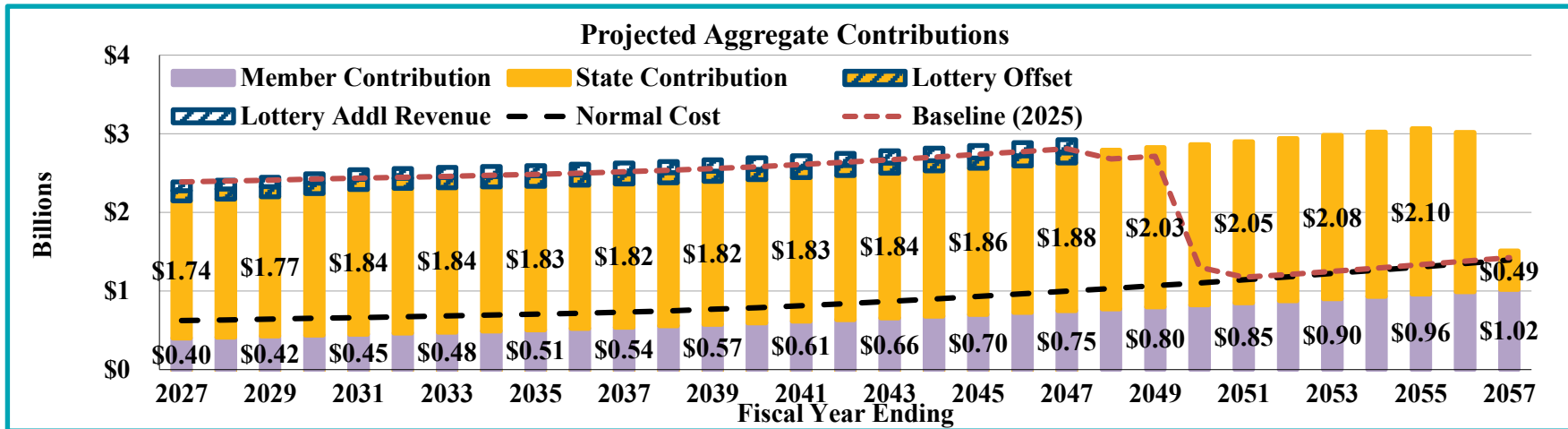
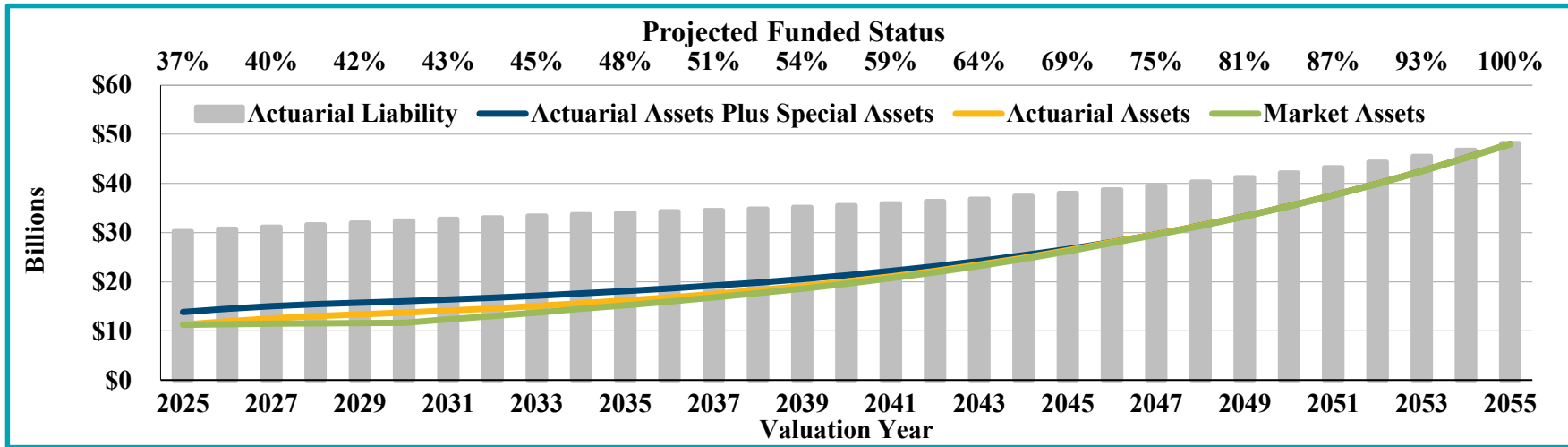


PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
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SECTION II – ASSESSMENT AND DISCLOSURE OF RISK

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

State

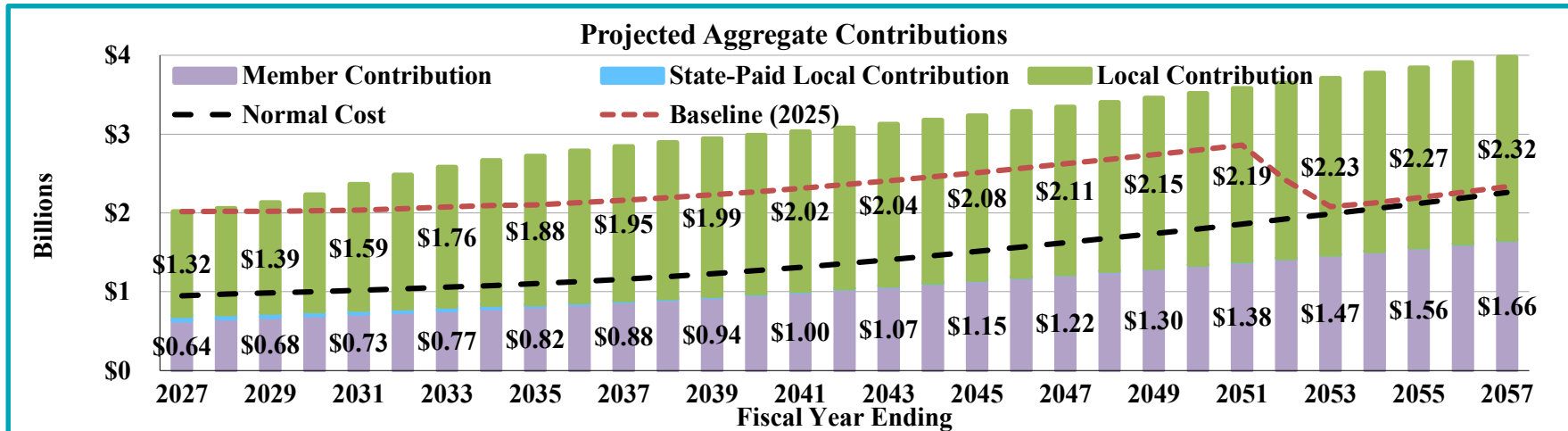
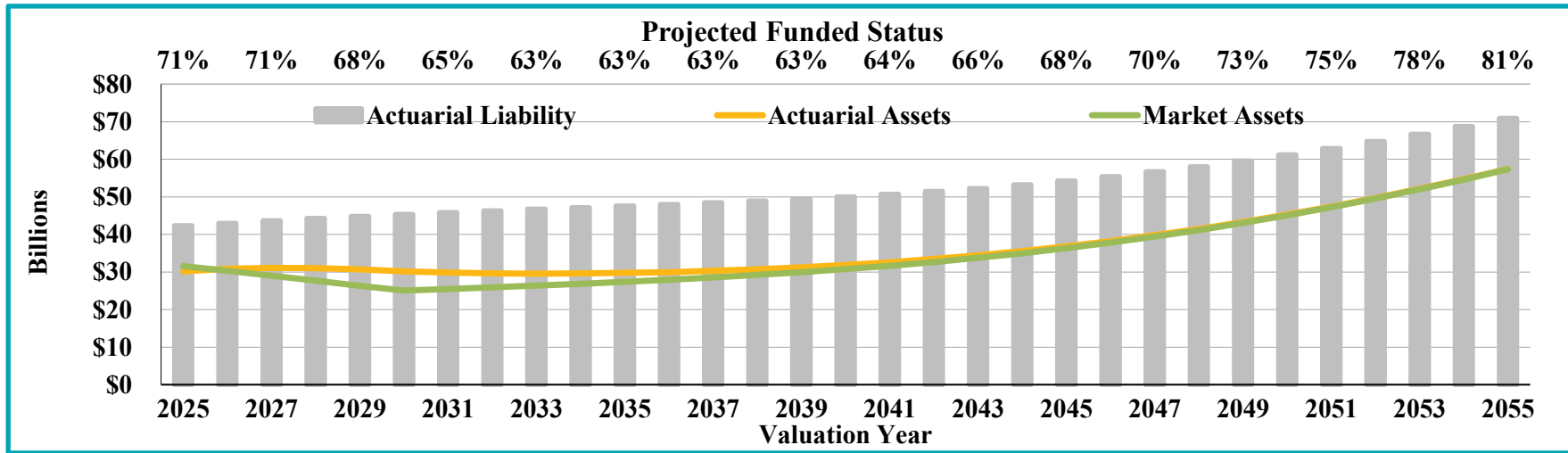


PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
 JULY 1, 2025 ACTUARIAL VALUATION

SECTION II – ASSESSMENT AND DISCLOSURE OF RISK

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

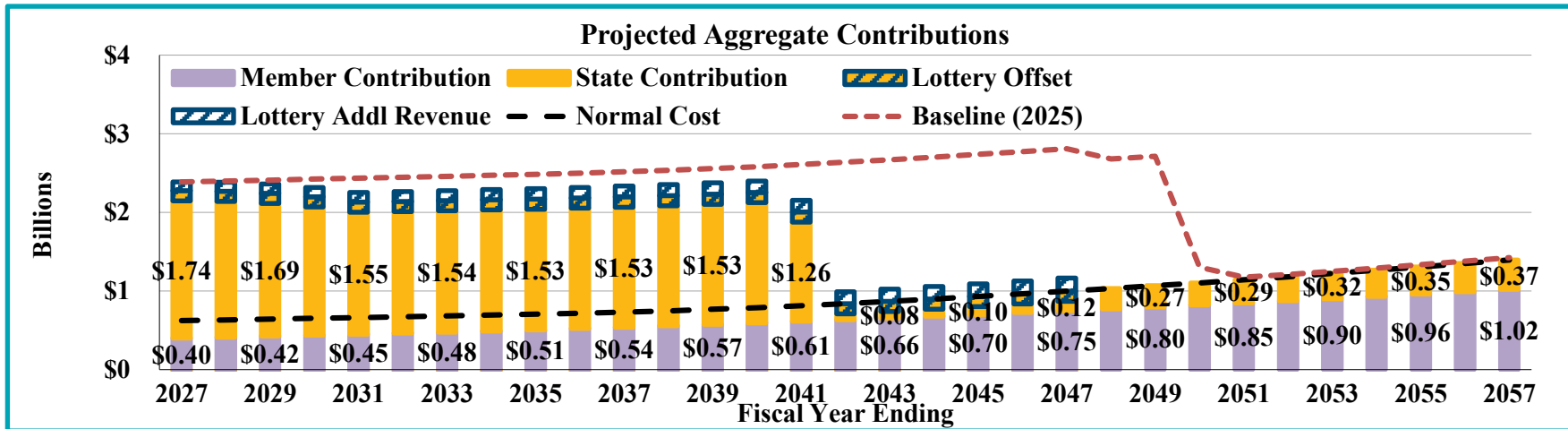
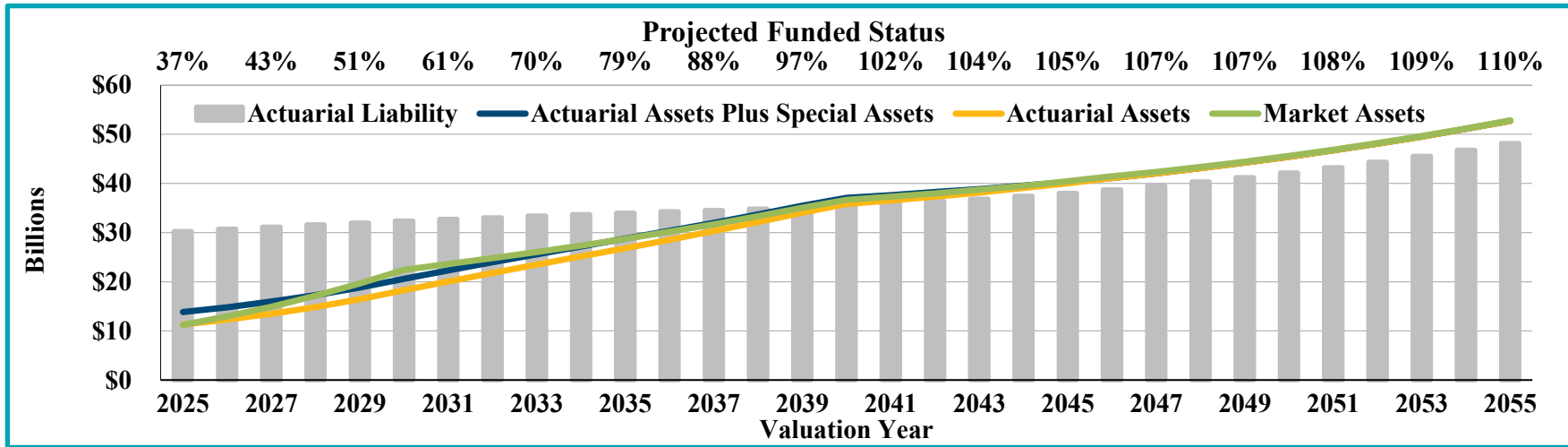
**Local Employers**



PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
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SECTION II – ASSESSMENT AND DISCLOSURE OF RISK

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

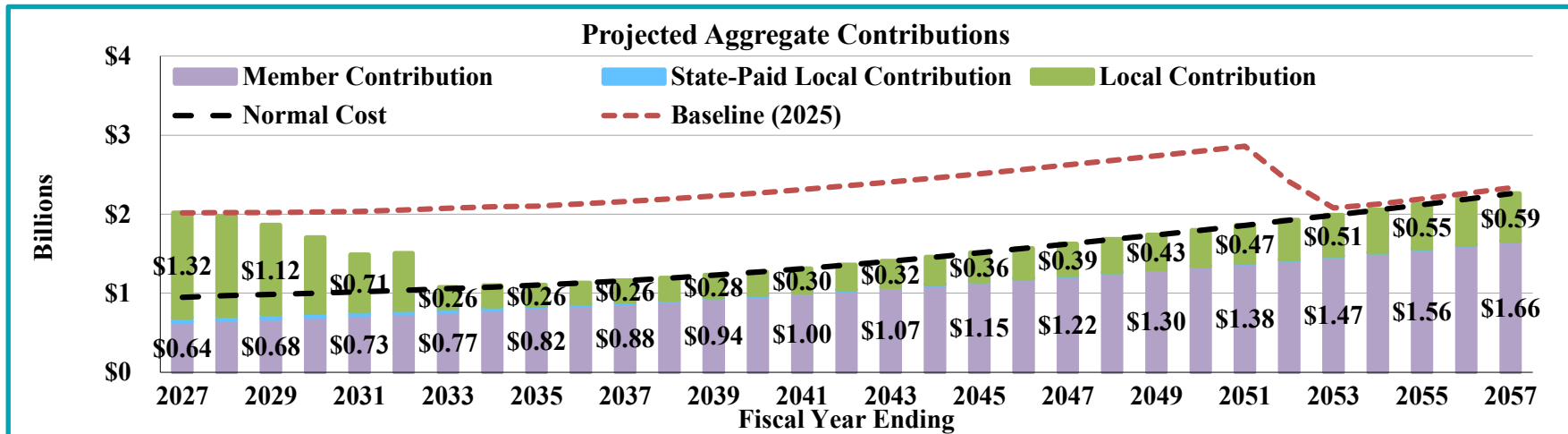
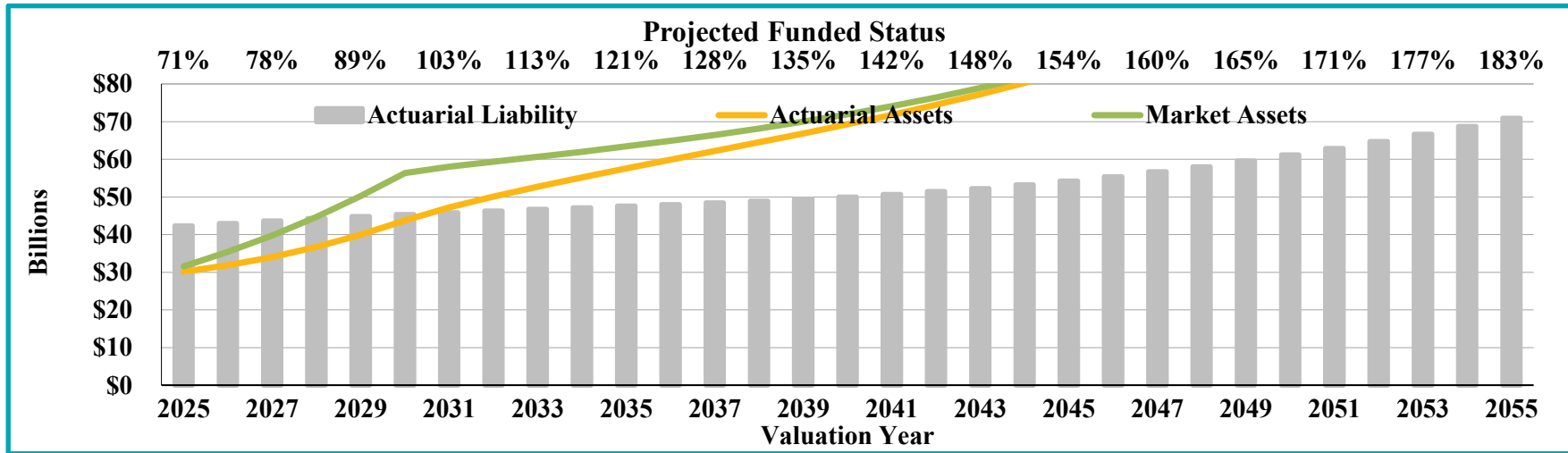


PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
 JULY 1, 2025 ACTUARIAL VALUATION

SECTION II – ASSESSMENT AND DISCLOSURE OF RISK

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

**Local Employers**



**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
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**SECTION II – ASSESSMENT AND DISCLOSURE OF RISK**

These scenarios show that actual future investment returns have a significant impact on future State and Local employer contribution amounts. The following table summarizes the impact on the State and Local employer contributions in FYE 2039 for the various investment return scenarios compared to the baseline projections in Section I.

<b>Table II-3 Impact on Contributions for FYE 2039 (dollar amounts in millions)</b>						
	<b>1-Yr Shock</b>		<b>5-Yr Moderate</b>		<b>5-Yr Significant</b>	
	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>
<b><u>State</u></b>						
Amount	\$91	(\$121)	\$39	(\$80)	\$113	(\$181)
Percent	5%	-7%	2%	-5%	7%	-11%
<b><u>Local Employers</u></b>						
Amount	\$315	(\$1,001)	\$166	(\$1,001)	\$713	(\$1,001)
Percent	25%	-78%	13%	-78%	56%	-78%

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

Local employer contributions are clearly more sensitive than State contributions to investment returns deviating from the assumption. This is caused by the funded status at the beginning of the projection period. The State is less well funded and, as a result, has less to gain or lose from positive or negative investment experience.

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

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
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**SECTION II – ASSESSMENT AND DISCLOSURE OF RISK**

**Assumption Change Risk – Sensitivity Testing**

As shown in Tables II-1 and II-2, assumption changes over the last decade have increased the State's UAL by approximately \$2.3 billion and increased the Local employers' UAL by approximately \$2.8 billion. The most significant changes were reductions in the discount rate and changes in mortality rates, projected mortality improvement, and salary increase rates. While interest rates have increased over the past few years, the reductions in discount rates over the last ten years have been largely driven by declines in interest rates that affect expectations of future investment returns. If there are declines in interest rates or if there is a desire or need to reduce investment risk that reduces expected returns, the discount rate and expected returns may need to be reduced further. The charts on the following pages show the impact on projected future funded status and contribution amounts if the discount rate and expected returns were reduced by 100 basis points to 6.00% beginning with the July 1, 2026 valuation.

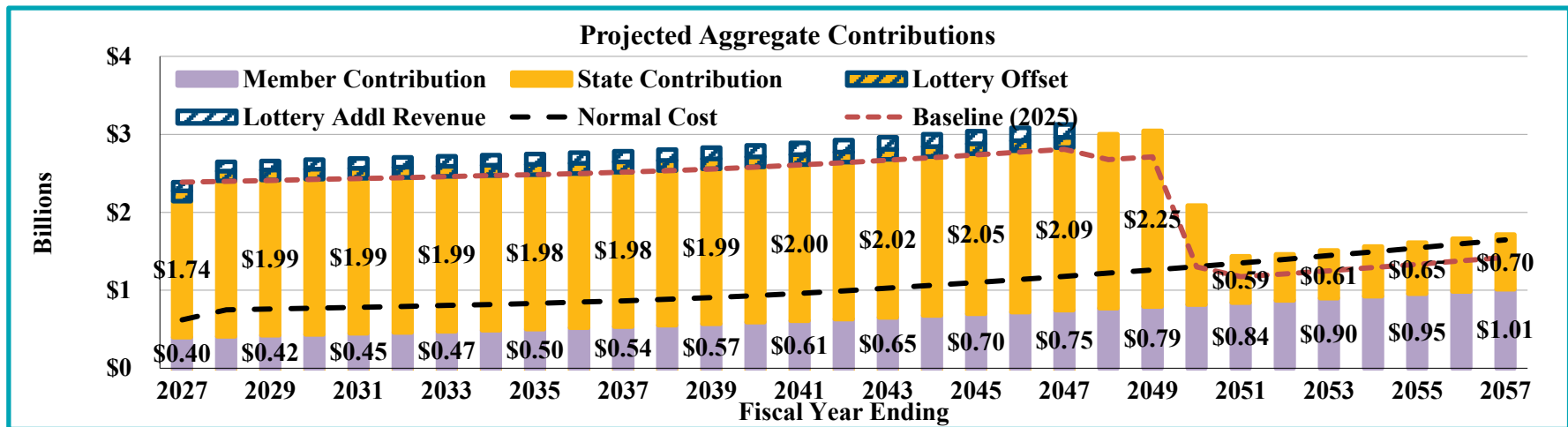
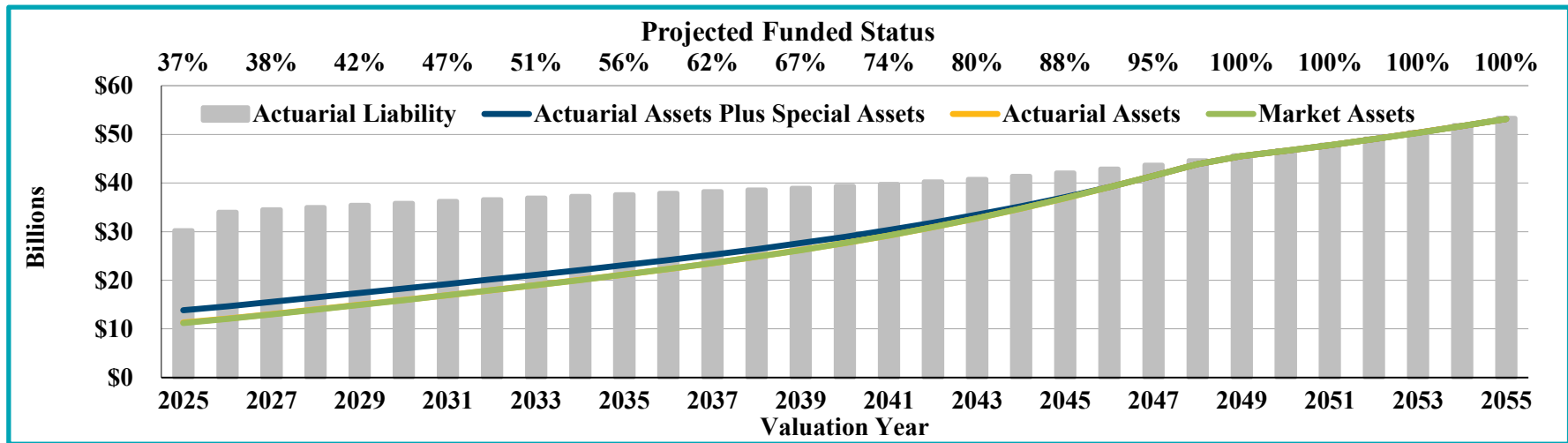
This scenario results in Statutory contributions that are about 16% higher for State and 40% higher for Local employers in FYE 2039 when compared to the baseline projection. Again, the contributions for Local employers are more sensitive to assumption changes because of the funded status at the time of the change.

PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
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SECTION II – ASSESSMENT AND DISCLOSURE OF RISK

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

State

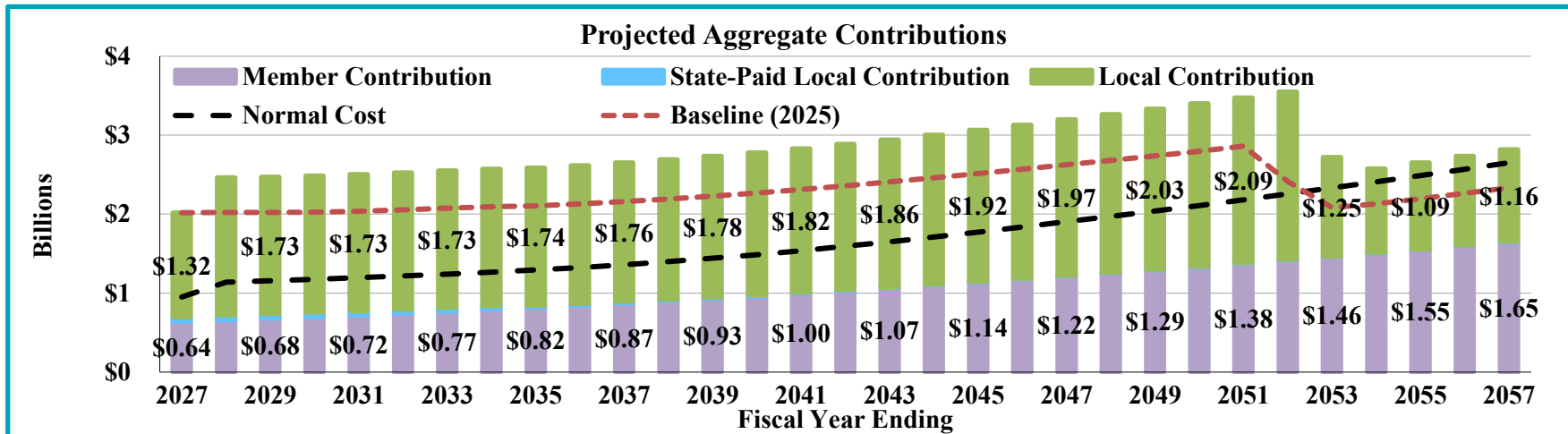
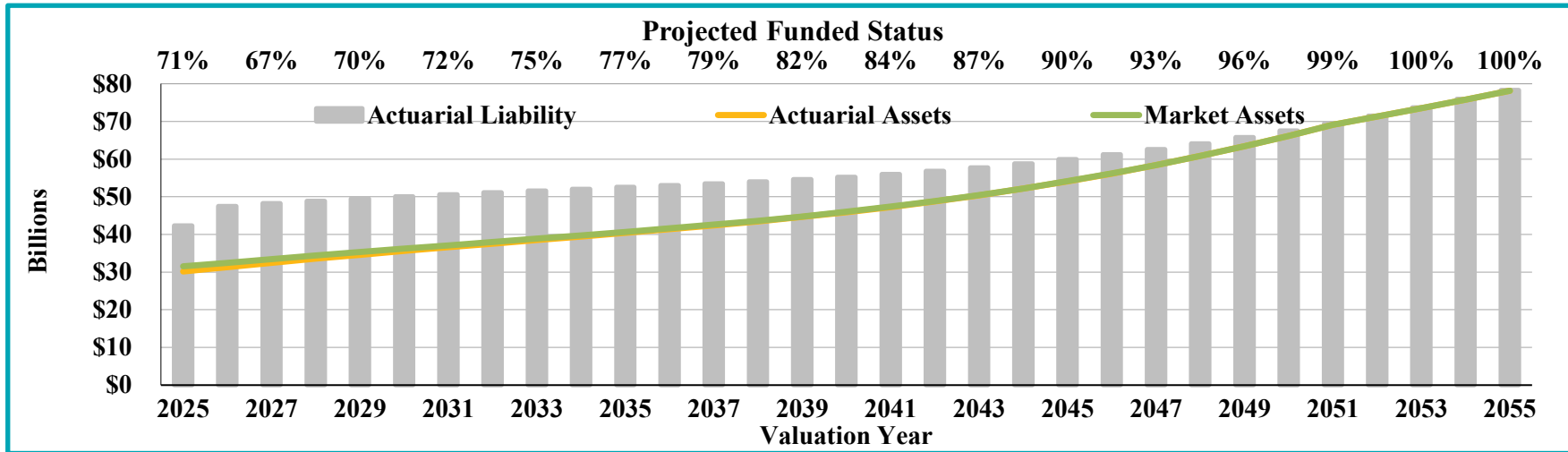


PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
 JULY 1, 2025 ACTUARIAL VALUATION

SECTION II – ASSESSMENT AND DISCLOSURE OF RISK

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

**Local Employers**



**SECTION II – ASSESSMENT AND DISCLOSURE OF RISK**

**Low-Default-Risk Obligation Measure (LDROM)**

The System invests in a diversified portfolio to achieve the best possible return at an acceptable level of risk. The lowest investment risk portfolio for a pension plan would be composed entirely of low-default-risk fixed income securities whose cash flows approximately match the cash flow needs of the System. However, such a portfolio would have a lower expected rate of return (5.58% as of June 30, 2025) than the diversified portfolio (7.00%). Low-Default-Risk Obligation Measure (LDROM) represents what the Actuarial Liability would be if the System's assets were invested in such a portfolio. As of June 30, 2025 the LDROM is \$84.3 billion<sup>1</sup> compared to the Actuarial Liability of \$72.6 billion for the System in total (State and Local employers). The \$11.7 billion difference can be viewed as the expected savings from taking on the investment risk of the diversified portfolio. Alternatively, it can be viewed as the potential cost of eliminating the investment risk of the non-fixed income allocations of the diversified portfolio.

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

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

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
JULY 1, 2025 ACTUARIAL VALUATION**

**SECTION II – ASSESSMENT AND DISCLOSURE OF RISK**

**Contribution Risk – Sensitivity Testing**

The amortization method used to determine the Statutory contributions is designed to collect more than the tread water level and, therefore, gradually pay down the UAL. However, prior to FYE 2022, State appropriated contributions had consistently been less than the Statutory contributions and the tread water level, increasing the State's UAL by \$0.7 billion over the last ten years. Since FYE 2022, the State appropriated contributions have been greater than or equal to the Statutory contribution. Over the same period, the Local employers' UAL decreased by \$0.6 billion due to contributions mostly greater than the tread water level. Local employers generally made their portion of the Statutory contributions and, while the State appropriated less than the required amount, the State-paid Local contributions were only a small portion of the Local employers' Statutory contributions. The baseline projections assume the State and Local employers contribute 100% of the Statutory amount each year. State and Local employer contributions are projected to be greater than the tread water level for the entire period.

Contribution risk is the potential for actual future contributions to deviate from expected future contributions. The charts on the following pages illustrate the impact on projected future funded status and contribution amounts if the State appropriation declines to 80% of the Statutory contribution for each year in the future, rather than remaining at 100% of the Statutory contribution. We assume that Local employers will continue to contribute 100% of the Statutory contribution as they have done historically, with the exception of FYE 2021 and FYE 2022 when the impact of assumption changes from an experience study was phased-in.

The gold and green outlines in the bottom graphs show the full Statutory contributions for the State and Local employers, respectively, with the shaded portion showing the anticipated appropriated amount.

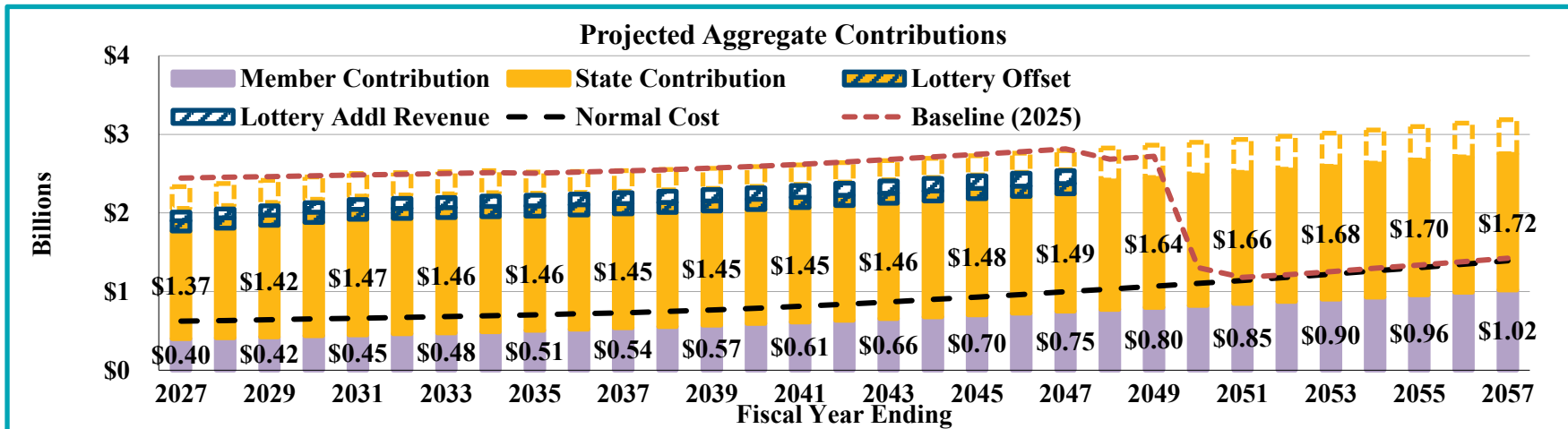
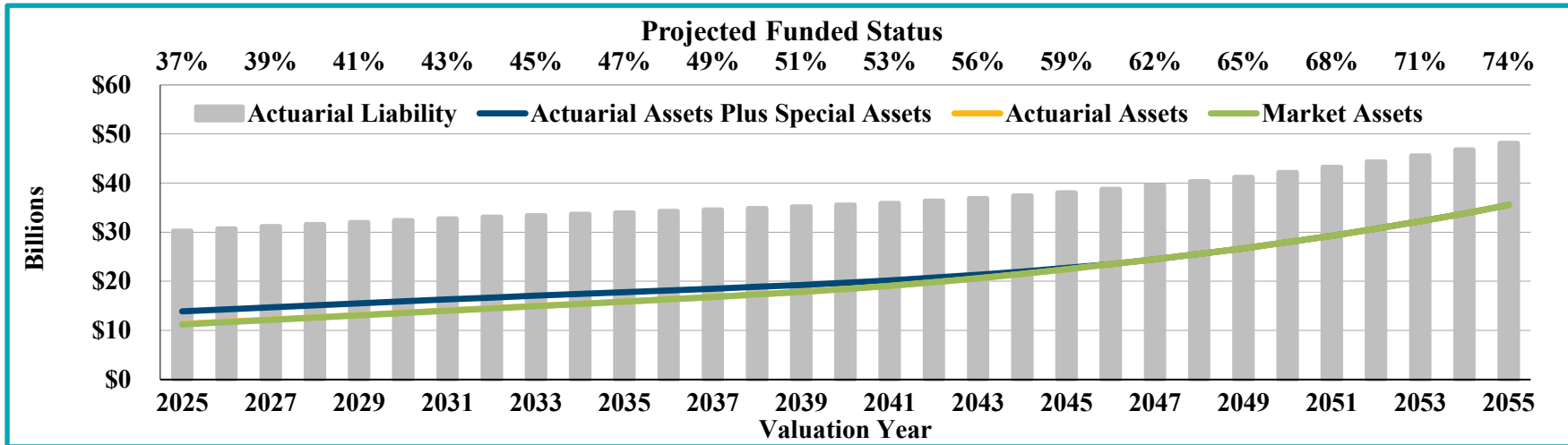
This scenario shows both the Statutory and appropriated State contributions gradually increasing over time. The State Statutory contributions quickly exceed the baseline. The appropriated State contributions are below the baseline initially and eventually grow to reach a similar level, but with a lower funded ratio. The funded ratio at the end of the projection period is 74% compared to 100% under the baseline projections for the State portion. The projection of the Local employers' portion of the System changes relatively little from the baseline because the State-paid Local obligation represents a relatively small portion of the total contributions for Local employers.

PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
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SECTION II – ASSESSMENT AND DISCLOSURE OF RISK

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

State

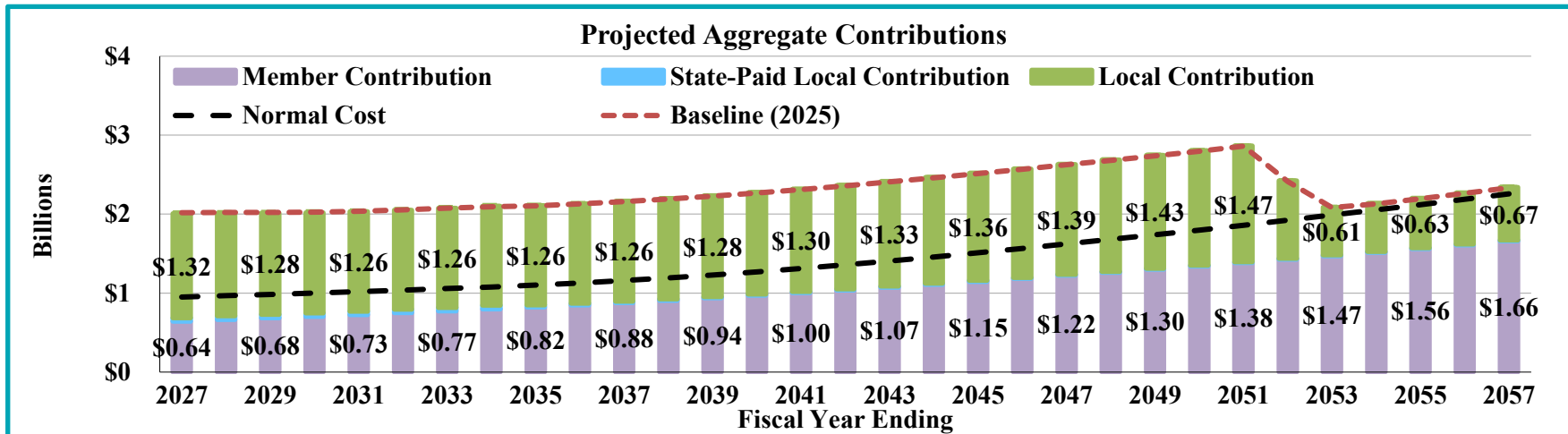
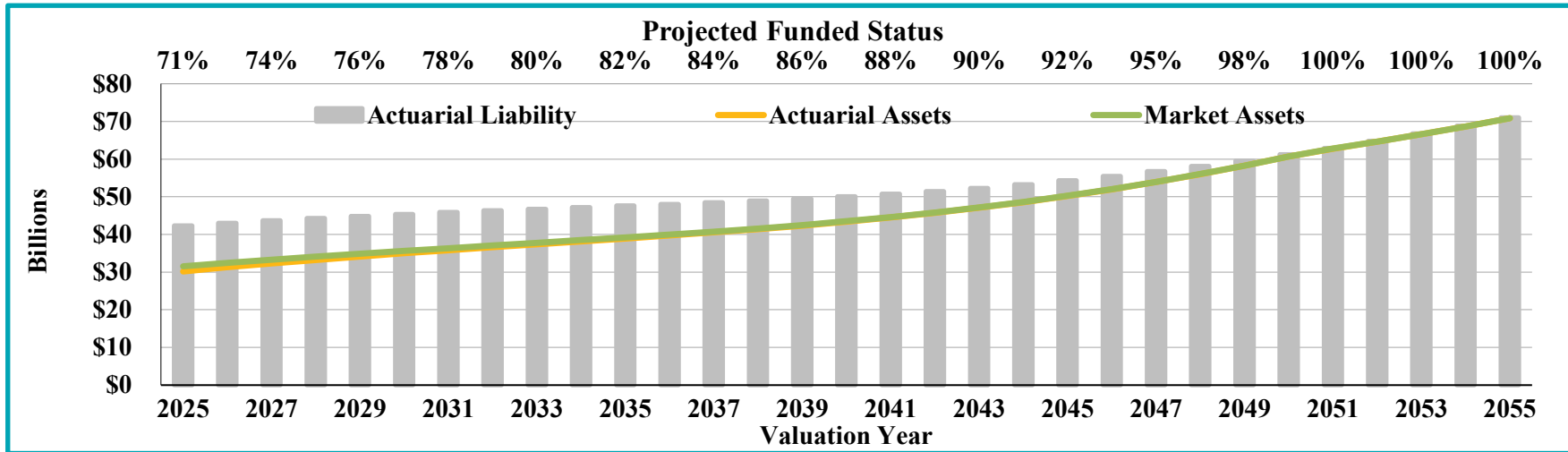


PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
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SECTION II – ASSESSMENT AND DISCLOSURE OF RISK

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

**Local Employers**



**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
JULY 1, 2025 ACTUARIAL VALUATION**

**SECTION II – ASSESSMENT AND DISCLOSURE OF RISK**

**More Detailed Assessment**

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

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY**  
**JULY 1, 2025 ACTUARIAL VALUATION**

**SECTION III – ASSETS**

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

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

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

- Disclosure of assets at July 1, 2024 and July 1, 2025,
- Statement of cash flows during the year,
- Development of the actuarial value of assets,
- Disclosure of investment performance for the year,
- Development of the Special Asset Value (SAV), and
- Development of the Actuarial Balance Sheet.

## **Disclosure**

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

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY**  
**JULY 1, 2025 ACTUARIAL VALUATION**

**SECTION III – ASSETS**

<b>Table III-1</b>		
<b>Statement of Assets at Market Value</b>		
	<b>June 30, 2025</b>	<b>June 30, 2024</b>
<b>Assets</b>		
Cash	\$ 14,835,817	\$ 18,093,336
Investment Holdings	39,611,121,203	36,349,205,351
Employers' Contributions Receivable - Chapter 19	10,413,465	18,582,343
Employers' Contributions Receivable - State	0	0
Employers' Contributions Receivable - NCGI State	5,127,069	5,178,217
Employers' Contributions Receivable - NCGI Local Employers	60,417,617	58,306,504
Employers' Contributions Receivable - Lottery	36,154,400	28,166,800
Employers' Contributions Receivable - Local Employers	1,316,977,885	1,309,482,067
Employers' Contributions Receivable - Local Employers ERI	13,124,679	14,352,240
Employers' Contributions Receivable - Retroactive Contributions	6,888,961	7,600,404
Employers' Contributions Receivable - Delayed Enrollments	1,343,055	1,483,014
Employers' Contributions Receivable - Delayed Appropriations	2,326,953	3,097,889
Members' Contributions Receivable	68,118,510	68,205,067
Accrued Interest on Investments	165,074	486,216
Accounts Receivable - Other	6,520,416	6,177,453
Loans Receivable	563,124,966	532,610,122
Securities Lending Collateral	507,675,215	311,286,204
<b>Total Assets</b>	<b>\$ 42,224,335,285</b>	<b>\$ 38,732,313,227</b>
<b>Liabilities</b>		
Pension Payroll Payable	\$ (386,843,652)	\$ (374,801,441)
Pension Adjustment Payroll Payable	(12,788,577)	(14,032,656)
Withholdings Payable	(38,104,291)	(36,515,032)
Death Benefits Payable	(10,366,866)	(12,253,031)
Securities Lending Collateral & Rebates Payable	(507,469,171)	(311,130,891)
Administrative Expenses Payable	(41,646,037)	(42,230,113)
Accounts Payable - Other	(224,164,456)	(200,699,161)
<b>Total Liabilities</b>	<b>\$ (1,221,383,050)</b>	<b>\$ (991,662,325)</b>
<b>Preliminary Market Value of Assets</b>	<b>\$ 41,002,952,235</b>	<b>\$ 37,740,650,902</b>
<b>Discounted Receivables</b>		
State Appropriations	\$ 1,674,763,646	\$ 1,643,398,248
Expected Lottery Revenue	230,677,542	228,798,674
<b>Adjustments to June 30, 2025 Financial Report</b>		
Discounting of Local Employers Appropriations Receivable	(64,630,474)	(64,441,565)
Discounting of Local Employers ERI Contributions Receivable	(853,222)	(931,984)
True-up of Present Value of Chapter 19, P.L. 2009 Contributions Receivable	(2,190,079)	(2,591,289)
Exclusion of Reserve for Non-Contributory Group Insurance	(88,027,292)	(74,480,926)
<b>Market Value of Assets</b>	<b>\$ 42,752,692,356</b>	<b>\$ 39,470,402,060</b>

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
JULY 1, 2025 ACTUARIAL VALUATION**

**SECTION III – ASSETS**

**System Cash Flows as of June 30, 2025**

Table III-2 Changes in Market Values for FYE June 30, 2025			
	State	Local Employers	Total
<b>Additions</b>			
Contributions			
Member Contributions	\$ 403,203,125	\$ 660,826,922	\$ 1,064,030,047
Member Transfer Contributions	10,730,169	790,210	11,520,379
State and Local Employers Appropriations	1,654,263,270	1,306,246,332	2,960,509,602
State Contributions on Behalf of Locals	0	59,812,730	59,812,730
State Lottery	227,646,600	0	227,646,600
NCGI Premium	38,776,581	60,427,007	99,203,588
Transfers from Other Systems	1,936,444	2,656,160	4,592,604
Delayed Enrollments	230,792	726,347	957,139
Delayed Appropriations	0	3,397,016	3,397,016
Retroactive Employer Contributions	0	6,728,284	6,728,284
Additional Employer Contributions	0	35,533	35,533
Chapter 19 Adjustment	0	0	0
Total Contributions	\$ 2,336,786,981	\$ 2,101,646,541	\$ 4,438,433,522
Net Investment Income	885,340,891	3,054,430,706	3,939,771,597
Total Additions	\$ 3,222,127,872	\$ 5,156,077,247	\$ 8,378,205,119
<b>Deductions</b>			
Withdrawal of Member Contributions	\$ 66,332,045	\$ 111,458,323	\$ 177,790,368
Transfers to Other Systems - Member Contributions	9,697,163	16,512,740	26,209,903
Transfers to Other Systems - Employer Contributions	2,333,987	6,823,077	9,157,064
Adjustments to Member Account Loans	495,563	0	495,563
Retirement Allowances	2,010,228,812	2,649,078,802	4,659,307,614
Pension Adjustment Benefits	57,372,028	63,747,368	121,119,396
NGCI Premium	38,776,581	52,094,306	90,870,887
Administrative Expenses	9,480,036	21,472,955	30,952,991
Total Deductions	\$ 2,194,716,215	\$ 2,921,187,571	\$ 5,115,903,786
<b>Net Increase/(Decrease)</b>	<b>\$ 1,027,411,657</b>	<b>\$ 2,234,889,676</b>	<b>\$ 3,262,301,333</b>
<b>Preliminary Market Value of Assets Beginning of Year</b>	<b>\$ 8,327,580,797</b>	<b>\$ 29,413,070,105</b>	<b>\$ 37,740,650,902</b>
<b>Preliminary Market Value of Assets End of Year</b>	<b>\$ 9,354,992,454</b>	<b>\$ 31,647,959,781</b>	<b>\$ 41,002,952,235</b>
<b>Discounted Receivables</b>			
State Appropriations	\$ 1,618,772,178	55,991,468	\$ 1,674,763,646
Expected Lottery Revenue	230,677,542	0	230,677,542
<b>Adjustments to June 30, 2025 Financial Report</b>			
Discounting of Local Employers Appropriations Receivable	0	(64,630,474)	(64,630,474)
Discounting of Local Employers ERI Contributions Receivable	0	(853,222)	(853,222)
True-up of Present Value of Chapter 19, P.L. 2009 Contributions Receivable	0	(2,190,079)	(2,190,079)
Exclusion of Reserve for Non-Contributory Group Insurance	0	(88,027,292)	(88,027,292)
<b>Market Value of Assets End of Year</b>	<b>\$ 11,204,442,174</b>	<b>\$ 31,548,250,182</b>	<b>\$ 42,752,692,356</b>
<b>Approximate Return</b>	<b>10.80%</b>	<b>11.19%</b>	<b>11.10%</b>

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
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**SECTION III – ASSETS**

**Actuarial Value of Assets (AVA)**

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

<b>Table III-3 Development of Actuarial Value of Assets as of June 30, 2025</b>			
	<b>State</b>	<b>Local Employers</b>	<b>Total</b>
1. Preliminary Actuarial Value of Assets as of July 1, 2024 <sup>1</sup>	\$ 8,729,721,564	\$ 28,877,281,424	\$ 37,607,002,988
2. Net Cash Flow excluding Investment Income <sup>2</sup>	142,070,766	(810,889,588)	(668,818,822)
3. Expected Investment Income <sup>3</sup>	<u>601,861,294</u>	<u>1,873,175,108</u>	<u>2,475,036,402</u>
4. Expected Actuarial Value of Assets as of July 1, 2025: [1 + 2 + 3]	\$ 9,473,653,624	\$ 29,939,566,944	\$ 39,413,220,568
5. Preliminary Market Value of Assets as of June 30, 2025 <sup>4</sup>	\$ 9,354,992,454	\$ 31,645,344,536	\$ 41,000,336,990
6. 20% of Difference from MVA [20% * (5 - 4)]	\$ (23,732,234)	\$ 341,155,518	\$ 317,423,284
7. Preliminary Actuarial Value of Assets as of July 1, 2025: [4 + 6]	\$ 9,449,921,390	\$ 30,280,722,462	\$ 39,730,643,852
8. Discounted Receivable Contributions			
State Appropriations	\$ 1,618,772,178	\$ 55,991,468	\$ 1,674,763,646
Expected Lottery Revenue	230,677,542	0	230,677,542
Chapter 19, P.L. 2009 Contributions for FYE 2027 and Later	<u>0</u>	<u>0</u>	<u>0</u>
Total	\$ 1,849,449,720	\$ 55,991,468	\$ 1,905,441,188
9. Adjustments			
Discounting of Local Employers Appropriations Receivable	\$ 0	\$ (64,630,474)	\$ (64,630,474)
Discounting of Chapter 19, P.L. 2009 Contributions Receivable for FYE 2026	0	(428,056)	(428,056)
Exclusion of Reserve for Non-Contributory Group Insurance	<u>0</u>	<u>(88,027,292)</u>	<u>(88,027,292)</u>
Total	\$ 0	\$ (153,085,822)	\$ (153,085,822)
10. Actuarial Value of Assets as of July 1, 2025: [7 + 8 + 9]	\$ 11,299,371,110	\$ 30,183,628,108	\$ 41,482,999,218
11. Rate of Return on Actuarial Value of Assets	6.72%	8.27%	7.90%
12. Ratio of Actuarial Value of Assets to Market Value of Assets	100.8%	95.7%	97.0%

<sup>1</sup> Includes Local appropriations receivable from June 30, 2024 Financial Report but excludes discounted State receivable contributions, present value of Chapter 19, P.L. 2009 contributions receivable and other adjustments.

<sup>2</sup> Amount for Local Employers includes expected Chapter 19, P.L. 2009 payments for FYE 2026 of \$8,651,442.

<sup>3</sup> Refer to Appendix B, Actuarial Methods, for details on the assumed timing of contributions.

<sup>4</sup> Amount for Local Employers includes adjustments to June 30, 2025 Financial Report for discounting of Local Employers ERI contributions receivable of \$(853,222) and true-up of Chapter 19, P.L. 2009 contributions receivable for FYE 2026 of \$(1,762,023).

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
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**SECTION III – ASSETS**

**Investment Performance**

In reviewing the investment performance for the System's assets in aggregate, the market value of assets rate of return was 11.10% for the year ending June 30, 2025. This is compared to an assumed return of 7.00% for the same period. On an actuarial value of assets basis, the return for FYE 2025 was 7.90%.

The calculated returns for State and Local employers' portions differ due to the size of cash flows relative to the beginning of year asset value, the timing of contributions, and the income allocation methodology. For the year ending June 30, 2025, the market value of assets rate of return was 10.80% and 11.19% for the State and Local employers' portions, respectively. On an actuarial value of assets basis, the return for FYE 2025 was 6.72% and 8.27% for the State and Local employers portions, respectively.

In Table III-4 we show the historical asset returns compared to the investment return assumption, beginning with the year ending on June 30, 2000. As of July 1, 1999, the actuarial value of assets was reset to equal the market value of assets.

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**SECTION III – ASSETS**

<b>Table III-4 Annual Rates of Return Total System</b>			
<b>Year Ended June 30</b>	<b>Investment Return Assumption</b>	<b>Market Value<sup>1</sup></b>	<b>Actuarial Value<sup>2</sup></b>
2000	8.75%	11.86%	9.29%
2001	8.75%	-9.80%	5.50%
2002	8.75%	-8.61%	3.07%
2003	8.75%	3.31%	2.93%
2004	8.75%	14.16%	4.44%
2005	8.25%	8.77%	4.74%
2006	8.25%	9.79%	5.78%
2007	8.25%	17.14%	7.96%
2008	8.25%	-2.61%	6.83%
2009	8.25%	-15.49%	3.24%
2010	8.25%	13.34%	3.16%
2011	8.25%	17.97%	5.26%
2012	7.95%	2.47%	4.58%
2013	7.90%	11.72%	5.52%
2014	7.90%	16.79%	7.60%
2015	7.90%	4.08%	5.94%
2016	7.90%	-1.15%	4.95%
2017	7.65%	12.71%	5.99%
2018	7.50%	9.17%	6.49%
2019	7.50%	6.33%	6.41%
2020	7.30%	1.64%	5.30%
2021	7.30%	28.50%	9.51%
2022	7.00%	-7.47%	5.60%
2023	7.00%	9.37%	6.25%
2024	7.00%	10.71%	7.09%
2025	7.00%	11.10%	7.90%

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

<sup>2</sup>The prior actuary did not report an actuarial value return in the year 2000. The return shown was calculated based on available information.

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**SECTION III – ASSETS**

Additionally, we show the compound annualized rates of return for various periods since the July 1, 1999 AVA reset in the following table. On a cumulative basis, there are periods where the market value return significantly exceeds the actuarial value return. This is due to the recognition of market value losses from earlier years in the actuarial value. We present compound annualized rates of return over consecutive five-year periods to help illustrate this point.

<b>Table III-5 Compound Annualized Rates of Returns</b>			
<b>Period</b>	<b>Investment Return</b>		
	<b>Assumption</b>	<b>Market Value</b>	<b>Actuarial Value</b>
Since July 1, 1999	7.93%	6.30%	5.81%
25-Year	7.90%	6.09%	5.67%
20-Year	7.71%	7.36%	6.06%
15-Year	7.54%	8.61%	6.29%
10-Year	7.31%	7.71%	6.54%
5-Year	7.06%	9.85%	7.26%
<b>Consecutive Five-Year Periods</b>			
2000 to 2004	8.75%	1.69%	5.02%
2005 to 2009	8.25%	2.86%	5.70%
2010 to 2014	8.05%	12.32%	5.21%
2015 to 2019	7.69%	6.12%	5.96%
2020 to 2024	7.12%	7.91%	6.74%
2025 (One-Year)	7.00%	11.10%	7.90%

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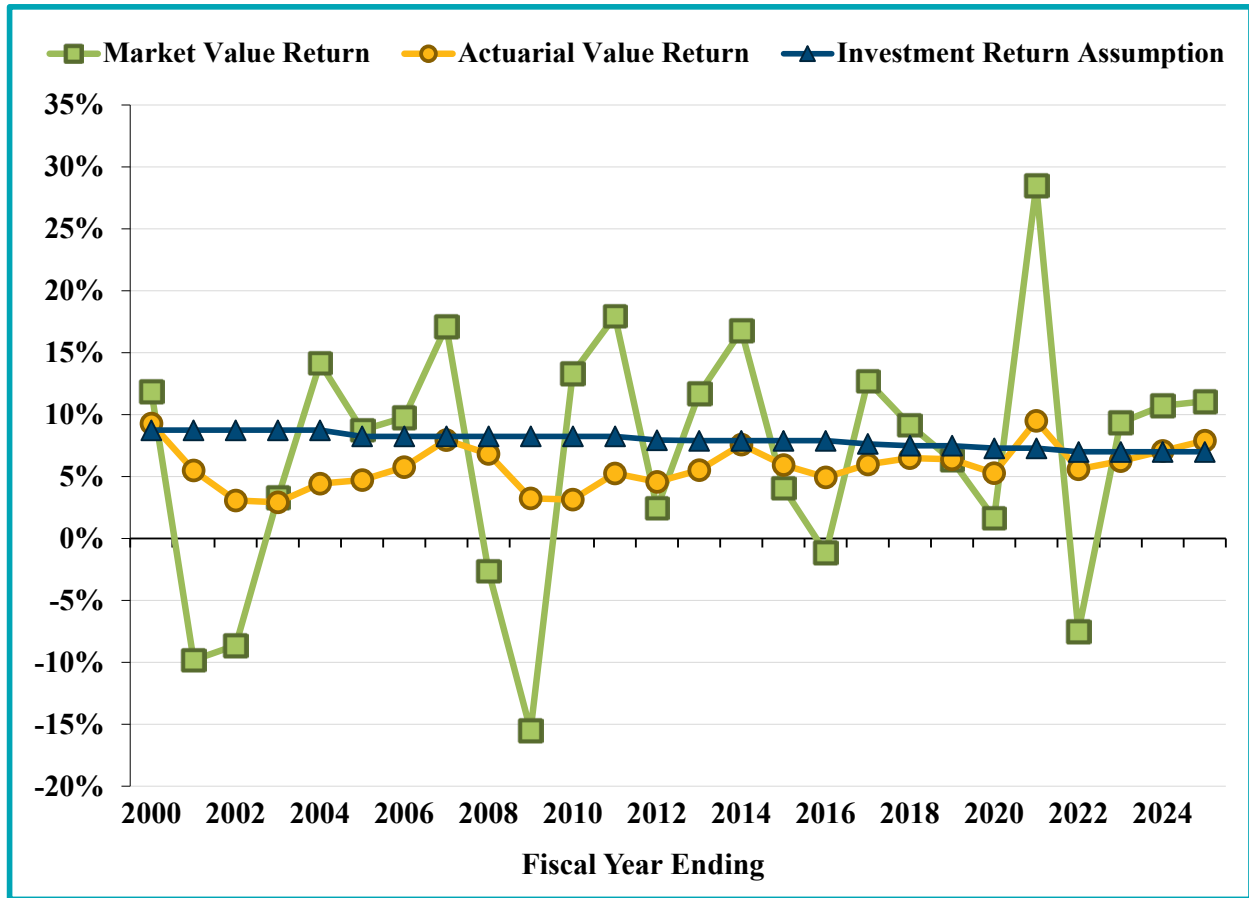
**SECTION III – ASSETS**

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

For nearly the entire period, the actuarial value returns fell short of the investment return assumption and resulted in AVA losses and UAL increases. When the actuarial return approaches the assumption, the MVA closes in on the AVA with the possibility of AVA gains in the near future. However, two such instances (2007 and 2014) are followed by market value losses (large, sharp losses in 2008-2009 and small cumulative losses in 2015-2020). In contrast, the 2021 market return of 28.50% was sufficiently large so that the market value of assets exceeded the actuarial value of assets and the actuarial value return was slightly greater than the investment return assumption, resulting in an actuarial asset gain for the July 1, 2021 valuation. However, the significant negative market return in 2022 again resulted in actuarial losses in 2022 and 2023 as the investment loss was gradually recognized in the actuarial returns. With market returns in excess of the assumption from 2023-2025, an actuarial asset gain occurred in 2025 for the aggregate System. Due to the investment income allocation method, the State's actuarial return was less than the investment return assumption resulting in an AVA loss for the State, while the Local employer's actuarial return was greater than the investment return assumption resulting in an AVA gain for Local employers.

PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
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SECTION III – ASSETS



**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
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**SECTION III – ASSETS**

**Development of Special Asset Value (SAV)**

Under Chapter 98, P.L. 2017, the Lottery Enterprise Contribution Act, PERS receives 21.02% of the proceeds of the Lottery Enterprise for a term of 30 years. The value of the Lottery Enterprise is classified as a special asset and is included in the State's actuarial value of assets used for the purpose of calculating the target funding ratio under Chapter 78, P.L. 2010. The special asset value is the present value of remaining lottery contributions to the retirement systems.

Chapter 82, P.L. 2025 revises the apportionment of State lottery revenue. The percentage of lottery revenue dedicated to the New Jersey Retirement Systems is reduced from 30% to 27% for at least FYE 2026 through FYE 2028 and may revert to 30% thereafter depending on future lottery revenue. We continue to rely on the projected lottery revenue proceeds from the most recent New Jersey Lottery Valuation Report as of December 31, 2021.

Table III-6 shows the development of the special asset value as of July 1, 2025. The depreciated value is a roll forward of the Lottery Enterprise Value from the appraisal date.

<b>Table III-6 Development of Special Asset Value as of July 1, 2025</b>	
1. Lottery Enterprise Value as of Appraisal Date of June 30, 2017 <sup>1</sup>	\$ 13,535,103,380
2. Depreciated Value as of end of Valuation Year at June 30, 2026 <sup>1</sup>	\$ 12,961,208,900
3. Discounted Value as of July 1, 2025 at 7.0%	\$ 12,113,279,346
4. Allocation to PERS	21.02%
5. Special Asset Value as of July 1, 2025	\$ 2,546,211,319

<sup>1</sup> Provided by the Division of Pensions and Benefits

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
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**SECTION III – ASSETS**

**Actuarial Balance Sheet**

Table III-7 Actuarial Balance Sheet as of July 1, 2025			
	State	Local Employers	Total
<b>Assets</b>			
<u>Retirement Fund Reserve (RFR)</u>			
Credited to Fund with Distribution of Income	\$ 17,801,016,324	\$ 25,662,122,276	\$ 43,463,138,600
Add/(Deduct) reserve transferable from/(to) ECR <sup>1</sup>	944,252,054	(56,100,746)	888,151,308
Adjusted RFR <sup>2</sup>	\$ 18,745,268,378	\$ 25,606,021,530 <sup>3</sup>	\$ 44,351,289,908
Members' Contributions Reserve (MCR) <sup>2</sup>	\$ 3,704,261,786	\$ 5,891,466,117	\$ 9,595,727,903
Accumulative Interest Reserve (AIR) with Distribution of Income <sup>2</sup>	\$ 3,607,322,499	\$ 5,212,223,875	\$ 8,819,546,374
<u>Employers' Contributions Reserve (ECR)</u>			
Credited to Fund with Distribution of Income	\$ (13,813,229,499)	\$ (6,582,184,160)	\$ (20,395,413,659)
Add/(Deduct) reserve transferable from/(to) RFR	(944,252,054)	56,100,746	(888,151,308)
Add/(Deduct) reserve transferable from/(to) BEF	0	0	0
Adjusted ECR <sup>2</sup>	\$ (14,757,481,553)	\$ (6,526,083,414)	\$ (21,283,564,967)
<u>Benefit Enhancement Fund (BEF)</u>			
Credited to Fund with Distribution of Income	\$ 0	\$ 0	\$ 0
Add/(Deduct) reserve transferable from/(to) ECR	0	0	0
Adjusted BEF <sup>2</sup>	\$ 0	\$ 0	\$ 0
Special Asset Value as of July 1, 2025	\$ 2,546,211,319	\$ 0	\$ 2,546,211,319
Present Value of Prospective Contributions by State and Local Employers to ECR	\$ 16,400,902,492	\$ 12,164,534,917	\$ 28,565,437,409
Assets Allocated to the BEF	\$ 0	\$ 0	\$ 0
<b>Total Assets</b>	<b>\$ 30,246,484,921</b>	<b>\$ 42,348,163,025</b>	<b>\$ 72,594,647,946</b>
<b>Liabilities</b>			
<u>Payable from RFR</u>			
Retirees, Disableds, and Beneficiaries currently receiving benefits	\$ 18,745,268,378	\$ 25,606,021,530 <sup>3</sup>	\$ 44,351,289,908
<u>Payable from MCR, AIR and ECR</u>			
Actives and Deferred Vesteds due a future benefit	\$ 11,501,216,543	\$ 16,742,141,495	\$ 28,243,358,038
<b>Total Liabilities</b>	<b>\$ 30,246,484,921</b>	<b>\$ 42,348,163,025</b>	<b>\$ 72,594,647,946</b>

<sup>1</sup> It is recommended that the RFR be put into balance each year by transferring assets from the ECR to the RFR so that the RFR will contain sufficient assets to cover the retiree and beneficiary liability.

<sup>2</sup> Actuarial Value of Assets equals RFR + MCR + AIR + ECR + BEF.

<sup>3</sup> Includes the present value of ERI payments of \$11,126,391.

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
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**SECTION IV – LIABILITIES**

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

- Disclosure of liabilities at July 1, 2024 and July 1, 2025,
- Active liabilities broken down by Tier, and
- The development of the actuarial gain and loss.

**Disclosure**

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

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

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**SECTION IV – LIABILITIES**

Table IV-1 shows the actuarial liability, unfunded actuarial liability and funded ratio as of July 1, 2025 for the System. The unfunded actuarial liability (UAL) and funded ratio based on the actuarial value of assets plus the special asset value (AVA + SAV) are used to compare against the “target funded ratio” and are different from the UAL and funded ratio used in determining Statutory contributions which are based on just the actuarial value of assets (AVA).

<b>Table IV-1 Disclosure of Liabilities</b>			
	<b>State</b>	<b>Local Employers</b>	<b>Total</b>
<b>Actuarial Liability</b>			
Contributing Actives	\$ 10,860,631,502	\$ 15,601,109,336	\$ 26,461,740,838
Non-Contributing Members	615,400,269	1,087,299,638	1,702,699,907
Deferred Beneficiaries	1,027,916	2,816,400	3,844,316
Deferred Vesteds	24,156,856	50,916,121	75,072,977
Retirees	17,023,157,202	22,935,320,284	39,958,477,486
Disabled	895,355,151	1,276,740,865	2,172,096,016
Beneficiaries	826,756,025	1,393,960,381	2,220,716,406
<b>Total Actuarial Liability</b>	<b>\$ 30,246,484,921</b>	<b>\$ 42,348,163,025</b>	<b>\$ 72,594,647,946</b>
Actuarial Value of Assets	\$ 11,299,371,110	\$ 30,183,628,108	\$ 41,482,999,218
Unfunded Actuarial Liability/(Surplus)	\$ 18,947,113,811	\$ 12,164,534,917	\$ 31,111,648,728
Funded Ratio (AVA)	37.36%	71.27%	57.14%
Actuarial Value of Assets + Special Asset Value	\$ 13,845,582,429	\$ 30,183,628,108	\$ 44,029,210,537
Unfunded Actuarial Liability/(Surplus) (AVA + SAV)	\$ 16,400,902,492	\$ 12,164,534,917	\$ 28,565,437,409
	45.78%	71.27%	60.65%

<sup>1</sup> Includes the present value of ERI payments of \$11,126,391.

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
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**SECTION IV – LIABILITIES**

Table IV-2 and Table IV-3 show the number of members, total appropriation salary, actuarial liability, and gross normal cost of contributing active members by Tier for State and Local employers as of July 1, 2025.

<b>Table IV-2 Contributing Active Liabilities by Tier State</b>				
	<b>Number of Members</b>	<b>Appropriation Payroll<sup>1</sup></b>	<b>Actuarial Liability</b>	<b>Gross Normal Cost</b>
Tier 1	23,898	\$ 2,251,739,911	\$ 8,599,426,427	\$ 317,491,727
Tier 2	2,218	188,878,359	430,235,721	24,022,859
Tier 3	1,556	130,356,061	262,419,330	15,930,628
Tier 4	1,109	99,767,702	156,483,096	10,298,002
Tier 5	38,515	2,742,368,780	1,412,066,928	213,304,281
<b>Total</b>	<u>67,296</u>	<u>\$ 5,413,110,813</u>	<u>\$ 10,860,631,502</u>	<u>\$ 581,047,497</u>

<b>Table IV-3 Contributing Active Liabilities by Tier Local Employers</b>				
	<b>Number of Members</b>	<b>Appropriation Payroll<sup>1</sup></b>	<b>Actuarial Liability</b>	<b>Gross Normal Cost</b>
Tier 1	43,342	\$ 3,084,081,466	\$ 11,711,447,786	\$ 415,818,602
Tier 2	5,453	333,223,256	768,576,143	42,022,319
Tier 3	3,410	220,261,013	447,225,598	26,692,470
Tier 4	1,638	120,984,405	189,373,614	12,283,285
Tier 5	90,296	4,954,107,100	2,484,486,195	390,210,192
<b>Total</b>	<u>144,139</u>	<u>\$ 8,712,657,240</u>	<u>\$ 15,601,109,336</u>	<u>\$ 887,026,868</u>

<sup>1</sup> Tier 1 members limited to the 401(a)(17) pay limit. Other tiers limited to the Social Security Wage Base.

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
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**SECTION IV – LIABILITIES**

Table IV-4 and Table IV-5 show the number of members, actuarial liability, and gross normal cost of non-contributing members by Tier for State and Local employers as of July 1, 2025. The gross normal cost is zero for non-contributing members because these members are no longer accruing additional benefits.

<b>Table IV-4 Non-Contributing Member Liabilities by Tier State</b>			
	<b>Number of Members</b>	<b>Actuarial Liability</b>	<b>Gross Normal Cost</b>
Tier 1	4,501	\$ 484,868,720	\$ 0
Tier 2	381	27,061,509	0
Tier 3	230	16,837,294	0
Tier 4	147	10,485,713	0
Tier 5	5,115	76,147,033	0
<b>Total</b>	<u>10,374</u>	<u>\$ 615,400,269</u>	<u>\$ 0</u>

<b>Table IV-5 Non-Contributing Member Liabilities by Tier Local Employers</b>			
	<b>Number of Members</b>	<b>Actuarial Liability</b>	<b>Gross Normal Cost</b>
Tier 1	12,065	\$ 837,571,534	\$ 0
Tier 2	1,216	49,383,762	0
Tier 3	745	34,520,873	0
Tier 4	218	12,477,793	0
Tier 5	15,059	153,345,676	0
<b>Total</b>	<u>29,303</u>	<u>\$ 1,087,299,638</u>	<u>\$ 0</u>

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
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**SECTION IV – LIABILITIES**

Tables IV-6 and IV-7 present the change in the actuarial liabilities, actuarial assets, and unfunded actuarial liability during the plan year for State and Local employers. In general, the unfunded actuarial liability (UAL) of any retirement system is expected to change at each subsequent valuation for a variety of reasons. In each valuation, we report on those elements of change in the UAL which are of particular significance, potentially affecting the long-term financial outlook of the System.

For this purpose, we focus on the UAL without considering the SAV because this UAL is used to determine the Statutory contribution. The UAL is also prior to any adjustments for State-paid Local obligations.

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
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**SECTION IV – LIABILITIES**

<b>Table IV-6 Development of 2025 Experience (Gain)/Loss State</b>			
	<b>Actuarial Liability</b>	<b>Actuarial Value of Assets</b>	<b>Unfunded Actuarial Liability/(Surplus)</b>
1. Value as of July 1, 2024	\$ 29,484,814,054	\$ (10,544,572,052)	\$ 18,940,242,002
2. Additions			
Normal Cost	\$ 532,010,861	\$ 0	\$ 532,010,861
Statutory State Contributions	0	(1,818,469,547)	(1,818,469,547)
Expected Member Contributions	0	(365,011,264)	(365,011,264)
Total Additions	<u>\$ 532,010,861</u>	<u>\$ (2,183,480,811)</u>	<u>\$ (1,651,469,950)</u>
3. Deductions			
Benefit Payments	\$ (2,134,428,448)	\$ 2,134,428,448	\$ 0
Expected Administrative Expenses	0	0	0
Total Deductions	<u>\$ (2,134,428,448)</u>	<u>\$ 2,134,428,448</u>	<u>\$ 0</u>
4. Net Transfers from Other Systems			
State Contributions	\$ (397,543)	\$ 397,543	\$ 0
Member Contributions	1,033,006	(1,033,006)	0
Total Net Transfers	<u>\$ 635,463</u>	<u>\$ (635,463)</u>	<u>\$ 0</u>
5. Expected Interest	\$ 2,027,758,103	\$ (677,259,726)	\$ 1,350,498,377
6. Expected Value as of July 1, 2025: [1 + 2 + 3 + 4 + 5]	\$ 29,910,790,033	\$ (11,271,519,604)	\$ 18,639,270,429
7. Other Changes			
Appropriation Adjustment	\$ 0	\$ (198)	\$ (198)
Contribution Timing	0	77,555,629	77,555,629
Actual Lottery Revenue	0	(99,200,695)	(99,200,695)
Other Employer Contributions	0	(238,733)	(238,733)
Actual Member Contributions	0	(39,505,968)	(39,505,968)
Change in Methods/Assumptions	57,539,109	0	57,539,109
Change in Benefits/Policy	0	0	0
Total Other Changes	<u>\$ 57,539,109</u>	<u>\$ (61,389,965)</u>	<u>\$ (3,850,856)</u>
8. Expected value after changes: [6 + 7]	\$ 29,968,329,142	\$ (11,332,909,569)	\$ 18,635,419,573
9. Actual Value as of July 1, 2025	\$ 30,246,484,921	\$ (11,299,371,110)	\$ 18,947,113,811
10. Actuarial (Gain)/Loss: [9 - 8]	\$ 278,155,779	\$ 33,538,459	\$ 311,694,238

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
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**SECTION IV – LIABILITIES**

<b>Table IV-7 Development of 2025 Experience (Gain)/Loss Local Employers</b>			
	<b>Actuarial Liability</b>	<b>Actuarial Value of Assets</b>	<b>Unfunded Actuarial Liability/(Surplus)</b>
1. Value as of July 1, 2024	\$ 41,377,056,578	\$ (28,802,958,441)	\$ 12,574,098,137
2. Additions			
Normal Cost	\$ 835,038,601	\$ 0	\$ 835,038,601
Statutory Contributions	0	(1,364,645,823)	(1,364,645,823)
Expected Member Contributions	0	(594,558,166)	(594,558,166)
Total Additions	<u>\$ 835,038,601</u>	<u>\$ (1,959,203,989)</u>	<u>\$ (1,124,165,388)</u>
3. Deductions			
Benefit Payments	\$ (2,824,284,493)	\$ 2,824,284,493	\$ 0
Expected Administrative Expenses	0	0	0
Total Deductions	<u>\$ (2,824,284,493)</u>	<u>\$ 2,824,284,493</u>	<u>\$ 0</u>
4. Net Transfers from Other Systems			
State Contributions	\$ (4,166,917)	\$ 4,166,917	\$ 0
Member Contributions	(15,722,530)	15,722,530	0
Total Net Transfers	<u>\$ (19,889,447)</u>	<u>\$ 19,889,447</u>	<u>\$ 0</u>
5. Expected Interest	\$ 2,856,984,203	\$ (1,938,802,214)	\$ 918,181,989
6. Expected Value as of July 1, 2025: [1 + 2 + 3 + 4 + 5]	\$ 42,224,905,442	\$ (29,856,790,704)	\$ 12,368,114,738
7. Other Changes			
Appropriation Adjustment	\$ 0	\$ 0	\$ 0
Contribution Timing	0	67,038,497	67,038,497
Other Employer Contributions	0	(11,261,787)	(11,261,787)
Actual Member Contributions	0	(68,548,934)	(68,548,934)
ERI and Ch. 19 Receivables	0	0	0
Interest on NCGI Cash Flows	0	4,878,541	4,878,541
Change in Methods/Assumptions	(56,953,505)	0	(56,953,505)
Change in Benefits/Policy	0	0	0
Total Other Changes	<u>\$ (56,953,505)</u>	<u>\$ (7,893,683)</u>	<u>\$ (64,847,188)</u>
8. Expected value after changes: [6 + 7]	\$ 42,167,951,937	\$ (29,864,684,387)	\$ 12,303,267,550
9. Actual Value as of July 1, 2025	\$ 42,348,163,025	\$ (30,183,628,108)	\$ 12,164,534,917
10. Actuarial (Gain)/Loss: [9 - 8]	\$ 180,211,088	\$ (318,943,721)	\$ (138,732,633)

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**SECTION IV – LIABILITIES**

Table IV-8 shows the components of the Actuarial (gain)/loss for the State.

<b>Table IV-8 Actuarial (Gain)/Loss Analysis State</b>		
<b>Components</b>	<b>July 1, 2025</b>	<b>July 1, 2024</b>
<b>Actuarial Value of Assets</b>		
Investment Return	\$ 23,732,234	\$ 100,535,192
Administrative Expenses	9,806,225	10,494,543
Total	<u>\$ 33,538,459</u>	<u>\$ 111,029,735</u>
<b>Actuarial Liability</b>		
Salary Increases	\$ 170,075,335	\$ 204,261,432
New Entrants	23,884,170	26,276,670
Benefit Payments <sup>1</sup>	78,943,081	79,582,746
Demographic Experience and Census Data Updates		
Contributing Actives and Non-Contributing Members	15,032,532	34,308,643
Inactives	<u>(9,122,011)</u>	<u>(17,360,290)</u>
Sub-Total	\$ 278,813,107	\$ 327,069,201
Impact of Net Transfers from Other Systems	<u>(657,328)</u>	<u>(3,489,681)</u>
Total	<u>\$ 278,155,779</u>	<u>\$ 323,579,520</u>
<b>Actuarial (Gain)/Loss</b>	<b>\$ 311,694,238</b>	<b>\$ 434,609,255</b>

<sup>1</sup>This loss is due to benefit payments made from the State reserve to retirees in the Local employers' portion of the System who have service with multiple employers. This administrative practice was identified during the 2021 Experience Study process, and we first quantified the impact beginning with the July 1, 2022 valuation. We anticipate a benefit payment loss to occur each year in the future for the State portion unless the administrative practice is revised, or we are directed to allocate the liabilities associated with these members to the State and assets associated with these members are transferred from the Local employers' reserve to the State reserve.

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
JULY 1, 2025 ACTUARIAL VALUATION**

**SECTION IV – LIABILITIES**

Table IV-9 shows the components of the Actuarial (gain)/loss for Local employers.

<b>Table IV-9 Actuarial (Gain)/Loss Analysis Local Employers</b>		
<b>Components</b>	<b>July 1, 2025</b>	<b>July 1, 2024</b>
<b>Actuarial Value of Assets</b>		
Investment Return	\$ (341,155,518)	\$ (131,253,083)
Administrative Expenses	22,211,797	23,213,759
Total	<u>\$ (318,943,721)</u>	<u>\$ (108,039,324)</u>
<b>Actuarial Liability</b>		
Salary Increases	\$ 164,544,864	\$ 181,170,734
New Entrants	43,315,036	46,657,854
Benefit Payments <sup>1</sup>	(78,943,081)	(79,582,746)
Demographic Experience and Census Data Updates		
Contributing Actives and Non-Contributing Members	50,908,656	36,630,284
Inactives	<u>(20,188,191)</u>	<u>(36,018,671)</u>
Sub-Total	\$ 159,637,284	\$ 148,857,455
Impact of Net Transfers from Other Systems	<u>20,573,804</u>	<u>19,659,486</u>
Total	\$ 180,211,088	\$ 168,516,941
<b>Actuarial (Gain)/Loss</b>	<b>\$ (138,732,633)</b>	<b>\$ 60,477,617</b>

<sup>1</sup>This gain is due to benefit payments made from the State reserve to retirees in the Local employers' portion of the System who have service with multiple employers. This administrative practice was identified during the 2021 Experience Study process, and we first quantified the impact beginning with the July 1, 2022 valuation. We anticipate a benefit payment gain to occur each year in the future for the Local employers' portion unless the administrative practice is revised, or we are directed to assign the liabilities associated with these members to the State and assets associated with these members are transferred from the Local employers' reserve to the State reserve.

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
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**SECTION V – CONTRIBUTIONS**

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

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

For PERS, the funding method employed is the Projected Unit Credit (PUC) Actuarial Cost Method. Under this funding method, the actuarial liability is calculated as the actuarial present value of the projected benefits linearly allocated to periods prior to the valuation year based on service (WCJ Part Service for members in the WCJ Part). Refunds are valued as the Accumulated Deductions with interest as of the valuation date as provided by the Division of Pensions and Benefits. The unfunded actuarial liability is the actuarial liability on the valuation date less the actuarial value of assets.

In accordance with Chapter 78, P. L. 2011, beginning with the July 1, 2019 valuation, the unfunded actuarial liability was amortized over a closed 30-year period as a level dollar amount. As of the July 1, 2025 valuation, the remaining amortization period is 24 years.

Under Chapter 98, P.L. 2017, the Lottery Enterprise Contribution Act, PERS receives 21.02% of the proceeds of the Lottery Enterprise for a term of 30 years. As of the July 1, 2025 valuation, 21 years remain. The State's pension contribution shall be reduced by the product of the allocable percentage for such retirement system, the adjustment percentage for such retirement system and the special asset adjustment.

Chapter 82, P.L. 2025 revises the apportionment of State lottery revenue. The percentage of lottery revenue dedicated to the New Jersey Retirement Systems is reduced from 30% to 27% for at least FYE 2026 through FYE 2028 and may revert to 30% thereafter depending on future lottery revenue. We continue to rely on the projected lottery revenue proceeds from the most recent New Jersey Lottery Valuation Report as of December 31, 2021.

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
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**SECTION V – CONTRIBUTIONS**

Table V-1 shows the development of the Lottery Enterprise contribution offset based on N.J. Statute.

Table V-1 Development of Lottery Enterprise Contribution Offset for Fiscal Year Ending 2027	
1. Special Asset Value Allocated to PERS as of July 1, 2025	\$ 2,546,211,319
2. 21-Year Level Dollar Amortization payable June 30, 2026	\$ 234,987,301
3. Initial Special Asset Value allocable to PERS as of July 1, 2016	\$ 2,642,897,102
4. Maximum Special Asset Adjustment: 30-Year Level-Dollar Amortization at 7.65%	\$ 227,053,417
5. Special Asset Adjustment as of June 30, 2026: [lesser of 2. and 4.]	\$ 227,053,417
6. Adjustment Percentage	57.29%
7. Funded Ratio based on Actuarial Value + Special Asset Value for Total System	60.65%
8. Applicable Adjustment Percentage: [If 7. < 50%, 6. - 3 x (50% - 7.), otherwise 6.]	57.29%
9. Lottery Enterprise Contribution Offset as of June 30, 2026: [5. x 8.]	\$ 130,078,903

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
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**SECTION V – CONTRIBUTIONS**

Table V-2 through Table V-5 show the development of the Statutory pension contributions for the State and Local employers.

Table V-2 Development of Unfunded Actuarial Liability						
	July 1, 2025 Valuation			July 1, 2024 Valuation		
	State	Local Employers <sup>1</sup>	Total	State	Local Employers <sup>1</sup>	Total
<b>1. Actuarial Liability</b>	\$ 30,246,484,921	\$ 42,348,163,025	\$ 72,594,647,946	\$ 29,484,814,054	\$ 41,377,056,578	\$ 70,861,870,632
<b>2. Actuarial Value of Assets<sup>2</sup></b>	\$ 11,299,371,110	\$ 30,183,628,108	\$ 41,482,999,218	\$ 10,544,572,052	\$ 28,802,958,441	\$ 39,347,530,493
<b>3. Unfunded Actuarial Liability</b>						
a. Basic <sup>3</sup>	\$ 18,923,291,457	\$ 12,067,293,032	\$ 30,990,584,489	\$ 18,914,496,039	\$ 12,467,998,356	\$ 31,382,494,395
b. Chapter 133, P.L. 2001 <sup>4</sup>	0	0	0	0	0	0
c. Chapter 366, P.L. 2001 <sup>5</sup>	16,562,447	97,241,885	113,804,332	18,071,143	106,099,781	124,170,924
d. Chapter 259, P.L. 2001	2,980,575	0	2,980,575	3,252,080	0	3,252,080
e. Chapter 140, P.L. 2021	4,279,332	0	4,279,332	4,422,740	0	4,422,740
f. Total	\$ 18,947,113,811	\$ 12,164,534,917	\$ 31,111,648,728	\$ 18,940,242,002	\$ 12,574,098,137	\$ 31,514,340,139
<b>4. Adjustment to UAL for Phase-In of State-Paid Local Obligations</b>						
a. Chapter 133, P.L. 2001	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
b. Chapter 366, P.L. 2001	97,241,885	(97,241,885)	0	106,099,781	(106,099,781)	0
d. Total	\$ 97,241,885	\$ (97,241,885)	\$ 0	\$ 106,099,781	\$ (106,099,781)	\$ 0
<b>5. Net UAL [3 + 4]</b>	<b>\$ 19,044,355,696</b>	<b>\$ 12,067,293,032</b>	<b>\$ 31,111,648,728</b>	<b>\$ 19,046,341,783</b>	<b>\$ 12,467,998,356</b>	<b>\$ 31,514,340,139</b>

<sup>1</sup> Excludes UAL amounts due to Local employer ERI programs and Chapter 19, P.L. 2009 Local employer deferrals because receivables for these amounts are included in the AVA.

<sup>2</sup> AVA without Special Asset Value used to calculate the Statutory Contribution.

<sup>3</sup> Includes UAL amounts due to State ERI programs.

<sup>4</sup> For State, the UAL related to the phase-in of Chapter 133, P.L. 2001 normal costs is not tracked and is included with the Basic UAL.

<sup>5</sup> Reflects the reopening of the Prosecutors Part of PERS based on Chapter 226, P.L. 2021.

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
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**SECTION V – CONTRIBUTIONS**

Table V-3 Development of Unfunded Actuarial Liability Contribution						
	July 1, 2025 Valuation Fiscal Year Ending 2027 Payment			July 1, 2024 Valuation Fiscal Year Ending 2026 Payment		
	State	Local Employers <sup>1</sup>	Total	State	Local Employers <sup>1</sup>	Total
<b>1. Amortization of UAL</b>						
a. Basic <sup>2</sup>	\$ 1,541,965,655	\$ 983,304,170	\$ 2,525,269,825	\$ 1,516,881,017	\$ 999,892,886	\$ 2,516,773,903
b. Chapter 133, P.L. 2001 <sup>3</sup>	0	0	0	0	0	0
c. Chapter 366, P.L. 2001 <sup>4</sup>	2,592,221	15,219,515	17,811,736	2,592,221	15,219,515	17,811,736
d. Chapter 259, P.L. 2001 <sup>4,5</sup>	466,496	0	466,496	466,496	0	466,496
e. Chapter 140, P.L. 2021 <sup>5,6</sup>	423,365	0	423,365	423,364	0	423,364
f. Total	<u>\$ 1,545,447,737</u>	<u>\$ 998,523,685</u>	<u>\$ 2,543,971,422</u>	<u>\$ 1,520,363,098</u>	<u>\$ 1,015,112,401</u>	<u>\$ 2,535,475,499</u>
<b>2. Adjustment to UAL Contribution for State-Paid Local Obligations</b>						
a. Chapter 133, P.L. 2001	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
b. Chapter 366, P.L. 2001	15,219,515	(15,219,515)	0	15,219,515	(15,219,515)	0
c. Total	<u>\$ 15,219,515</u>	<u>\$ (15,219,515)</u>	<u>\$ 0</u>	<u>\$ 15,219,515</u>	<u>\$ (15,219,515)</u>	<u>\$ 0</u>
<b>3. UAL Contribution as of Valuation Date [1 + 2]</b>	\$ 1,560,667,252	\$ 983,304,170	\$ 2,543,971,422	\$ 1,535,582,613	\$ 999,892,886	\$ 2,535,475,499
<b>4. Interest to the Beginning of the Fiscal Year</b>	\$ 109,246,708	\$ 68,831,292	\$ 178,078,000	\$ 107,490,782	\$ 69,992,502	\$ 177,483,284
<b>5. UAL Contribution as of Beginning of Fiscal Year [3 + 4]</b>	<b>\$ 1,669,913,960</b>	<b>\$ 1,052,135,462</b>	<b>\$ 2,722,049,422</b>	<b>\$ 1,643,073,395</b>	<b>\$ 1,069,885,388</b>	<b>\$ 2,712,958,783</b>

<sup>1</sup> Excludes UAL amounts due to Local employer ERI programs and Chapter 19, P.L. 2009 Local employer deferrals because receivables for these amounts are included in the AVA.

<sup>2</sup> Includes UAL Amounts due to State ERI programs.

<sup>3</sup> For State, the UAL related to the phase-in of Chapter 133, P.L. 2001 normal costs is not tracked and is included with the Basic UAL.

<sup>4</sup> Amortized over closed 8 and 9 year periods in 2025 and 2024, respectively, as level dollar amounts.

<sup>5</sup> Payable by the Second Injury Fund (SIF).

<sup>6</sup> Amortized over closed 16 and 17 year periods in 2025 and 2024, respectively, as level dollar amounts.

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**SECTION V – CONTRIBUTIONS**

Table V-4 Development of Normal Cost						
	July 1, 2025 Valuation Fiscal Year Ending 2027 Payment			July 1, 2024 Valuation Fiscal Year Ending 2026 Payment		
	State	Local Employers	Total	State	Local Employers	Total
<b>1. Gross Normal Cost, excluding NCGI Premium</b>						
a. Basic	\$ 550,926,418	\$ 846,179,198	\$ 1,397,105,616	\$ 502,978,174	\$ 793,617,416	\$ 1,296,595,590
b. Chapter 133, P.L. 2001	27,782,058	37,285,598	65,067,656	26,986,505	37,997,271	64,983,776
c. Chapter 366, P.L. 2001 <sup>1</sup>	796,649	3,562,072	4,358,721	597,950	3,423,914	4,021,864
d. Chapter 259, P.L. 2001 and Chapter 140, P.L. 2021 <sup>2</sup>	1,542,372	0	1,542,372	1,448,232	0	1,448,232
e. Total	<u>\$ 581,047,497</u>	<u>\$ 887,026,868</u>	<u>\$ 1,468,074,365</u>	<u>\$ 532,010,861</u>	<u>\$ 835,038,601</u>	<u>\$ 1,367,049,462</u>
<b>2. Expected Member Contributions</b>						
a. Basic	\$ (373,714,708)	\$ (595,954,199)	\$ (969,668,907)	\$ (352,368,799)	\$ (572,719,338)	\$ (925,088,137)
b. Chapter 366, P.L. 2001 <sup>3</sup>	<u>(656,136)</u>	<u>(2,136,727)</u>	<u>(2,792,863)</u>	<u>(500,909)</u>	<u>(2,061,736)</u>	<u>(2,562,645)</u>
c. Total	<u>\$ (374,370,844)</u>	<u>\$ (598,090,926)</u>	<u>\$ (972,461,770)</u>	<u>\$ (352,869,708)</u>	<u>\$ (574,781,074)</u>	<u>\$ (927,650,782)</u>
<b>3. Employer Normal Cost [1 + 2]</b>	<u>\$ 206,676,653</u>	<u>\$ 288,935,942</u>	<u>\$ 495,612,595</u>	<u>\$ 179,141,153</u>	<u>\$ 260,257,527</u>	<u>\$ 439,398,680</u>
<b>4. Portion of Local Normal Cost Payable by State</b>						
a. Chapter 133, P.L. 2001	\$ 37,285,598	\$ (37,285,598)	\$ 0	\$ 37,997,271	\$ (37,997,271)	\$ 0
b. Chapter 366, P.L. 2001	<u>1,425,345</u>	<u>(1,425,345)</u>	<u>0</u>	<u>1,362,178</u>	<u>(1,362,178)</u>	<u>0</u>
c. Total	<u>\$ 38,710,943</u>	<u>\$ (38,710,943)</u>	<u>\$ 0</u>	<u>\$ 39,359,449</u>	<u>\$ (39,359,449)</u>	<u>\$ 0</u>
<b>5. Normal Cost Contribution as of Valuation Date [3 + 4]</b>	<u>\$ 245,387,596</u>	<u>\$ 250,224,999</u>	<u>\$ 495,612,595</u>	<u>\$ 218,500,602</u>	<u>\$ 220,898,078</u>	<u>\$ 439,398,680</u>
<b>6. Interest to the Beginning of the Fiscal Year</b>	<u>\$ 17,177,130</u>	<u>\$ 17,515,749</u>	<u>\$ 34,692,879</u>	<u>\$ 15,295,041</u>	<u>\$ 15,462,866</u>	<u>\$ 30,757,907</u>
<b>7. Normal Cost Contribution as of Beginning of Fiscal Year [5 + 6]</b>	<u>\$ 262,564,726</u>	<u>\$ 267,740,748</u>	<u>\$ 530,305,474</u>	<u>\$ 233,795,643</u>	<u>\$ 236,360,944</u>	<u>\$ 470,156,587</u>
<b>8. Non-Contributory Group Insurance Premium as of Beginning of Fiscal Year (one-year term cost)</b>	N/A	\$ 63,525,886	\$ 63,525,886	N/A	\$ 60,417,617	\$ 60,417,617

<sup>1</sup> Reflects the reopening of the Prosecutors Part of PERS based on Chapter 226, P.L. 2021.

<sup>2</sup> Payable by the Second Injury Fund (SIF).

<sup>3</sup> The member contribution rate for Prosecutors Part members is 10%, 2.5% greater than the regular member contribution rate of 7.5%.

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**SECTION V – CONTRIBUTIONS**

Table V-5 Development of Statutory Pension Contributions						
As of Beginning of Fiscal Year	July 1, 2025 Valuation Fiscal Year Ending 2027 Payment			July 1, 2024 Valuation Fiscal Year Ending 2026 Payment		
	State	Local Employers	Total	State	Local Employers	Total
<b>1. Normal Cost Contribution<sup>1</sup></b>						
a. Basic	\$ 189,616,529	\$ 267,740,748	\$ 457,357,277	\$ 161,152,031	\$ 236,360,944	\$ 397,512,975
b. Chapter 133, P.L. 2001	69,622,392	0	69,622,392	69,532,640	0	69,532,640
c. Chapter 366, P.L. 2001	1,675,467	0	1,675,467	1,561,364	0	1,561,364
d. Chapter 259, P.L. 2001 and Chapter 140, P.L. 2021 <sup>3</sup>	1,650,338	0	1,650,338	1,549,608	0	1,549,608
e. Total	<u>\$ 262,564,726</u>	<u>\$ 267,740,748</u>	<u>\$ 530,305,474</u>	<u>\$ 233,795,643</u>	<u>\$ 236,360,944</u>	<u>\$ 470,156,587</u>
<b>2. UAL Contribution<sup>1,2</sup></b>						
a. Basic <sup>4</sup>	\$ 1,649,903,251	\$ 1,052,135,462	\$ 2,702,038,713	\$ 1,623,062,688	\$ 1,069,885,388	\$ 2,692,948,076
b. Chapter 133, P.L. 2001	0	0	0	0	0	0
c. Chapter 366, P.L. 2001	19,058,557	0	19,058,557	19,058,557	0	19,058,557
d. Chapter 259, P.L. 2001 <sup>3</sup>	499,151	0	499,151	499,151	0	499,151
e. Chapter 140, P.L. 2021 <sup>3</sup>	453,001	0	453,001	452,999	0	452,999
f. Total	<u>\$ 1,669,913,960</u>	<u>\$ 1,052,135,462</u>	<u>\$ 2,722,049,422</u>	<u>\$ 1,643,073,395</u>	<u>\$ 1,069,885,388</u>	<u>\$ 2,712,958,783</u>
<b>3. Total Statutory Pension Contribution: [1 + 2]</b>	\$ 1,932,478,686	\$ 1,319,876,210	\$ 3,252,354,896	\$ 1,876,869,038	\$ 1,306,246,332	\$ 3,183,115,370
<b>4. SIF Offset of Chapter 259, P.L. 2001 and Chapter 140, P.L. 2021</b>	\$ (2,602,490)	\$ 0	\$ (2,602,490)	\$ (2,501,758)	\$ 0	\$ (2,501,758)
<b>5. Lottery Enterprise Contribution Offset</b>	\$ (130,078,903)	\$ 0	\$ (130,078,903)	\$ (130,078,903)	\$ 0	\$ (130,078,903)
<b>6. Net Pension Contribution: [3 + 4 + 5]</b>	<b>\$ 1,799,797,293</b>	<b>\$ 1,319,876,210</b>	<b>\$ 3,119,673,503</b>	<b>\$ 1,744,288,377</b>	<b>\$ 1,306,246,332</b>	<b>\$ 3,050,534,709</b>
<b>7. Non-Contributory Group Insurance Premium</b>	N/A	\$ 63,525,886	\$ 63,525,886	N/A	\$ 60,417,617	\$ 60,417,617

<sup>1</sup> State amounts for Chapter 133, P.L. 2001 and Chapter 366, P.L. 2001 include contributions toward State-paid Local obligations, both amounts attributable to the current fiscal year and amounts that were not contributed in prior years due to the phase-in of contributions. The total State-paid Local obligations are \$57,705,590 and \$58,399,491 for the July 1, 2025 and July 1, 2024 valuations, respectively.

<sup>2</sup> Excludes UAL amounts due to Local employer ERI programs and Chapter 19, P.L. 2009 Local employer deferrals because receivables for these amounts are included in the AVA. Refer to Appendices E and F for additional information on these payments.

<sup>3</sup> Payable by the Second Injury Fund (SIF).

<sup>4</sup> Includes UAL Amounts due to State ERI programs.

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
JULY 1, 2025 ACTUARIAL VALUATION**

**SECTION V – CONTRIBUTIONS**

Table V-6 shows the State and Local employers' contributions as a percentage of appropriation payroll for FYE 2027 compared to FYE 2026. These rates are appropriate for determining employer contributions when they are applied to appropriation payroll as well as evaluating the impact of State-paid Local adjustments and contribution rate changes from the prior year. For a breakdown of contribution rates by chapter law for administration purposes, refer to Table V-7.

<b>Table V-6 Contributions as a Percentage of Appropriation Payroll<sup>1</sup></b>						
	<b>July 1, 2025 Valuation Fiscal Year 2027 Payment</b>			<b>July 1, 2024 Valuation Fiscal Year 2026 Payment</b>		
	<b>State</b>	<b>Local Employers</b>	<b>Total</b>	<b>State</b>	<b>Local Employers</b>	<b>Total</b>
<b><u>Prior to Statutory State-Paid Local Adjustments and Prior to SIF and Lottery Enterprise Contribution Offsets</u></b>						
Normal Cost Contribution Rate	4.085%	3.548%	3.754%	3.767%	3.333%	3.497%
UAL Contribution Rate	30.549%	12.263%	19.270%	31.971%	13.000%	20.180%
Gross Pension Contribution Rate	34.634%	15.811%	23.024%	35.738%	16.333%	23.677%
Non-Contributory Group Insurance Premium Rate	N/A	0.729%	N/A	N/A	0.723%	N/A
<b><u>After Statutory State-Paid Local Adjustments and Prior to SIF and Lottery Enterprise Contribution Offsets</u></b>						
Normal Cost Contribution Rate	4.851%	3.073%	3.754%	4.595%	2.829%	3.497%
UAL Contribution Rate	30.849%	12.076%	19.270%	32.291%	12.805%	20.180%
Gross Pension Contribution Rate	35.700%	15.149%	23.024%	36.886%	15.634%	23.677%
Non-Contributory Group Insurance Premium Rate	N/A	0.729%	N/A	N/A	0.723%	N/A

<sup>1</sup> Excludes UAL amounts due to Local Employer ERI programs and Chapter 19, P.L. 2009 Local Employer deferrals because receivables for these amounts are included in the AVA.

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
JULY 1, 2025 ACTUARIAL VALUATION**

**SECTION V – CONTRIBUTIONS**

Table V-7 shows the State and Local employer contributions as a percentage of appropriation payroll for FYE 2027 compared to FYE 2026. These contribution rates by chapter law are intended for administration purposes and may not be appropriate for other uses.

**Table V-7  
Contributions as a Percentage of Appropriation Payroll<sup>1</sup>**

	July 1, 2025 Valuation Fiscal Year 2027 Payment		July 1, 2024 Valuation Fiscal Year 2026 Payment	
	State	Local Employers	State	Local Employers
<b>1. Normal Cost Rate</b>				
a. Basic	3.503%	3.073%	3.167%	2.829%
b. Chapter 133, P.L. 2001	1.286%	0.000% <sup>2</sup>	1.367%	0.000% <sup>2</sup>
c. Total Normal Cost Rate	4.789%	3.073%	4.534%	2.829%
<b>2. Unfunded Actuarial Liability (UAL) Contribution</b>				
a. Basic	30.480%	12.076%	31.898%	12.805%
b. Chapter 133, P.L. 2001	0.000%	0.000%	0.000%	0.000%
c. Total UAL Contribution	30.480%	12.076%	31.898%	12.805%
<b>3. Gross Contribution for Fiscal Year 2027: [1 + 2]</b>	<b>35.269%</b>	<b>15.149%</b>	<b>36.432%</b>	<b>15.634%</b>
<b>4. State Non-Contributory Group Insurance Premium Fund</b>	N/A	0.729%	N/A	0.723%

<sup>1</sup> Rates exclude contributions required under Chapter 366, P.L. 2001, Chapter 259, P.L. 2001, and Chapter 140, P.L. 2021 as well as ERI and Chapter 19, P.L. 2009 payments.

<sup>2</sup> Required contributions for Local employers are payable by assets from the Benefit Enhancement Fund. If BEF assets are insufficient, the State will cover any shortfall. The Local employers Chapter 133, P.L. 2001 rates would have been 0.458% and 0.487% for the July 1, 2025 and the July 1, 2024 valuations, respectively.

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
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**SECTION V – CONTRIBUTIONS**

Table V-8 shows the Statutory contribution payable by the State broken down by various divisions.

Table V-8 Fiscal Year 2027 Statutory Contributions Payable by the State						
	State	Disability Insurance Services	All Other Units of Division of Employment Security	State Colleges	Total Excluding Second Injury Fund	Second Injury Fund
Member Count	52,698	235	1,640	12,723	67,296	
Appropriation Payroll	\$ 4,399,144,476	\$ 16,594,546	\$ 135,576,146	\$ 861,795,645	\$ 5,413,110,813	
<b>Normal Cost Contribution</b>						
Basic	\$ 154,098,177	\$ 581,292	\$ 4,749,114	\$ 30,187,946	\$ 189,616,529	
Chapter 133, P.L. 2001	69,622,392	0	0	0	69,622,392	
Chapter 366, P.L. 2001	1,675,467	0	0	0	1,675,467	
Sub-Total	<u>\$ 225,396,036</u>	<u>\$ 581,292</u>	<u>\$ 4,749,114</u>	<u>\$ 30,187,946</u>	<u>\$ 260,914,388</u>	
Chapter 259, P.L. 2001						\$ 1,650,338
<b>UAL Contribution</b>						
Basic excluding ERI amounts	\$ 1,221,774,994	\$ 5,105,991	\$ 41,715,545	\$ 240,405,105	\$ 1,509,001,635	
Chapter 23, P.L. 2002	106,047,767	0	0	9,099,916	115,147,683	
Chapter 21, P.L. 2008	25,753,933	0	0	0	25,753,933	
Chapter 133, P.L. 2001	0	0	0	0	0	
Chapter 366, P.L. 2001	19,058,557	0	0	0	19,058,557	
Sub-Total	<u>\$ 1,372,635,251</u>	<u>\$ 5,105,991</u>	<u>\$ 41,715,545</u>	<u>\$ 249,505,021</u>	<u>\$ 1,668,961,808</u>	
Chapter 259, P.L. 2001						\$ 499,151
Chapter 140, P.L. 2021						\$ 453,001
<b>Statutory Pension Contribution</b>	\$ 1,598,031,287	\$ 5,687,283	\$ 46,464,659	\$ 279,692,967	\$ 1,929,876,196	\$ 2,602,490
<b>Lottery Contribution Offset</b>						
Chapter 98, P.L. 2017	\$ (59,421,440)	\$ 0	\$ 0	\$ (70,657,463)	\$ (130,078,903)	\$ 0
<b>Net Pension Contribution</b>	\$ 1,538,609,847	\$ 5,687,283	\$ 46,464,659	\$ 209,035,504	\$ 1,799,797,293	\$ 2,602,490

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
JULY 1, 2025 ACTUARIAL VALUATION**

**SECTION V – CONTRIBUTIONS**

Table V-9 shows the Statutory contribution attributable to various state colleges.

Table V-9 Fiscal Year 2027 Statutory Contributions for State Colleges										
Location Number	Location Name	Member Count	Appropriation Payroll	Basic Normal Cost Contribution	UAL Contribution		Statutory Pension Contribution	Lottery Contribution Offset <sup>1</sup>	Net Pension Contribution	
					Basic	Chapter 23, P.L. 2002				
401	State Library Affiliated <sup>2</sup>	70	\$ 5,674,618	\$ 198,777	\$ 1,746,028	\$ 0	\$ 1,944,805	\$ (76,650)	\$ 1,868,155	
410	Rowan University	985	64,682,724	\$ 2,265,779	\$ 18,031,468	785,800	21,083,047	(5,332,610)	15,750,437	
411	New Jersey City University	350	22,981,847	\$ 805,034	\$ 6,406,602	544,199	7,755,835	(1,894,682)	5,861,153	
412	Kean University	330	25,383,888	\$ 889,175	\$ 7,076,214	479,714	8,445,103	(2,092,713)	6,352,390	
413	William Patterson University of NJ	332	22,798,420	\$ 798,609	\$ 6,355,468	335,181	7,489,258	(1,879,560)	5,609,698	
414	Monclair State University	613	38,970,468	\$ 1,365,101	\$ 10,863,716	213,100	12,441,917	(3,212,825)	9,229,092	
415	The College of New Jersey	381	27,004,959	\$ 945,960	\$ 7,528,116	599,150	9,073,226	(2,226,358)	6,846,868	
420	Ramapo College of New Jersey	230	17,731,307	\$ 621,112	\$ 4,942,920	175,458	5,739,490	(1,461,814)	4,277,676	
421	Stockton University	561	40,136,914	\$ 1,405,961	\$ 11,188,884	461,069	13,055,914	(3,308,990)	9,746,924	
430	Thomas Edison State University	70	6,131,179	\$ 214,770	\$ 1,709,176	139,164	2,063,110	(505,470)	1,557,640	
497 & 498	Rutgers University	5,392	336,261,040	\$ 11,778,930	\$ 93,738,790	5,102,608	110,620,328	(27,722,223)	82,898,105	
901	University Hospital	3,053	229,371,136	\$ 8,034,670	\$ 63,941,314	0	71,975,984	(18,909,945)	53,066,039	
32700 & 55530	New Jersey Institute of Technology	356	24,667,145	\$ 864,068	\$ 6,876,409	264,473	8,004,950	(2,033,623)	5,971,327	
<b>Total</b>		<b>12,723</b>	<b>\$ 861,795,645</b>	<b>\$ 30,187,946</b>	<b>\$ 240,405,105</b>	<b>\$ 9,099,916</b>	<b>\$ 279,692,967</b>	<b>\$ (70,657,463)</b>	<b>\$ 209,035,504</b>	

<sup>1</sup> 54.26% of the total Lottery Enterprise Contribution offset for FYE 2027 is allocated to each State College location based on the location's 2025 appropriation payroll. The percentage allocation to State Colleges was determined using 2025 contributing active and retiree headcounts for locations deemed to be eligible for funding under the Lottery Enterprise.

<sup>2</sup> The allocation of the Lottery Enterprise Contribution offset to State Library Affiliated is based on the 45.74% allocated to non-State College locations.

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
JULY 1, 2025 ACTUARIAL VALUATION**

**APPENDIX A – MEMBERSHIP INFORMATION**

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

- A-1 to A-3: Contributing Active Member Data by Tier
- A-4: Non-Contributing Member Data by Tier
- A-5: Inactive Member Data by Status
- A-6: Reconciliation of Plan Membership
- A-7 through A-10: Contributing Active Member Data by Age and Service
- A-11 through A-14: Inactive Member Data by Age and Status

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
JULY 1, 2025 ACTUARIAL VALUATION**

**APPENDIX A – MEMBERSHIP INFORMATION**

<b>Table A-1 Contributing Active Member Data by Tier State</b>							
	July 1, 2025	July 1, 2024	%		July 1, 2025	July 1, 2024	%
			Change				Change
<b><u>Tier 1</u></b>				<b><u>Tier 2</u></b>			
Count	23,898	25,723	-7.1%	Count	2,218	2,322	-4.5%
Average Age	55.5	55.1	0.8%	Average Age	51.9	51.4	1.1%
Average Service	24.6	24.0	2.7%	Average Service	17.1	16.1	6.2%
Average Appropriation Pay	\$ 94,223	\$ 89,734	5.0%	Average Appropriation Pay	\$ 85,157	\$ 80,041	6.4%
Total Appropriation Payroll	\$ 2,251,739,911	\$ 2,308,237,341	-2.4%	Total Appropriation Payroll	\$ 188,878,359	\$ 185,854,964	1.6%
<b><u>Tier 3</u></b>				<b><u>Tier 4</u></b>			
Count	1,556	1,587	-2.0%	Count	1,109	1,140	-2.7%
Average Age	51.4	50.6	1.5%	Average Age	50.1	49.3	1.7%
Average Service	15.7	14.7	6.7%	Average Service	14.5	13.5	7.6%
Average Appropriation Pay	\$ 83,776	\$ 79,290	5.7%	Average Appropriation Pay	\$ 89,962	\$ 85,001	5.8%
Total Appropriation Payroll	\$ 130,356,061	\$ 125,832,449	3.6%	Total Appropriation Payroll	\$ 99,767,702	\$ 96,901,513	3.0%
<b><u>Tier 5</u></b>				<b><u>Total</u></b>			
Count	38,515	34,888	10.4%	Count	67,296	65,660	2.5%
Average Age	42.2	42.1	0.1%	Average Age	47.6	47.8	-0.6%
Average Service	5.5	5.2	5.3%	Average Service	13.1	13.3	-2.0%
Average Appropriation Pay	\$ 71,203	\$ 67,974	4.7%	Average Appropriation Pay	\$ 80,437	\$ 77,495	3.8%
Total Appropriation Payroll	\$ 2,742,368,780	\$ 2,371,491,552	15.6%	Total Appropriation Payroll	\$ 5,413,110,813	\$ 5,088,317,819	6.4%

Reflects all records for multiple members, which are members employed by more than one PERS-participating employer at the same time.

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
JULY 1, 2025 ACTUARIAL VALUATION**

**APPENDIX A – MEMBERSHIP INFORMATION**

Table A-2 Contributing Active Member Data by Tier Local Employers							
	July 1, 2025	July 1, 2024	% Change		July 1, 2025	July 1, 2024	% Change
<b><u>Tier 1</u></b>				<b><u>Tier 2</u></b>			
Count	43,342	48,025	-9.8%	Count	5,453	5,805	-6.1%
Average Age	58.7	58.3	0.6%	Average Age	55.7	55.2	1.0%
Average Service	24.8	24.1	2.9%	Average Service	17.3	16.3	6.1%
Average Appropriation Pay	\$ 71,157	\$ 68,013	4.6%	Average Appropriation Pay	\$ 61,108	\$ 57,748	5.8%
Total Appropriation Payroll	\$ 3,084,081,466	\$ 3,266,331,378	-5.6%	Total Appropriation Payroll	\$ 333,223,256	\$ 335,225,386	-0.6%
<b><u>Tier 3</u></b>				<b><u>Tier 4</u></b>			
Count	3,410	3,645	-6.4%	Count	1,638	1,724	-5.0%
Average Age	54.9	54.3	1.1%	Average Age	52.7	52.0	1.2%
Average Service	15.8	14.8	6.7%	Average Service	14.6	13.6	7.3%
Average Appropriation Pay	\$ 64,593	\$ 61,141	5.6%	Average Appropriation Pay	\$ 73,861	\$ 69,813	5.8%
Total Appropriation Payroll	\$ 220,261,013	\$ 222,858,905	-1.2%	Total Appropriation Payroll	\$ 120,984,405	\$ 120,358,454	0.5%
<b><u>Tier 5</u></b>				<b><u>Total</u></b>			
Count	90,296	83,553	8.1%	Count	144,139	142,752	1.0%
Average Age	44.6	44.4	0.5%	Average Age	49.6	49.9	-0.5%
Average Service	5.2	4.9	6.4%	Average Service	11.9	12.2	-2.1%
Average Appropriation Pay	\$ 54,865	\$ 52,786	3.9%	Average Appropriation Pay	\$ 60,446	\$ 58,530	3.3%
Total Appropriation Payroll	\$ 4,954,107,100	\$ 4,410,430,938	12.3%	Total Appropriation Payroll	\$ 8,712,657,240	\$ 8,355,205,061	4.3%

Reflects all records for multiple members, which are members employed by more than one PERS-participating employer at the same time.

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
JULY 1, 2025 ACTUARIAL VALUATION**

**APPENDIX A – MEMBERSHIP INFORMATION**

<b>Table A-3 Contributing Active Member Data by Tier Total</b>							
	July 1, 2025	July 1, 2024	%		July 1, 2025	July 1, 2024	%
			Change				Change
<b><u>Tier 1</u></b>				<b><u>Tier 2</u></b>			
Count	67,240	73,748	-8.8%	Count	7,671	8,127	-5.6%
Average Age	57.6	57.2	0.7%	Average Age	54.6	54.1	1.0%
Average Service	24.7	24.0	2.9%	Average Service	17.2	16.2	6.1%
Average Appropriation Pay	\$ 79,355	\$ 75,589	5.0%	Average Appropriation Pay	\$ 68,062	\$ 64,117	6.2%
Total Appropriation Payroll	\$ 5,335,821,377	\$ 5,574,568,719	-4.3%	Total Appropriation Payroll	\$ 522,101,615	\$ 521,080,350	0.2%
<b><u>Tier 3</u></b>				<b><u>Tier 4</u></b>			
Count	4,966	5,232	-5.1%	Count	2,747	2,864	-4.1%
Average Age	53.8	53.2	1.1%	Average Age	51.6	50.9	1.4%
Average Service	15.8	14.8	6.7%	Average Service	14.6	13.6	7.5%
Average Appropriation Pay	\$ 70,604	\$ 66,646	5.9%	Average Appropriation Pay	\$ 80,361	\$ 75,859	5.9%
Total Appropriation Payroll	\$ 350,617,074	\$ 348,691,354	0.6%	Total Appropriation Payroll	\$ 220,752,107	\$ 217,259,967	1.6%
<b><u>Tier 5</u></b>				<b><u>Total</u></b>			
Count	128,811	118,441	8.8%	Count	211,435	208,412	1.5%
Average Age	43.9	43.7	0.4%	Average Age	48.9	49.2	-0.6%
Average Service	5.3	5.0	6.1%	Average Service	12.3	12.5	-2.1%
Average Appropriation Pay	\$ 59,750	\$ 57,260	4.3%	Average Appropriation Pay	\$ 66,809	\$ 64,505	3.6%
Total Appropriation Payroll	\$ 7,696,475,880	\$ 6,781,922,490	13.5%	Total Appropriation Payroll	\$ 14,125,768,053	\$ 13,443,522,880	5.1%

Reflects all records for multiple members, which are members employed by more than one PERS-participating employer at the same time.

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
JULY 1, 2025 ACTUARIAL VALUATION**

**APPENDIX A – MEMBERSHIP INFORMATION**

Table A-4 Non-Contributing Member Data by Tier <sup>1</sup>						
	State		Local Employers		Total	
	July 1, 2025	July 1, 2024	July 1, 2025	July 1, 2024	July 1, 2025	July 1, 2024
<b><u>Tier 1</u></b>						
Count	4,511	4,679	12,125	12,745	16,636	17,424
Average Age	62.2	61.3	66.0	65.0	64.9	64.0
Accumulated Deductions with Interest	\$ 367,641,818	\$ 372,625,188	\$ 603,682,546	\$ 621,141,176	\$ 971,324,364	\$ 993,766,364
Average Reported Pay <sup>2</sup>	\$ 60,554	\$ 48,725	\$ 58,182	\$ 54,258	\$ 59,191	\$ 51,990
<b><u>Tier 2</u></b>						
Count	381	375	1,218	1,274	1,599	1,649
Average Age	55.5	55.0	58.8	58.0	58.0	57.3
Accumulated Deductions with Interest	\$ 23,749,589	\$ 21,801,312	\$ 42,502,047	\$ 41,553,324	\$ 66,251,636	\$ 63,354,636
Average Reported Pay <sup>2</sup>	\$ 63,131	\$ 58,897	\$ 47,510	\$ 48,102	\$ 52,790	\$ 51,968
<b><u>Tier 3</u></b>						
Count	230	246	746	748	976	994
Average Age	53.5	53.0	57.4	56.6	56.5	55.7
Accumulated Deductions with Interest	\$ 15,429,201	\$ 15,221,512	\$ 31,051,557	\$ 27,692,684	\$ 46,480,758	\$ 42,914,196
Average Reported Pay <sup>2</sup>	\$ 76,573	\$ 52,162	\$ 59,459	\$ 51,517	\$ 64,203	\$ 51,737
<b><u>Tier 4</u></b>						
Count	147	135	218	218	365	353
Average Age	50.9	50.4	53.6	52.8	52.5	51.9
Accumulated Deductions with Interest	\$ 10,414,772	\$ 8,716,537	\$ 11,715,034	\$ 10,339,138	\$ 22,129,806	\$ 19,055,675
Average Reported Pay <sup>2</sup>	\$ 82,551	\$ 72,464	\$ 65,088	\$ 61,437	\$ 72,812	\$ 66,754
<b><u>Tier 5</u></b>						
Count	5,115	5,211	15,059	14,795	20,174	20,006
Average Age	40.3	39.8	41.0	40.4	40.9	40.2
Accumulated Deductions with Interest	\$ 83,819,624	\$ 78,855,266	\$ 166,877,923	\$ 147,997,771	\$ 250,697,547	\$ 226,853,037
Average Reported Pay <sup>2</sup>	\$ 59,728	\$ 56,630	\$ 50,010	\$ 48,018	\$ 52,818	\$ 50,556
<b><u>Total</u></b>						
Count	10,384	10,646	29,366	29,780	39,750	40,426
Average Age	50.8	50.2	52.6	52.2	52.1	51.7
Accumulated Deductions with Interest	\$ 501,055,004	\$ 497,219,815	\$ 855,829,107	\$ 848,724,093	\$ 1,356,884,111	\$ 1,345,943,908
Average Reported Pay <sup>2</sup>	\$ 60,400	\$ 55,301	\$ 51,061	\$ 48,935	\$ 53,941	\$ 50,939

<sup>1</sup> Includes 10 and 63 deferred beneficiaries for State and Local employers, respectively, for 2025 and 10 and 63 deferred beneficiaries for State and Local employers, respectively, for 2024.

<sup>2</sup> Average reported pay only includes non-contributing members reported with pay.

Accumulated Deductions with Interest as reported by the DPB

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
JULY 1, 2025 ACTUARIAL VALUATION**

**APPENDIX A – MEMBERSHIP INFORMATION**

Table A-5 Inactive Member Data by Status <sup>1</sup>						
	July 1, 2025			July 1, 2024		
	State	Local Employers	Total	State	Local Employers	Total
<b>Retirees</b>						
Count	54,555	112,700	167,255	54,215	111,140	165,355
Annual Retirement Allowances	\$ 1,794,584,672	\$ 2,451,033,238	\$ 4,245,617,910	\$ 1,757,401,159	\$ 2,365,644,166	\$ 4,123,045,325
Average Retirement Allowance	\$ 32,895	\$ 21,748	\$ 25,384	\$ 32,415	\$ 21,285	\$ 24,935
<b>Beneficiaries</b>						
Count	5,558	12,685	18,243	5,408	12,413	17,821
Annual Retirement Allowances	\$ 106,249,479	\$ 181,704,586	\$ 287,954,065	\$ 101,897,775	\$ 175,360,365	\$ 277,258,140
Average Retirement Allowance	\$ 19,116	\$ 14,324	\$ 15,784	\$ 18,842	\$ 14,127	\$ 15,558
<b>Ordinary Disability</b>						
Count	4,152	7,014	11,166	4,269	7,254	11,523
Annual Retirement Allowances	\$ 89,018,054	\$ 126,906,050	\$ 215,924,104	\$ 90,708,623	\$ 130,327,787	\$ 221,036,410
Average Retirement Allowance	\$ 21,440	\$ 18,093	\$ 19,338	\$ 21,248	\$ 17,966	\$ 19,182
<b>Accidental Disability</b>						
Count	496	828	1,324	503	836	1,339
Annual Retirement Allowances	\$ 16,033,120	\$ 25,287,180	\$ 41,320,300	\$ 16,248,473	\$ 25,404,079	\$ 41,652,552
Average Retirement Allowance	\$ 32,325	\$ 30,540	\$ 31,209	\$ 32,303	\$ 30,388	\$ 31,107
<b>In-Pay Total</b>						
Count	64,761	133,227	197,988	64,395	131,643	196,038
Annual Retirement Allowances	\$ 2,005,885,325	\$ 2,784,931,054	\$ 4,790,816,379	\$ 1,966,256,030	\$ 2,696,736,397	\$ 4,662,992,427
Average Retirement Allowance	\$ 30,974	\$ 20,904	\$ 24,198	\$ 30,534	\$ 20,485	\$ 23,786
<b>Deferred Vested Members</b>						
Count	154	471	625	142	388	530
Annual Retirement Allowances	\$ 2,604,756	\$ 5,395,644	\$ 8,000,400	\$ 2,486,736	\$ 4,441,176	\$ 6,927,912
Average Retirement Allowance	\$ 16,914	\$ 11,456	\$ 12,801	\$ 17,512	\$ 11,446	\$ 13,072

<sup>1</sup> Excludes deferred beneficiaries

QDRO benefits included with member records for valuation purposes.

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
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**APPENDIX A – MEMBERSHIP INFORMATION**

Table A-6 Reconciliation of Plan Membership from July 1, 2024 to July 1, 2025								
	Contributing Actives	Non-Contrib. Members	Deferred Beneficiaries	Deferred Vested	Retired	Disabled	Beneficiaries	Total
1. July 1, 2024	208,412	40,353	73	530	165,355	12,862	17,821	445,406
2. Additions								
a. New entrants	20,123	1,891						22,014
b. Data updates	172	60			28		270	530
c. Total	20,295	1,951	0	0	28	0	270	22,544
3. Reductions								
a. Withdrawal/Certain Period End	(3,074)	(8,133)		(1)			(15)	(11,223)
b. Died without beneficiary	(264)	(291)		(2)	(4,716)	(465)	(976)	(6,714)
c. Data updates	(162)	0						(162)
d. Total	(3,500)	(8,424)	0	(3)	(4,716)	(465)	(991)	(18,099)
4. Changes in Status								
a. Contributing Actives	(8,795)	8,796		(1)				0
b. Non-Contributing Actives	1,742	(1,739)		(3)				0
c. Deferred Vested	(27)	(257)		284				0
d. Retired	(6,603)	(863)		(182)	7,595			(53)
e. Disabled	(71)	(132)			(2)	205		0
f. Died with beneficiary	(18)	(8)			(1,005)	(112)	1,143	0
g. Total	(13,772)	5,797	0	98	6,588	93	1,143	(53)
5. July 1, 2025	211,435	39,677	73	625	167,255	12,490	18,243	449,798

QDRO benefits included with member records for valuation purposes.

Reflects all records for multiple members, which are members employed by more than one PERS-participating employer at the same time. The decreases due to Changes in Status occur when active records for multiple members are combined into a single retiree record.

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
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**APPENDIX A – MEMBERSHIP INFORMATION**

<b>Table A-7</b>									
<b>Counts by Age and Service Distribution of Contributing Active Members</b>									
<b>State</b>									
<b>Attained Age</b>	<b>Years of Service</b>								<b>Total</b>
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 & up	
	No.	No.	No.	No.	No.	No.	No.	No.	No.
Under 30	2,213	4,031	575	2	0	0	0	0	6,821
30 to 34	716	2,512	2,480	315	7	0	0	0	6,030
35 to 39	574	2,005	2,332	1,586	425	31	0	0	6,953
40 to 44	394	1,616	1,730	1,542	2,057	1,078	26	0	8,443
45 to 49	329	1,382	1,412	1,064	1,571	2,964	531	15	9,268
50 to 54	272	1,227	1,169	909	1,234	2,272	1,348	469	8,900
55 to 59	217	1,045	1,163	836	1,150	1,938	967	1,401	8,717
60 to 64	122	705	1,005	727	948	1,640	718	1,210	7,075
65 & up	44	317	587	545	741	1,345	586	924	5,089
<b>Total</b>	<b>4,881</b>	<b>14,840</b>	<b>12,453</b>	<b>7,526</b>	<b>8,133</b>	<b>11,268</b>	<b>4,176</b>	<b>4,019</b>	<b>67,296</b>

<b>Table A-8</b>									
<b>Average Appropriation Pay by Age and Service Distribution of Contributing Active Members</b>									
<b>State</b>									
<b>Attained Age</b>	<b>Years of Service</b>								<b>Total</b>
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 & up	
	Comp.	Comp.	Comp.	Comp.	Comp.	Comp.	Comp.	Comp.	Comp.
Under 30	\$ 54,748	\$ 59,081	\$ 67,043	\$ 63,905	\$ 0	\$ 0	\$ 0	\$ 0	\$ 58,348
30 to 34	59,384	65,432	75,874	81,676	63,239	0	0	0	69,854
35 to 39	59,939	66,549	78,297	91,605	79,733	74,027	0	0	76,498
40 to 44	59,594	66,553	77,851	93,526	93,740	92,463	83,090	0	83,452
45 to 49	61,346	67,124	77,872	90,189	90,981	100,268	96,226	83,020	87,541
50 to 54	58,695	65,894	74,483	86,456	86,251	96,076	103,099	93,405	86,515
55 to 59	60,507	66,501	73,614	82,509	83,004	90,141	99,542	103,036	85,806
60 to 64	67,807	67,687	73,668	78,898	80,001	86,638	93,879	104,402	84,671
65 & up	66,651	66,898	74,574	79,955	73,819	85,505	89,552	103,266	84,317
<b>Total</b>	<b>\$ 57,784</b>	<b>\$ 64,389</b>	<b>\$ 75,840</b>	<b>\$ 87,672</b>	<b>\$ 86,378</b>	<b>\$ 93,116</b>	<b>\$ 97,791</b>	<b>\$ 102,301</b>	<b>\$ 80,437</b>

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
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**APPENDIX A – MEMBERSHIP INFORMATION**

**Table A-9  
Counts by Age and Service Distribution of Contributing Active Members  
Local Employers**

Attained Age	Years of Service								Total
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 & up	
	No.	No.	No.	No.	No.	No.	No.	No.	No.
Under 30	3,401	9,685	1,462	34	0	0	0	0	14,582
30 to 34	1,220	5,459	3,748	821	25	0	0	0	11,273
35 to 39	1,054	4,812	3,487	2,261	937	89	0	0	12,640
40 to 44	897	4,496	2,952	2,047	2,184	1,401	77	0	14,054
45 to 49	776	4,507	2,977	1,691	1,889	2,432	937	55	15,264
50 to 54	729	4,409	3,401	2,010	2,216	2,652	1,822	957	18,196
55 to 59	623	3,939	3,504	2,518	3,269	3,559	1,864	1,983	21,259
60 to 64	388	2,704	2,906	2,280	3,409	4,456	2,121	2,047	20,311
65 & up	173	1,391	1,847	1,627	2,740	3,931	2,407	2,444	16,560
<b>Total</b>	<b>9,261</b>	<b>41,402</b>	<b>26,284</b>	<b>15,289</b>	<b>16,669</b>	<b>18,520</b>	<b>9,228</b>	<b>7,486</b>	<b>144,139</b>

**Table A-10  
Average Appropriation Pay by Age and Service Distribution of Contributing Active Members  
Local Employers**

Attained Age	Years of Service								Total
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 & up	
	Comp.	Comp.	Comp.	Comp.	Comp.	Comp.	Comp.	Comp.	Comp.
Under 30	\$ 44,132	\$ 48,009	\$ 59,597	\$ 66,407	\$ 0	\$ 0	\$ 0	\$ 0	\$ 48,310
30 to 34	47,428	51,770	63,379	73,138	69,229	0	0	0	56,755
35 to 39	47,494	51,623	64,340	74,873	73,195	77,960	0	0	60,731
40 to 44	47,723	49,758	63,803	74,811	76,639	78,488	85,583	0	63,465
45 to 49	47,598	47,929	60,904	72,259	73,544	79,905	84,608	86,154	63,792
50 to 54	47,436	47,928	57,721	67,353	67,524	76,174	84,439	90,505	64,283
55 to 59	48,266	48,436	57,227	64,915	61,179	67,792	79,499	93,437	63,953
60 to 64	44,261	48,525	56,239	61,836	56,482	60,723	67,862	88,807	61,132
65 & up	44,769	45,912	55,818	59,354	52,112	55,226	60,776	76,416	58,225
<b>Total</b>	<b>\$ 46,143</b>	<b>\$ 49,101</b>	<b>\$ 60,190</b>	<b>\$ 68,239</b>	<b>\$ 63,686</b>	<b>\$ 67,073</b>	<b>\$ 73,486</b>	<b>\$ 86,186</b>	<b>\$ 60,446</b>

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
JULY 1, 2025 ACTUARIAL VALUATION**

**APPENDIX A – MEMBERSHIP INFORMATION**

**Table A-11  
Counts by Age and Status of Inactive Members  
State**

Attained Age	Status				Total
	Retirees	Beneficiaries	Ordinary Disability	Accidental Disability	
Under 45	0	142	44	9	195
45 to 49	28	71	105	12	216
50 to 54	271	133	221	29	654
55 to 59	2,252	210	388	57	2,907
60 to 64	6,198	378	700	98	7,374
65 to 69	10,630	576	800	93	12,099
70 to 74	12,105	883	730	85	13,803
75 to 79	11,064	1,102	581	67	12,814
80 to 84	6,569	890	382	27	7,868
85 & up	5,438	1,173	201	19	6,831
<b>Total</b>	<b>54,555</b>	<b>5,558</b>	<b>4,152</b>	<b>496</b>	<b>64,761</b>

**Table A-12  
Average Retirement Allowances by Age and Status of Inactive Members  
State**

Attained Age	Status				Total
	Retirees	Beneficiaries	Ordinary Disability	Accidental Disability	
Under 45	\$ 0	\$ 10,406	\$ 21,489	\$ 38,912	\$ 14,223
45 to 49	28,151	9,328	24,416	33,399	20,440
50 to 54	36,625	12,713	24,278	33,900	27,469
55 to 59	43,859	13,715	22,915	33,039	38,674
60 to 64	40,681	18,130	22,487	34,526	37,716
65 to 69	36,351	20,165	21,830	32,645	34,592
70 to 74	33,950	20,890	20,688	30,541	32,392
75 to 79	31,216	22,391	20,762	31,427	29,984
80 to 84	26,922	19,800	19,160	33,395	25,762
85 & up	20,847	17,329	17,728	20,690	20,151
<b>Total</b>	<b>\$ 32,895</b>	<b>\$ 19,116</b>	<b>\$ 21,440</b>	<b>\$ 32,325</b>	<b>\$ 30,974</b>

QDRO benefits included with member records for valuation purposes.

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
JULY 1, 2025 ACTUARIAL VALUATION**

**APPENDIX A – MEMBERSHIP INFORMATION**

<b>Table A-13</b>					
<b>Counts by Age and Status of Inactive Members</b>					
<b>Local</b>					
<b>Attained Age</b>	<b>Status</b>				<b>Total</b>
	<b>Retirees</b>	<b>Beneficiaries</b>	<b>Ordinary Disability</b>	<b>Accidental Disability</b>	
Under 45	1	211	30	5	247
45 to 49	46	121	100	29	296
50 to 54	430	236	276	40	982
55 to 59	2,893	419	598	98	4,008
60 to 64	10,573	824	1,187	162	12,746
65 to 69	21,442	1,351	1,417	163	24,373
70 to 74	24,724	1,797	1,263	134	27,918
75 to 79	22,718	2,322	1,063	89	26,192
80 to 84	15,349	2,290	670	71	18,380
85 & up	14,524	3,114	410	37	18,085
<b>Total</b>	<b>112,700</b>	<b>12,685</b>	<b>7,014</b>	<b>828</b>	<b>133,227</b>

<b>Table A-14</b>					
<b>Average Retirement Allowances by Age and Status of Inactive Members</b>					
<b>Local</b>					
<b>Attained Age</b>	<b>Status</b>				<b>Total</b>
	<b>Retirees</b>	<b>Beneficiaries</b>	<b>Ordinary Disability</b>	<b>Accidental Disability</b>	
Under 45	\$ 13,553	\$ 7,600	\$ 21,359	\$ 32,350	\$ 9,797
45 to 49	24,027	8,590	22,473	31,921	17,965
50 to 54	36,941	9,780	21,637	30,502	25,850
55 to 59	40,605	12,495	20,647	33,658	34,519
60 to 64	30,271	15,185	19,450	35,138	28,349
65 to 69	24,835	16,219	18,205	31,605	24,017
70 to 74	22,459	16,779	17,737	28,879	21,910
75 to 79	19,907	14,775	16,823	27,371	19,352
80 to 84	16,686	14,327	15,776	23,754	16,387
85 & up	13,795	12,789	14,539	22,832	13,658
<b>Total</b>	<b>\$ 21,748</b>	<b>\$ 14,324</b>	<b>\$ 18,093</b>	<b>\$ 30,540</b>	<b>\$ 20,904</b>

QDRO benefits included with member records for valuation purposes.

PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
JULY 1, 2025 ACTUARIAL VALUATION

APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

**A. Actuarial Assumptions**

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

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
JULY 1, 2025 ACTUARIAL VALUATION**

**APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS**

**5. Salary Increases**      Salaries are assumed to increase annually as follows:

Years of Service	Rates
0	7.75%
1	7.50
2	7.25
3	7.00
4	6.75
5	6.50
6	6.25
7	6.00
8	5.80
9	5.60
10	5.40
11	5.20
12	5.00
13	4.80
14	4.60
15	4.40
16	4.30
17	4.20
18	4.10
19	4.00
20	3.90
21	3.80
22	3.70
23	3.60
24	3.50
25-27	3.40
28+	3.25

Salary increases are assumed to occur on July 1.

The average assumed salary increase for active contributing members as of July 1, 2025 is 5.70%.

Non-contributing members reported with a salary are assumed to have no future salary increases.

**6. 401(a)(17) Pay Limit**      \$350,000 in 2025 increasing 2.75% per annum, compounded annually.

**7. Social Security Wage Base**      \$176,100 in 2025 increasing 3.25% per annum, compounded annually.

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
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**APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS**

**8. Termination**

Termination rates are shown separately for members electing a refund of contributions and members electing a deferred annuity.

Termination rates for members electing a refund of contributions are as follows:

<b>Termination Rates for Members Electing a Refund</b>				
Service	State		Local Employers'	
	Less than 31 Years Old	31 Years or Older	Less than 31 Years Old	31 Years or Older
0	22.00%	12.00%	19.50%	12.00%
1	22.00	12.00	19.50	12.00
2	12.00	8.50	16.50	9.00
3	10.00	7.00	14.00	8.00
4	9.50	6.00	12.50	7.00
5	8.50	5.50	10.50	6.50
6	7.00	5.00	9.00	6.00
7	7.00	4.50	8.00	5.00
8	7.00	4.00	8.00	4.50
9	7.00	3.50	6.50	4.00
10	1.70	1.70	1.80	1.80
11	1.50	1.50	1.70	1.70
12	1.30	1.30	1.50	1.50
13	1.30	1.30	1.30	1.30
14	0.90	0.90	1.20	1.20
15	0.80	0.80	1.10	1.10
16	0.80	0.80	1.00	1.00
17	0.70	0.70	0.90	0.90
18	0.60	0.60	0.80	0.80
19	0.50	0.50	0.70	0.70
20	0.50	0.50	0.60	0.60
21	0.50	0.50	0.50	0.50
22	0.30	0.30	0.50	0.50
23	0.30	0.30	0.40	0.40
24-29	0.30	0.30	0.30	0.30

No termination is assumed after attainment of retirement eligibility.

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
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**APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS**

Termination rates for members electing a deferred annuity are as follows:

<b>Termination Rates for Members Electing a Deferred Annuity</b>		
		<b>Local</b>
<b>Service</b>	<b>State</b>	<b>Employers</b>
< 10	N/A	N/A
10	1.70%	1.90%
11	1.70	1.90
12	1.50	1.80
13	1.30	1.70
14	1.10	1.50
15	1.00	1.40
16	0.90	1.30
17	0.80	1.20
18	0.80	1.10
19	0.80	1.00
20	0.80	1.00
21	0.70	0.90
22	0.50	0.80
23	0.40	0.80
24+	0.40	0.70

No termination is assumed after attainment of retirement eligibility.

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
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**APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS**

**9. Disability**

Ordinary disability rates are as follows:

Ordinary Disability Rates					
Age	State	Local Employers	Age	State	Local Employers
25	0.100%	0.200%	50	0.335%	0.335%
26	0.110	0.200	51	0.350	0.350
27	0.120	0.200	52	0.365	0.365
28	0.130	0.200	53	0.380	0.380
29	0.140	0.200	54	0.395	0.395
30	0.150	0.205	55	0.700	0.550
31	0.160	0.210	56	0.700	0.550
32	0.170	0.215	57	0.700	0.550
33	0.180	0.220	58	0.700	0.550
34	0.190	0.225	59	0.700	0.550
35	0.205	0.225	60	0.700	0.550
36	0.220	0.225	61	0.700	0.550
37	0.220	0.225	62	0.700	0.550
38	0.220	0.225	63	0.700	0.550
39	0.220	0.225	64	0.700	0.550
40	0.230	0.235	65	0.700	0.550
41	0.240	0.245	66	0.700	0.550
42	0.250	0.255	67	0.700	0.550
43	0.260	0.265	68	0.700	0.550
44	0.270	0.275	69	0.700	0.550
45	0.280	0.275	70	0.700	0.550
46	0.290	0.275	71	0.700	0.550
47	0.300	0.290	72	0.700	0.550
48	0.310	0.305	73	0.700	0.550
49	0.320	0.320	74	0.700	0.550

Accidental disability rates are assumed to be 0.015% for all State members and 0.03% for all Local employers' members.

Ordinary disability rates apply upon attainment of 10 years of service until the attainment of age 55 with at least 25 years of service.

Members are assumed to receive the greater of the applicable disability benefit or the early or service retirement benefit, depending on eligibility.

Tier 4 and Tier 5 members are not eligible for the Ordinary or Accidental Disability benefits but the disability rates still apply. Such members terminating under the disability decrement are assumed to separate from service and elect a Deferred Retirement benefit.

PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
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APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

10. Mortality

Pre-Retirement Mortality (Non-Annuitants): The Pub-2016 General Below-Median Income Employee mortality table [*PubG-2016(B) Employee*] as published by the Society of Actuaries (SOA) with an 86.3% adjustment for males and 97.6% adjustment for females, and with future improvement from the base year of 2016 on a generational basis using SOA's Scale MP-2021.

All pre-retirement deaths are assumed to be ordinary deaths.

Healthy Retirees and Beneficiaries (Healthy Annuitants): The Pub-2016 General Below-Median Income Healthy Retiree mortality table [*PubG-2016(B) Healthy Retiree*] as published by the SOA with a 93.3% adjustment for males and 99.5% adjustment for females, and with future improvement from the base year of 2016 on a generational basis using SOA's Scale MP-2021.

Disabled Retirees (Disabled Annuitants): The Pub-2016 Non-Safety Disabled Retiree mortality table [*PubNS-2016 Disabled Retiree*] as published by the SOA with a 156.9% adjustment for males and 139.0% adjustment for females, and with future improvement from the base year of 2016 on a generational basis using SOA's Scale MP-2021.

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
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**APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS**

**11. Retirement**

Retirement rates for State Tiers 1-4 members are as follows:

State Tiers 1-4 Retirement Rates			
Age	Less Than 25 Years of Service	25 Years of Service	26 or More Years of Service
< 49	N/A	4.50%	2.00%
49	N/A	4.50	2.00
50	N/A	4.50	3.50
51	N/A	4.50	3.50
52	N/A	6.00	4.25
53	N/A	6.00	5.50
54	N/A	7.00	6.75
55	N/A	20.00	21.00
56	N/A	20.00	15.00
57	N/A	20.00	14.00
58	N/A	20.00	14.00
59	N/A	20.00	14.00
60	5.00	20.00	19.00
61	5.00	27.00	19.00
62	8.00	36.50	27.00
63	8.00	36.50	24.00
64	8.00	38.00	21.00
65	15.00	40.00	25.00
66	16.00	47.00	29.00
67	16.00	47.00	29.00
68	15.00	47.00	23.00
69	15.00	43.00	26.00
70	15.00	43.00	26.00
71	15.00	43.00	23.00
72	15.00	43.00	21.00
73	15.00	43.00	21.00
74	15.00	43.00	21.00
75	100.00	100.00	100.00

Rates apply upon retirement eligibility by tier.

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
JULY 1, 2025 ACTUARIAL VALUATION**

**APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS**

Retirement rates for Local employers Tiers 1-4 members are as follows:

<b>Local Employers' Tiers 1-4 Retirement Rates</b>			
<b>Age</b>	<b>Less Than 25 Years of Service</b>	<b>25 Years of Service</b>	<b>26 or More Years of Service</b>
< 49	N/A	3.00%	2.25%
49	N/A	4.00	3.00
50	N/A	4.00	3.50
51	N/A	6.00	3.75
52	N/A	6.00	3.75
53	N/A	6.00	5.00
54	N/A	6.00	6.00
55	N/A	15.00	16.00
56	N/A	17.00	13.00
57	N/A	18.00	12.00
58	N/A	18.00	12.00
59	N/A	18.00	12.00
60	5.50	18.00	14.00
61	4.50	22.00	14.00
62	7.50	30.00	25.00
63	7.50	32.00	20.00
64	7.50	32.00	20.00
65	12.00	34.00	22.00
66	15.00	37.00	24.00
67	15.00	43.00	27.00
68	14.00	37.00	22.00
69	14.00	37.00	22.00
70	14.00	37.00	22.00
71	14.00	37.00	22.00
72	14.00	37.00	22.00
73	14.00	37.00	22.00
74	14.00	37.00	22.00
75	100.00	100.00	100.00

Rates apply upon retirement eligibility by tier.

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
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**APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS**

Retirement rates for State Tier 5 members are as follows:

<b>State Tier 5 Retirement Rates</b>						
<b>Age</b>	<b>Less Than 25 Years of Service</b>	<b>25 Years of Service</b>	<b>26 to 29 Years of Service</b>	<b>30 Years of Service</b>	<b>31 or More Years of Service</b>	
< 49	N/A	N/A	N/A	4.50%	2.00%	
49	N/A	N/A	N/A	4.50	2.00	
50	N/A	N/A	N/A	4.50	3.50	
51	N/A	N/A	N/A	4.50	3.50	
52	N/A	N/A	N/A	6.00	4.25	
53	N/A	N/A	N/A	6.00	5.50	
54	N/A	N/A	N/A	7.00	6.75	
55	N/A	N/A	N/A	20.00	21.00	
56	N/A	N/A	N/A	20.00	15.00	
57	N/A	N/A	N/A	20.00	14.00	
58	N/A	N/A	N/A	20.00	14.00	
59	N/A	N/A	N/A	20.00	14.00	
60	N/A	N/A	N/A	20.00	19.00	
61	N/A	N/A	N/A	27.00	19.00	
62	N/A	N/A	N/A	36.50	27.00	
63	N/A	N/A	N/A	36.50	24.00	
64	N/A	N/A	N/A	38.00	21.00	
65	15.00	40.00	40.00	40.00	25.00	
66	16.00	47.00	29.00	29.00	29.00	
67	16.00	47.00	29.00	29.00	29.00	
68	15.00	47.00	23.00	23.00	23.00	
69	15.00	43.00	26.00	26.00	26.00	
70	15.00	43.00	26.00	26.00	26.00	
71	15.00	43.00	23.00	23.00	23.00	
72	15.00	43.00	21.00	21.00	21.00	
73	15.00	43.00	21.00	21.00	21.00	
74	15.00	43.00	21.00	21.00	21.00	
75	100.00	100.00	100.00	100.00	100.00	

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
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**APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS**

Retirement rates for Local employers Tier 5 members are as follows:

<b>Local Employers' Tier 5 Retirement Rates</b>					
<b>Age</b>	<b>Less Than 25 Years of Service</b>	<b>25 Years of Service</b>	<b>26 to 29 Years of Service</b>	<b>30 Years of Service</b>	<b>31 or More Years of Service</b>
< 49	N/A	N/A	N/A	3.00%	2.25%
49	N/A	N/A	N/A	4.00	3.00
50	N/A	N/A	N/A	4.00	3.50
51	N/A	N/A	N/A	6.00	3.75
52	N/A	N/A	N/A	6.00	3.75
53	N/A	N/A	N/A	6.00	5.00
54	N/A	N/A	N/A	6.00	6.00
55	N/A	N/A	N/A	15.00	16.00
56	N/A	N/A	N/A	17.00	13.00
57	N/A	N/A	N/A	18.00	12.00
58	N/A	N/A	N/A	18.00	12.00
59	N/A	N/A	N/A	18.00	12.00
60	N/A	N/A	N/A	18.00	14.00
61	N/A	N/A	N/A	22.00	14.00
62	N/A	N/A	N/A	30.00	25.00
63	N/A	N/A	N/A	32.00	20.00
64	N/A	N/A	N/A	32.00	20.00
65	12.00	34.00	34.00	34.00	22.00
66	15.00	37.00	24.00	24.00	24.00
67	15.00	43.00	27.00	27.00	27.00
68	14.00	37.00	22.00	22.00	22.00
69	14.00	37.00	22.00	22.00	22.00
70	14.00	37.00	22.00	22.00	22.00
71	14.00	37.00	22.00	22.00	22.00
72	14.00	37.00	22.00	22.00	22.00
73	14.00	37.00	22.00	22.00	22.00
74	14.00	37.00	22.00	22.00	22.00
75	100.00	100.00	100.00	100.00	100.00

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
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**APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS**

Retirement rates for members of Prosecutors Part (Chapter 366, P.L. 2001 and Chapter 226, P.L. 2021) are as follows:

- Members with less than 25 years of service: 4.0% for all ages,
- Members with 25 years of service: 45.0% for all ages,
- Members with 26 or more years of service: 20.0% for all ages.

Rates apply upon retirement eligibility. 100% retirement is assumed at age 70.

Retirement rates for members of WCJ Part (Chapter 140, P.L. 2021) are as follows:

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

**12. Family  
Composition  
Assumptions**

For members not currently in receipt, 50% of members are assumed married to spouses of the opposite sex. Males are assumed to be two years older than females.

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

No additional dependent children or parents are assumed.

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**APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS**

**13. Form of Payment**      Current active members are assumed to elect the Maximum Option.

**14. Non-Contributory  
Group Insurance  
Benefit Form of  
Payment**      All benefits are assumed to be paid as lump sums.

**15. Data**      Non-contributing members reported without a salary are included in the valuation with a liability based on the reported Accumulated Deductions with interest (Annuity Savings Fund or ASF), adjusted to include interest through the valuation date.

Per discussions with DPB, the statuses for active records in Locations 4 – 7 (General Assembly and Senate) are based on changes in service instead of the contribution code.

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

Deferred beneficiaries were reported separately from other non-contributing members for the first time in 2021. The benefit is based on the reported Accumulated Deductions with interest (Annuity Savings Fund or ASF).

Inactive participants receiving benefits according to the 2024 data but omitted from the 2025 data are assumed to have died without a beneficiary.

For retirees who earned benefits under both a State and Local employer, their total benefit is assigned to the location with the highest salary prior to retirement.

Tiers 4 and 5 members on long-term disability appeared on the active data for the first time in 2019. The number of members on long-term disability is immaterial for valuation purposes. Therefore, we valued these members as regular contributing and non-contributing members.

Special asset values and projected lottery revenue proceeds used in this report are based on the New Jersey Lottery Valuation Report as of December 31, 2021, as provided by the Division of Pensions and Benefits.

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
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**APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS**

**16. Rationale for Assumptions**

The demographic and economic assumptions used in this report, except for the investment return assumption, reflect the results of the July 1, 2021 – June 30, 2024 Experience Study, which was approved by the Board of Trustees on September 17, 2025.

The investment return assumption was recommended by the State Treasurer. We find the investment return assumption to be reasonable based on the System's current asset allocation and the capital market outlook of the New Jersey Division of Investment.

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

**17. Changes in Assumptions since Last Valuation**

The assumed rates of termination, retirement, disability, mortality, and salary increases were updated based on the July 1, 2021 – June 30, 2024 Experience Study, which was approved by the Board of Trustees on September 17, 2025. For a detailed description of each of these assumptions before and after the changes reflected in this valuation, please reference the Experience Study.

APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

**B. Projection Assumptions**

- 1. Investment Rate of Return** 7.00% per annum, compounded annually.
- 2. Appropriation Percentages** The State is assumed to appropriate 100% of the Statutory contribution each year.
- 3. Administrative Expenses** The actual administrative expenses paid in FYE 2025 are assumed to increase by 2.75% per annum, compounded annually.
- 4. New Entrants**
  - Contributing active population assumed to remain at 2025 levels.
  - Assumed to join mid-year.
  - Age/sex distributions based on the last three years of new hires.
  - Salary based on salary for most recent hires reported on 2025 data.
  - New entrant salary assumed to increase with the salary increase rates applicable for members with 28 or more years of service (i.e., 3.25%).
- 5. Demographic Assumptions** Same as those used for valuation purposes.
- 6. Projection Basis**

This report includes projections of future assets, liabilities, funded status and contributions for the purpose of assisting the Board of Trustees with the management of the System.

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

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

**APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS**

**C. Actuarial Methods**

The actuarial methods used for determining State and Local employers' contributions are described below.

**1. Actuarial Cost Method**

The actuarial cost method for funding calculations is the Projected Unit Credit Cost Method. Non-contributing members reported with a salary use the Projected Unit Credit Cost Method without any future projected salary increases.

The actuarial liability is calculated as the actuarial present value of the projected benefits linearly allocated to periods prior to the valuation year based on service (WCJ Part Service for members in the WCJ Part). Refunds are valued as the reported Accumulated Deductions with interest of the valuation date. The unfunded actuarial liability is the actuarial liability on the valuation date less the actuarial value of assets.

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

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

Certain portions of the normal cost and unfunded actuarial liabilities attributable to Local employers are payable by the State and/or over different periods in accordance with the NJ State Statutes.

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

The non-contributory group life insurance benefit is funded separately through a term cost.

**APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS**

**2. Asset Valuation Method**

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

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

**3. Contributions**

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

Local employers' contributions are expected to be paid on April 1st, 21 months after the associated valuation date.

Chapter 98, P.L. 2017, the Lottery Enterprise Contribution Act, allows PERS to receive 21.02% of the proceeds of the Lottery Enterprise, based upon its members' past or present employment in schools and institutions in the State for a term of 30 years. Revenues from Chapter 98, P.L. 2017, the Lottery Enterprise Contribution Act, are assumed to be contributed to the trust on a monthly basis. The State's pension contribution is reduced by the product of the allocable percentage for the PERS, the adjustment percentage, and the special asset adjustment.

Contributions payable in the fiscal year starting on the valuation date are included in the actuarial value of assets as receivable contributions, discounted by the applicable valuation interest rate.

Legislation has provided for additional benefits and/or funding requirements which are included in this valuation and are described as follows.

Early Retirement Incentive Programs

Local employers which elected to participate in various early retirement incentive programs authorized by NJ Statute make contributions to cover the cost of these programs over amortization periods elected by the employer to the extent permitted by NJ Statute.

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**APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS**

Chapter 133, P.L. 2001

Chapter 133, P.L. 2001 increased the accrual rate from 1/60 to 1/55. In addition, it lowered the age required for a veteran benefit equal to 1/55 of highest 12-month Compensation for each Year of Service from 60 to 55.

Chapter 133, P.L. 2001 also established the Benefit Enhancement Fund (BEF) to fund the additional annual employer normal contribution due to the Statute's increased benefits. (Chapter 353, P.L. 2001 extended this coverage to this Statute's additional annual employer normal contribution.) If the assets in the BEF are insufficient to cover the normal contribution for the increased benefits for a valuation period, the State will pay such amount for both the State and Local employers. As of July 1, 2025, there are no assets in the BEF.

Chapter 259, P.L. 2001

Chapter 259, P.L. 2001 established the Workers' Compensation Judges Part of the System with special retirement benefits for Workers' Compensation Judges. See Appendix C for details.

In accordance with the provisions of Chapter 259, P.L. 2001, the additional contributions for these special retirement benefits will be funded by transfers from the Second Injury Fund.

Chapter 366, P.L. 2001

Chapter 366, P.L. 2001 established the Prosecutors Part of the System with special retirement benefits for Prosecutors. See Appendix C for details.

Chapter 366, P.L. 2001 also requires the State be liable for any increase in pension costs to a County that results from the enrollment of Prosecutors in the Prosecutors Part. Any increase in the unfunded actuarial liability arising from the benefits established for the Prosecutors Part are to be amortized over a closed 30-year period.

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**APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS**

Chapter 19, P.L. 2009

Chapter 19, P.L. 2009 provided that the State Treasurer will reduce for Local employers the normal and accrued liability contributions to 50 percent of the amount certified for fiscal year 2009. The remaining 50% of the contribution (unfunded liability) will be paid by the Local employers in level annual payments over a period of 15 years with the first payment due in the fiscal year ending June 30, 2012. The unfunded liability will be adjusted by the rate of return on the actuarial value of assets. The legislation also provided that a Local employer may pay 100 percent of the contribution for the fiscal year 2009. Such an employer will be credited with the full payment and any such amounts will not be included in their unfunded liability. In addition, certain Local employers who were eligible to defer 50% of their fiscal year 2009 pension contributions but instead paid 100% of the fiscal year 2009 pension contributions were permitted to defer 50% of their 2010 fiscal year pension contributions. The unfunded liability will be paid by these Local employers over a period of 15 years with the first payment due in the fiscal year ending June 30, 2012. The unfunded liability will be adjusted by the rate of return on the actuarial value of assets.

Chapter 140, P.L. 2021

Chapter 140, P.L. 2021 reopened the Worker's Compensation Judges (WCJ) Part of PERS and transferred WCJs from the Defined Contribution Retirement Program (DCRP) and the regular part of PERS into the WCJ Part of PERS.

The corresponding increase in the unfunded actuarial liability is amortized over a closed 20-year period. The additional unfunded actuarial liability contribution and the increased normal cost contribution will be paid by transfers from the Second Injury Fund (SIF).

**4. ASOP No. 4 Disclosure**

ASOP No. 4 requires the disclosure of a reasonable actuarially determined contribution (ADC), which includes the use of an asset valuation method that complies with ASOP No. 44. For purposes of this disclosure requirement only, we have calculated an ADC based on the market value of assets instead of the actuarial value of assets. Using the market value of assets would result in more volatile contribution requirements but would avoid deferral of contribution increases/(decreases) due to unrecognized asset losses/(gains). The State's reasonable ADC is greater than the FYE 2027 Statutory contribution shown in Table I-1 by \$8 million, or 0.4%, and the Local employers' reasonable ADC is less than the FYE 2027 Statutory contribution shown in Table I-2 by \$119 million, or 9.0%. For purposes of these reasonable ADC calculations, we use an investment rate of return assumption of 7.00%, net of administrative expenses.

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
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**APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS**

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

**5. Valuation Software**

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

**6. Changes Since Last Valuation**

None.

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
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**APPENDIX C – SUMMARY OF PLAN PROVISIONS**

This summary of Plan provisions provides an overview of the major provisions of the PERS used in the actuarial valuation. It is not intended to replace the more precise language of the NJ State Statutes, Title 43, Chapter 15A, and if there is any difference between the description of the plan herein and the actual language in the NJ State Statutes, the NJ State Statutes will govern. This valuation is prepared based on plan provisions in effect as of July 1, 2025 and does not reflect the impact of any changes in the benefits that may have been approved after the valuation date.

**1. Eligibility for Membership**

Employees of the State or any county, municipality, school district, or public agency employed on a regular basis in a position covered by Social Security and not required to be a member of any other State or local government retirement system. Certain exceptions apply.

- a) Class B (or Tier 1) Member: Any member hired prior to July 1, 2007.
- b) Class D (or Tier 2) Member: Any member hired on or after July 1, 2007 and before November 2, 2008.
- c) Class E (or Tier 3) Member: Any member hired after November 1, 2008 and before May 22, 2010.
- d) Class F (or Tier 4) Member: Any member hired after May 21, 2010 and before June 28, 2011.
- e) Class G (or Tier 5) Member: Any member hired on or after June 28, 2011.

**2. Plan Year**

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

**3. Years of Service**

A year of service for each year an employee is a Member of the Retirement System plus service, if any, covered by a prior service liability. Tier 4 and Tier 5 Members must be scheduled to work at least 35 hours per week for the State or 32 hours per week for a Local employer. Tier 3, 4 and 5 Members must have an annual salary of \$7,500 (indexed for inflation) and other members must have an annual salary of \$1,500.

**4. Compensation**

Base salary upon which contributions by a Member to the Annuity Savings Fund were based. Chapter 113, P.L. 1997 provides that Compensation cannot exceed the compensation limitation of Section 401(a)(17) of the Internal Revenue Code. Chapter 103, P.L. 2007 provides that for a Tier 2, 3, 4 or 5 Member, Compensation cannot exceed the annual maximum wage contribution base for Social Security, pursuant to the Federal Insurance Contribution Act.

APPENDIX C – SUMMARY OF PLAN PROVISIONS

**5. Final Compensation**

The average annual compensation upon which contributions by a Member are made for the three consecutive years of service immediately preceding retirement, or the highest three fiscal years of service, if greater. Chapter 1, P. L. 2010 provides that for a Tier 4 or Tier 5 Member, Final Compensation is the average annual compensation upon which contributions by a Member are made for the five consecutive years of service immediately preceding retirement, or the highest five fiscal years of service, if greater.

**6. Final Year Compensation**

The compensation upon which contributions by a Member to the Annuity Savings Fund are based in the last year of service.

**7. Accumulated Deductions**

The sum of all amounts deducted from the compensation of a Member or contributed by the Member or on the Member's behalf without interest.

**8. Interest Credits on Accumulated Deductions**

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

**9. Member Contributions**

Each Member contributes a percentage of Compensation. Effective October 1, 2011, Chapter 78, P.L. 2011 set the member contribution rate at 6.5% and increased it by 1/7<sup>th</sup> of 1 % each July thereafter until it attained an ultimate rate of 7.5% on July 1, 2018.

For members who are eligible to retire under the Prosecutors Part as provided by Chapter 366, P.L. 2001, Chapter 78, P.L. 2011 set the member contribution rate at 10.0%, effective October 1, 2011.

**10. Benefits**

- a) **Service Retirement:** For a Tier 1 or Tier 2 Member, age 60. For a Tier 3 or Tier 4 Member, age 62. For a Tier 5 Member, age 65.

Benefit is an annual retirement allowance comprised of a member annuity plus an employer pension which together will provide a total retirement allowance of:

- (1) For a Tier 1, 2 or 3 Member, 1/55 of Final Compensation for each Year of Service.
- (2) For a Tier 4 or 5 Member, 1/60 of Final Compensation for each Year of Service.

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**APPENDIX C – SUMMARY OF PLAN PROVISIONS**

- b) **Early Retirement:** Prior to eligibility for Service Retirement. For a Tier 1, 2, 3 or 4 Member, 25 Years of Service. For a Tier 5 Member, 30 Years of Service.

Benefit is an annual retirement allowance comprised of a member annuity plus an employer pension which together will provide a total retirement allowance of:

- (1) For a Tier 1 Member, the Service Retirement benefit reduced by 1/4 of one percent for each month the retirement date precedes age 55.
- (2) For a Tier 2 Member, the Service Retirement benefit reduced by 1/12 of one percent for each month the retirement date precedes age 60 through age 55 and by 1/4 of one percent for each month the retirement date precedes age 55.
- (3) For a Tier 3 or 4 Member, the Service Retirement benefit reduced by 1/12 of one percent for each month the retirement date precedes age 62 through age 55 and by 1/4 of one percent for each month the retirement date precedes age 55.
- (4) For a Tier 5 Member, the Service Retirement benefit reduced by 1/4 of one percent for each month the retirement date precedes age 65.

- c) **Veteran Retirement:** Age 55 with 25 Years of Service or Age 60 with 20 Years of Service for a qualified military veteran who retires directly from active service.

Benefit is an annual retirement allowance comprised of a member annuity plus an employer pension which together will provide a total retirement allowance of the greater of:

- (1) 54.5% of highest 12-month Compensation, or
- (2) For a member who is at least age 55 with 35 Years of Service, 1/55 of highest 12-month Compensation for each Year of Service.

Veterans may receive a Service Retirement benefit if greater.

- d) **Deferred Retirement:** Termination of service prior to eligibility for Service Retirement with 10 Years of Service.

Benefit is either:

- (1) A refund of Accumulated Deductions plus, if the member has completed three Years of Service, interest accumulated at 2.0% per annum; or
- (2) A deferred life annuity, commencing at age 60 for a Tier 1 or Tier 2 Member, age 62 for a Tier 3 or Tier 4 Member or age 65 for a Tier 5 Member, comprised of a member annuity plus an employer pension which together will provide a total retirement allowance of the Service Retirement benefit based on Final Compensation and Years of Service at date of termination.

For Members who die during the deferral period, the benefit is a return of Accumulated Deductions with credited interest.

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- e) **Non-Vested Termination:** Termination of service prior to eligibility for Service Retirement and less than 10 Years of Service.

Benefit is a refund of Accumulated Deductions plus, if the member has completed three Years of Service, interest accumulated at 2.0% per annum.

- f) **Death Benefits**

- (1) **Ordinary Death Before Retirement:** Death of an active contributing Member. Benefit is equal to:

- a. Lump sum payment equal to 150% of Final Year Compensation, also known as the non-contributory group life insurance benefit, plus
- b. Accumulated Deductions with credited interest.

- (2) **Accidental Death Before Retirement:** Death of an active Member resulting from injuries received from an accident during performance of duty and not a result of willful negligence. Benefit is equal to:

- a. Lump sum payment equal to 150% of Final Year Compensation, also known as the non-contributory group life insurance benefit, plus
- b. Spouse life annuity of 50% of Final Year Compensation payable until spouse's death or remarriage. If there is no surviving spouse or upon death or remarriage, a total of 20% (35%, 50%) of Final Year Compensation payable to one (two, three or more) dependent child(ren). If there is no surviving spouse or dependent child(ren), 25% (40%) of Final Year Compensation to one (two) dependent parent(s). If there is no surviving spouse, dependent child(ren) or parent(s), the benefit is a refund of Accumulated Deductions with credited interest.

- (3) **Death After Retirement:** Death of a retired Member. Benefit is equal to:

- a. Lump sum payment equal to 3/16 of Final Year Compensation for a Member retired under Service, Early, Veteran or Deferred Retirement with 10 Years of Service. For a Member receiving a Disability benefit, lump sum payment of 150% of Final Year Compensation if death occurs prior to age 60 and 3/16 of Final Compensation if death occurs after age 60. This benefit is also known as the non-contributory group life insurance benefit, plus
- b. Any survivor benefit due under the Member's optional form of payment election. Previously granted COLAs also apply to life annuities.

Members are also eligible for a voluntary, employee-paid life insurance policy, known as the contributory group life insurance policy. This benefit is not paid through the System and is not considered for valuation purposes.

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**g) Disability Retirement**

- (1) Ordinary Disability Retirement: 10 Years of Service and totally and permanently incapacitated from the performance of normal or assigned duties. Only available to Tier 1, 2 and 3 Members.

Benefit is an annual retirement allowance comprised of a member annuity plus an employer pension which together will provide a total allowance of the greater of:

- a. 1.64% of Final Compensation for each Year of Service; or
- b. 43.6% of Final Compensation.

- (2) Accidental Disability Retirement: Total and permanent incapacitation as a direct result of a traumatic event occurring during and as a result of the performance of regular or assigned duties. Under certain conditions for law enforcement officers or emergency medical technicians, regular or assigned duties may include the World Trade Center (WTC) rescue, recovery, or cleanup operations between September 11, 2001 and October 11, 2001. For such members who participated in the WTC rescue, recovery, or cleanup operations, the total and permanent disability may occur after retirement on a service retirement or an ordinary disability retirement. Only available to Tier 1, 2 and 3 Members.

Benefit is an annual retirement allowance comprised of a member annuity plus an employer pension which together will provide a total retirement allowance of 72.7% of Compensation at the date of injury.

The pension portion of the benefit will be offset for any periodic Workers' Compensation benefits.

Tier 4 and Tier 5 Members are eligible for long-term disability coverage. This benefit is not paid through the System and is not considered for valuation purposes. Both Member and employer contributions to the System continue while on long-term disability, with the policy covering the Member portion. The long-term disability benefit equals 60% of Final Year Compensation and may be offset for other periodic benefits, such as Workers' Compensation, short-term disability or Social Security. The long-term disability benefit may continue through the earlier of age 70 or commencement of a retirement benefit under the System.

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**11. Benefits for Special Employee Groups**

Certain members qualify for enrollment into special employee groups. Such members receive the greater of the special benefits described below or the regular PERS benefit described above. For benefit types not explicitly mentioned, the regular PERS benefit applies.

a) **Law Enforcement Officers (LEOs):**

Members employed in eligible job titles as well as individuals who do not meet the age or medical requirements for entry into the Police and Firemen's Retirement System (PFRS).

(1) **Service and Special Retirement**

Mandatory retirement at age 65. Veterans with less than 20 Years of Service at age 65 must retire upon attainment of 20 Years of Service or age 70, whichever is earlier. Voluntary retirement prior to those ages.

a. **Service Retirement:** Age 55 after 20 Years of LEO Service.

Benefit is an annual retirement allowance comprised of a member annuity plus an employer pension which together will provide a total retirement allowance of 2% of Final Compensation for each Year of LEO Service up to 25 years plus 1% of Final Compensation for each Year of LEO Service over 25 years.

The Member is also eligible for a regular PERS benefit based on any non-LEO service.

b. **Special Retirement:** 25 Years of LEO Service.

Benefit is the Service Retirement benefit plus 5% of Final Compensation with a maximum of 70% of Final Compensation.

(2) **Ordinary Disability Retirement:** 5 Years of LEO Service.

Benefit is the regular PERS Ordinary Disability benefit.

(3) **Death Benefits:**

Benefit is the regular PERS Death benefit except, upon Accidental Disability Retirement, the minimum lump sum payment is \$5,000.

b) **Legislative Retirement System (LRS):**

Members of the State Legislature. Chapter 92, P.L. 2007 closed LRS to new members enrolled on or after July 1, 2007.

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(1) Special Legislative Retirement: Age 60.

Benefit is an annual retirement allowance comprised of a member annuity plus an employer pension which together will provide a total retirement allowance of 3% of Final Compensation for each Year of Legislative Service with a maximum of two-thirds of Final Compensation.

The Member is also eligible for a regular PERS benefit based on any non-legislative service.

(2) Deferred Retirement: Termination of service prior to eligibility for Service or Special Legislative Retirement with 8 Years of Legislative Service.

Benefit is either:

- a. A refund of Accumulated Deductions plus, if the Member has completed three Years of Service, interest accumulated at 2.0% per annum; or
- b. A deferred life annuity, commencing at age 60, comprised of a member annuity plus an employer pension which together will provide a total retirement allowance of the Service or Special Legislative Retirement benefit based on Final Compensation and Years of Service at date of termination.

c) **Prosecutors Part (Chapter 366, P.L. 2001 and Chapter 226, P.L. 2021):**

Covers prosecutors as well as members employed in certain other related job titles. Chapter 1, P.L. 2010 closed the Prosecutors Part to new members enrolled on or after May 22, 2010.

Chapter 226, P.L. 2021 reopened the Prosecutors Part of PERS and made membership in the Prosecutors Part of PERS mandatory for prosecutors.

(1) Service and Special Retirement

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

In addition to the benefits described below, the member is eligible for a regular PERS benefit based on any non-Prosecutors Part service.

- a. Service Retirement: For a Prosecutors Part Member enrolled as of January 7, 2002, age 55 or 20 Years of Prosecutors Part Service. For a Prosecutors Part Member enrolled after January 7, 2002, age 55.

Benefit is an annual retirement allowance comprised of a member annuity plus an employer pension which together will provide a total retirement allowance of the greater of:

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- i. 2% of Final Year Compensation for each Year of Prosecutors Part Service up to 30 years plus 1% of Final Year Compensation for each Year of Prosecutors Part Service over 30 years.
- ii. 50% of Final Year Compensation for Prosecutors Part Members with 20 or more Years of Prosecutors Part Service.
- iii. 1/60 of Final Year Compensation for each Year of Prosecutors Part Service.

b. Special Retirement: 25 Years of Prosecutors Part Service.

Benefit is an annual retirement allowance comprised of a member annuity plus an employer pension which together will provide a total retirement allowance of 65% of Final Year Compensation plus 1% of Final Year Compensation for each Year of Prosecutors Part Service in excess of 25 years with a maximum of 70% of Final Compensation.

(2) Deferred Retirement: Termination of service prior to eligibility for Service or Special Retirement with 10 Years of Prosecutors Part Service.

Benefit is either:

- a. A refund of Accumulated Deductions plus, if the Member has completed three Years of Service, interest accumulated at 2.0% per annum; or
- b. A deferred life annuity, commencing at age 55, comprised of a member annuity plus an employer pension which together will provide a total retirement allowance of 2% of Final Year Compensation for each Year of Prosecutors Part Service.

(3) Death Benefits:

Benefit is the regular PERS Death benefit except, upon Service, Special or Deferred Prosecutors Part Retirement with 10 Years of Prosecutors Part Service, the lump sum payment equals 50% of Final Year Compensation.

d) Workers Compensation Judges (WCJ) Part (Chapter 259, P.L. 2001 and Chapter 140, P.L. 2021):

Member employed in an eligible job title by the Division of Workers' Compensation. Chapter 92, P.L. 2007 closed the Workers Compensation Judges Part to new members enrolled on or after July 1, 2007.

Chapter 140, P.L. 2021 reopened the Worker's Compensation Judges (WCJ) Part of PERS and transferred WCJs from the Defined Contribution Retirement Program (DCRP) and the regular part of PERS into the WCJ Part of PERS.

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(1) Service Retirement:

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

- a. Age 70 and 10 Years of WCJ Service; or  
Age 65 and 15 Years of WCJ Service; or  
Age 60 and 20 Years of WCJ Service.

Benefit is an annual retirement allowance comprised of a member annuity plus an employer pension which together will provide a total retirement allowance of 75% of contractual Compensation at the date of retirement.

- b. Age 65, 5 consecutive Years of WCJ Service and 15 Years of Aggregate PERS Service; or  
Age 60, 5 consecutive Years of WCJ Service and 20 Years of Aggregate PERS Service.

Benefit is an annual retirement allowance comprised of a member annuity plus an employer pension which together will provide a total retirement allowance of 50% of contractual Compensation at the date of retirement.

- c. Age 60, 5 consecutive Years of WCJ Service and 15 Years of Aggregate PERS Service.

Benefit is an annual retirement allowance comprised of a member annuity plus an employer pension which together will provide a total retirement allowance of 2% of contractual Compensation at the date of retirement for each Year of Aggregate PERS Service up to 25 years plus 1% of contractual Compensation at the date of retirement for each Year of Aggregate PERS Service over 25 years.

- d. Age 60.

Benefit is an annual retirement allowance comprised of a member annuity plus an employer pension which together will provide a total retirement allowance of 2% of contractual Compensation at the date of retirement for each Year of WCJ Service up to 25 years plus 1% of contractual Compensation at the date of retirement for each Year of Aggregate PERS Service over 25 years.

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- (2) Early Retirement: Prior to eligibility for Service Retirement and 5 consecutive Years of WCJ Service and 25 Years of Aggregate PERS Service.

Benefit is an annual retirement allowance comprised of a member annuity plus an employer pension which together will provide a total retirement allowance of 2% of contractual Compensation at the date of retirement for each Year of Aggregate PERS Service up to 25 years plus 1% of contractual Compensation at the date of retirement for each Year of Aggregate PERS Service over 25 years, actuarially reduced for commencement prior to age 60.

- (3) Deferred Retirement: Termination of service prior to eligibility for Service Retirement with 5 consecutive Years of WCJ Service and 10 Years of Aggregate PERS Service.

Benefit is either:

- a. A refund of Accumulated Deductions plus, if the Member has completed three years of service, interest accumulated at 2.0% per annum; or
- b. A deferred life annuity, commencing at age 60, comprised of a member annuity plus an employer pension which together will provide a total retirement allowance of 2% of contractual Compensation at the date of retirement for each Year of Aggregate PERS Service up to 25 years plus 1% of contractual Compensation at the date of retirement for each Year of Aggregate PERS Service over 25 years.

- (4) Death Benefits

- a. Before Retirement: Death of an active WCJ Member. Benefit is equal to:
  - i. Lump sum equal to 150% of contractual Compensation at the date of death, also known as the non-contributory group life insurance benefit, plus
  - ii. Spousal life annuity of 25% of contractual Compensation at the date of death payable until spouse's remarriage plus 10% (15%) to one (two or more) dependent child(ren). If there is no surviving spouse, or upon death or remarriage, a total of 15% (20%, 30%) of contractual Compensation at the date of death payable to one (two, three or more) dependent child(ren). If there is no surviving spouse or dependent child(ren), 20% (30%) of contractual Compensation at the date of death to one (two) dependent parent(s). If there is no surviving spouse, dependent child(ren) or parent(s), the benefit is a refund of Accumulated Deductions with interest.

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- b. After Retirement: Death of a retired WCJ Member. Benefit is equal to:
- i. Lump sum equal to 25% of contractual Compensation at the date of death for a Member retired under Service or Early WCJ Retirement with 10 Years of Aggregate PERS Service. For a Member receiving a Disability benefit, lump sum payment of 150% of contractual Compensation at the date of death if death occurs prior to age 60 and 25% of contractual Compensation at the date of death if death occurs after age 60. This benefit is known as the non-contributory group life insurance benefit, plus
  - ii. Any survivor benefit due under the Member's optional form of payment election. Previously granted COLAs also apply to life annuities.

**12. Optional Forms of Payment**

The member may elect the following forms of payment.

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

**13. Cost-of-Living Adjustments**

Also known as Pension Adjustments. Provided annually to retirees and survivors after 24 months of retirement prior to July 1, 2011. Chapter 78, P.L. 2011 eliminated future adjustments effective July 1, 2011. Adjustments may be reinstated in the future subject to certain conditions outlined in Chapter 78, P.L. 2011.

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**14. Changes in Plan Provisions Since Last Valuation**

This report reflects two changes to the Plan provisions. Chapter 97, P.L. 2024 establishes eligibility for enrollment in PERS and subsequent retirement benefits for county fire instructors who were employed and enrolled before November 1, 2008. Chapter 56, P.L. 2024 permits county prosecutors to purchase and receive credit in the Prosecutors Part of PERS for judicial law clerk service in a State court. Additionally, Chapter 56, P.L. 2024 permits a retired member of the Judicial Retirement System (JRS) to be appointed as a county prosecutor but such member cannot be enrolled in any other State-administered retirement system based on that service.

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

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**Table D-1  
Historical Summary of Assets and Liabilities  
State**

Valuation Date July 1,	Market Value of Assets	Actuarial Value of Assets		Funded Ratio	
		with Special Asset Value <sup>1</sup>	Actuarial Liability	Market Value	Actuarial Value
2025	\$ 11,204,442,174	\$ 13,845,582,429	\$ 30,246,484,921	37.0%	45.8%
2024	10,142,431,285	13,120,826,322	29,484,814,054	34.4%	44.5%
2023	9,222,531,715	12,502,517,768	28,762,696,821	32.1%	43.5%
2022	8,485,901,686	11,979,875,759	28,185,048,883	30.1%	42.5%
2021	9,116,415,984	11,533,493,169	27,489,997,258	33.2%	42.0%
2020	7,249,876,062	10,687,660,452	26,285,137,008	27.6%	40.7%
2019	7,454,643,131	10,669,315,506	25,666,760,996	29.0%	41.6%
2018	7,533,286,615	10,710,534,806	23,745,716,631	31.7%	45.1%
2017	7,520,536,539	10,861,669,626	23,324,861,385	32.2%	46.6%
2016	7,370,865,995	11,109,798,893	22,411,751,124	32.9%	49.6%

<sup>1</sup> Includes Special Asset Value

**Table D-2  
Historical Summary of Employer Contributions<sup>1</sup>  
State**

Fiscal Year Ending June 30,	Statutory Contribution /		Lottery Revenue	Contribution Deficiency/ (Excess)	Percentage of Contribution Covered
	Actuarially Determined Contribution	Actual State Appropriation			
2026 <sup>2</sup>	\$ 1,874,367,280	\$ 1,744,288,377	\$ 238,614,705	\$ (108,535,802)	105.8%
2025	1,842,034,709	1,711,956,000	227,646,600	(97,567,891)	105.3%
2024	1,821,307,122	1,691,228,000	246,985,000	(116,905,878)	106.4%
2023	1,757,720,407	1,628,706,270	245,934,000	(116,919,863)	106.7%
2022	1,718,462,218	1,624,706,855	233,550,067	(139,794,704)	108.1%
2021	1,622,539,084	1,037,865,734	232,271,000	352,402,350	78.3%
2020	1,432,190,871	776,970,874	213,353,000	441,866,997	69.1%
2019	1,406,859,836	627,377,884	232,271,000	547,210,952	61.1%
2018	1,324,313,829	451,752,000	205,155,662	667,406,167	49.6%
2017	1,263,740,460	506,499,652	0	757,240,808	40.1%

<sup>1</sup> Excludes contributions from NCGI and contributions payable from the Second Injury Fund for Chapter 259, P.L. 2001 and Chapter 140, P.L. 2021

<sup>2</sup> Reflects the State's planned contribution of 100% of the Statutory contribution and expected lottery revenue

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**APPENDIX D – HISTORICAL DATA AND REQUIRED EXHIBITS**

**Table D-3  
Historical Summary of Assets and Liabilities  
Local Employers**

Valuation Date July 1,	Market Value of Assets	Actuarial Value of Assets	Actuarial Liability	Funded Ratio	
				Market Value	Actuarial Value
2025	\$ 31,548,250,182	\$ 30,183,628,108	\$ 42,348,163,025	74.5%	71.3%
2024	29,327,970,775	28,802,958,441	41,377,056,578	70.9%	69.6%
2023	27,347,606,002	27,638,369,472	40,366,610,080	67.7%	68.5%
2022	25,757,807,667	26,694,121,356	39,317,139,093	65.5%	67.9%
2021	28,329,219,469	25,965,285,547	38,393,126,094	73.8%	67.6%
2020	22,891,936,466	24,424,654,983	36,410,100,750	62.9%	67.1%
2019	23,249,120,186	23,928,515,595	35,526,210,970	65.4%	67.4%
2018	22,645,367,115	23,264,877,618	33,103,627,533	68.4%	70.3%
2017	21,470,284,400	22,522,697,150	32,238,416,280	66.6%	69.9%
2016	19,756,262,137	21,900,421,798	30,673,935,604	64.4%	71.4%

**Table D-4  
Historical Summary of Employer Contributions<sup>1</sup>  
Local Employers**

Fiscal Year Ending June 30,	Statutory Contribution /		Contribution Deficiency/ (Excess)	Percentage of Contribution Covered
	Actuarially Determined Contribution	Actual Local Appropriation		
2026	\$ 1,317,000,080	\$ 1,317,000,080	\$ 0	100.0%
2025	1,313,223,512	1,313,223,512	0	100.0%
2024	1,290,896,136	1,290,896,136	0	100.0%
2023	1,218,309,080	1,218,309,080	0	100.0%
2022	1,167,822,171	1,129,430,662	38,391,509	96.7%
2021	1,136,379,268	1,059,596,249	76,783,019	93.2%
2020	943,133,465	943,131,078	2,387	100.0%
2019	970,120,667	970,150,173	(29,506)	100.0%
2018	901,781,034	901,868,890	(87,856)	100.0%
2017	866,468,492	866,468,492	0	100.0%

<sup>1</sup> Excludes contributions from NCGI and includes ERIs and Chapter 19, P.L. 2009 payments

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**APPENDIX D – HISTORICAL DATA AND REQUIRED EXHIBITS**

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

Table D-5 Schedule Retirees and Beneficiaries Added to and Removed From Rolls State								
Valuation Date July 1,	Added to Rolls		Removed from Rolls		Rolls at End of Year		Average Annual Allowance <sup>1</sup>	% Increase in Average Annual Allowance <sup>1</sup>
	Number	Annual Allowance	Number <sup>1</sup>	Annual Allowance	Number <sup>1</sup>	Annual Allowance		
2025	2,571	\$ 91,057,324	2,205	\$ 52,302,061	64,761	\$ 2,005,885,325	\$ 30,974	1.44%
2024	2,821	98,284,996	2,203	51,597,547	64,395	1,966,256,030	30,534	1.48%
2023	3,155	109,670,177	2,220	48,912,378	63,777	1,918,915,717	30,088	1.79%
2022	3,680	130,517,862	2,373	50,234,719	62,842	1,857,631,695	29,560	2.37%
2021	2,975	98,190,097	2,223	48,208,424	61,535	1,776,844,453	28,875	1.66%
2020	3,127	99,862,605	2,193	45,081,368	60,783	1,726,418,877	28,403	1.72%
2019	3,232	103,191,557	1,939	40,171,452	59,849	1,671,166,694	27,923	1.70%
2018	3,217	102,255,260	2,281	45,351,461	58,556	1,607,733,796	27,456	1.25%
2017	3,267	104,489,121	1,479	29,655,761	57,174	1,550,464,743	27,118	1.83%
2016	3,515	109,122,538	2,203	40,303,068	55,386	1,474,917,885	26,630	2.45%

<sup>1</sup> Beginning with the 2018 valuation, multiple members with benefits in receipt from both State and Local employers are included in State headcounts. This change resulted in 446 more records on the rolls as of July 1, 2018. The annual allowance for these records was included for all years.

Table D-6 Schedule Retirees and Beneficiaries Added to and Removed From Rolls Local Employers								
Valuation Date July 1,	Added to Rolls		Removed from Rolls		Rolls at End of Year		Average Annual Allowance	% Increase in Average Annual Allowance
	Number	Annual Allowance	Number	Annual Allowance	Number	Annual Allowance		
2025	6,668	\$ 170,014,239	5,084	\$ 83,243,038	133,227	\$ 2,784,931,054	\$ 20,904	2.05%
2024	6,688	165,838,725	5,183	82,827,780	131,643	2,696,736,397	20,485	2.05%
2023	7,467	177,184,037	5,528	83,648,671	130,138	2,612,310,525	20,073	2.23%
2022	7,956	185,974,696	5,594	84,197,549	128,199	2,517,340,724	19,636	2.35%
2021	7,336	167,060,350	5,491	81,935,010	125,837	2,414,370,737	19,186	2.17%
2020	7,078	157,358,396	5,729	81,347,000	123,992	2,328,399,284	18,779	2.30%
2019	7,199	158,384,725	4,748	65,855,298	122,643	2,251,384,758	18,357	2.24%
2018	7,272	151,992,839	5,537	76,519,975	120,192	2,157,906,233	17,954	2.17%
2017	7,444	155,525,527	3,725	50,460,932	118,457	2,081,607,680	17,573	2.04%
2016	7,856	159,065,854	5,681	72,658,490	114,738	1,975,865,848	17,221	2.65%

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**APPENDIX D – HISTORICAL DATA AND REQUIRED EXHIBITS**

**Table D-7  
Schedule Retirees and Beneficiaries Added to and Removed From Rolls  
Total**

Valuation Date July 1,	Added to Rolls		Removed from Rolls		Rolls at End of Year		Average Annual Allowance <sup>1</sup>	% Increase in Average Annual Allowance <sup>1</sup>
	Number	Annual Allowance	Number <sup>1</sup>	Annual Allowance	Number <sup>1</sup>	Annual Allowance		
2025	9,239	\$ 261,071,563	7,289	\$ 135,545,099	197,988	\$ 4,790,816,379	\$ 24,198	1.73%
2024	9,509	264,123,721	7,386	134,425,326	196,038	4,662,992,427	23,786	1.79%
2023	10,622	286,854,214	7,748	132,561,048	193,915	4,531,226,242	23,367	2.04%
2022	11,636	316,492,558	7,967	134,432,267	191,041	4,374,972,419	22,901	2.38%
2021	10,311	265,250,447	7,714	130,143,433	187,372	4,191,215,190	22,368	1.93%
2020	10,205	257,221,002	7,922	126,428,368	184,775	4,054,818,161	21,945	2.09%
2019	10,431	261,576,282	6,687	106,026,750	182,492	3,922,551,452	21,494	2.03%
2018	10,489	254,248,099	7,818	121,871,436	178,748	3,765,640,029	21,067	1.87%
2017	10,711	260,014,648	5,204	80,116,693	175,631	3,632,072,423	20,680	1.95%
2016	11,371	268,188,392	7,884	112,961,558	170,124	3,450,783,733	20,284	2.61%

<sup>1</sup> Beginning with the 2018 valuation, multiple members with benefits in receipt from both State and Local employers are included in State headcounts. This change resulted in 446 more records on the rolls as of July 1, 2018. The annual allowance for these records was included for all years.

**Table D-8  
Schedule of Active Member Valuation Data  
State**

Valuation Date July 1,	Number of Contributing Active Members <sup>1</sup>	Annual Compensation <sup>2</sup>	Annual Average Compensation	% Increase in Average Annual Compensation	Number of Participating Employers <sup>3</sup>
2025	67,296	\$ 5,413,110,813	\$ 80,437	3.80%	275
2024	65,660	5,088,317,819	77,495	4.07%	278
2023	64,048	4,769,262,833	74,464	2.73%	278
2022	64,357	4,664,968,264	72,486	3.78%	281
2021	65,555	4,578,674,071	69,845	2.07%	282
2020	67,774	4,637,529,278	68,426	2.37%	283
2019	67,906	4,539,069,588	66,843	5.80%	286
2018	68,593	4,333,772,974	63,181	-0.45%	283
2017	68,156	4,325,784,579	63,469	-0.49%	N/A
2016	68,502	4,369,066,658	63,780	0.02%	N/A

<sup>1</sup> Beginning with the 2018 valuation, reflects all records for multiple members

<sup>2</sup> Limited annual compensation

<sup>3</sup> Number of locations reporting contributing active members. For GASB reporting purposes, the State may be considered the participating employer for multiple locations.

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
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**APPENDIX D – HISTORICAL DATA AND REQUIRED EXHIBITS**

<b>Table D-9</b>						
<b>Schedule of Active Member Valuation Data</b>						
<b>Local Employers</b>						
Valuation Date July 1,	Number of Contributing Active Members <sup>1</sup>	Annual Compensation <sup>2</sup>	Annual Average Compensation	% Increase in Average Annual Compensation	Number of Participating Employers <sup>3</sup>	
2025	144,139	\$ 8,712,657,240	\$ 60,446	3.27%	1,646	
2024	142,752	8,355,205,061	58,530	3.44%	1,648	
2023	140,550	7,952,897,088	56,584	3.66%	1,646	
2022	139,073	7,591,465,466	54,586	2.71%	1,651	
2021	138,672	7,369,908,268	53,146	3.53%	1,659	
2020	142,757	7,328,393,274	51,335	3.07%	1,663	
2019	145,287	7,236,080,086	49,805	2.76%	1,664	
2018	146,615	7,106,248,788	48,469	1.66%	1,670	
2017	147,283	7,022,322,604	47,679	2.61%	N/A	
2016	149,077	6,927,278,654	46,468	2.76%	N/A	

<sup>1</sup> Beginning with the 2018 valuation, reflects all records for multiple members

<sup>2</sup> Limited annual compensation

<sup>3</sup> Number of locations reporting contributing active members

<b>Table D-10</b>						
<b>Schedule of Active Member Valuation Data</b>						
<b>Total</b>						
Valuation Date July 1,	Number of Contributing Active Members <sup>1</sup>	Annual Compensation <sup>2</sup>	Annual Average Compensation	% Increase in Average Annual Compensation	Number of Participating Employers <sup>3</sup>	
2025	211,435	\$ 14,125,768,053	\$ 66,809	3.57%	1,921	
2024	208,412	13,443,522,880	64,505	3.74%	1,926	
2023	204,598	12,722,159,921	62,181	3.21%	1,924	
2022	203,430	12,256,433,730	60,249	2.98%	1,932	
2021	204,227	11,948,582,339	58,506	2.94%	1,941	
2020	210,531	11,965,922,552	56,837	2.91%	1,946	
2019	213,193	11,775,149,674	55,232	3.90%	1,950	
2018	215,208	11,440,021,762	53,158	0.92%	1,953	
2017	215,439	11,348,107,183	52,674	1.46%	N/A	
2016	217,579	11,296,345,312	51,918	1.70%	N/A	

<sup>1</sup> Beginning with the 2018 valuation, reflects all records for multiple members

<sup>2</sup> Limited annual compensation

<sup>3</sup> Number of locations reporting contributing active members. For GASB reporting purposes, the State may be considered the participating employer for multiple locations.

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
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**APPENDIX D – HISTORICAL DATA AND REQUIRED EXHIBITS**

Table D-11 Schedule of Funding Progress State						
Valuation Date July 1,	Actuarial Value of Assets <sup>1</sup> (a)	Actuarial Accrued Liability (b)	(Surplus)/Unfunded		Covered Payroll <sup>2</sup> (d)	(Surplus)/Unfunded Actuarial Accrued
			Actuarial Accrued Liability (c) = (b) - (a)	Funded Ratio (a) / (b)		Liability as % of Covered Payroll (c) / (d)
2025	\$ 11,299,371,110	\$ 30,246,484,921	\$ 18,947,113,811	37.36%	\$ 5,413,110,813	350.02%
2024	10,544,572,052	29,484,814,054	18,940,242,002	35.76%	5,088,317,819	372.23%
2023	9,900,003,769	28,762,696,821	18,862,693,052	34.42%	4,769,262,833	395.51%
2022	9,354,810,560	28,185,048,883	18,830,238,323	33.19%	4,664,968,264	403.65%
2021	8,889,754,699	27,489,997,258	18,600,242,559	32.34%	4,578,674,071	406.24%
2020	8,045,759,732	26,285,137,008	18,239,377,276	30.61%	4,637,529,278	393.30%
2019	8,017,468,579	25,666,760,996	17,649,292,417	31.24%	4,539,069,588	388.83%
2018	8,057,092,909	23,745,716,631	15,688,623,722	33.93%	4,333,772,974	362.01%
2017	8,208,333,488	23,324,861,385	15,116,527,897	35.19%	4,325,784,579	349.45%
2016	8,466,901,791	22,411,751,124	13,944,849,333	37.78%	4,369,066,658	319.17%

<sup>1</sup> Includes receivable amounts. Excludes Special Asset Value.

<sup>2</sup> Limited annual compensation for contributing actives

Table D-12 Schedule of Funding Progress Local Employers						
Valuation Date July 1,	Actuarial Value of Assets <sup>1</sup> (a)	Actuarial Accrued Liability (b)	(Surplus)/Unfunded		Covered Payroll <sup>2</sup> (d)	(Surplus)/Unfunded Actuarial Accrued
			Actuarial Accrued Liability (c) = (b) - (a)	Funded Ratio (a) / (b)		Liability as % of Covered Payroll (c) / (d)
2025	\$ 30,183,628,108	\$ 42,348,163,025	\$ 12,164,534,917	71.27%	\$ 8,712,657,240	139.62%
2024	28,802,958,441	41,377,056,578	12,574,098,137	69.61%	8,355,205,061	150.49%
2023	27,638,369,472	40,366,610,080	12,728,240,608	68.47%	7,952,897,088	160.05%
2022	26,694,121,356	39,317,139,093	12,623,017,737	67.89%	7,591,465,466	166.28%
2021	25,965,285,547	38,393,126,094	12,427,840,547	67.63%	7,369,908,268	168.63%
2020	24,424,654,983	36,410,100,750	11,985,445,767	67.08%	7,328,393,274	163.55%
2019	23,928,515,595	35,526,210,970	11,597,695,375	67.35%	7,236,080,086	160.28%
2018	23,264,877,618	33,103,627,533	9,838,749,915	70.28%	7,106,248,788	138.45%
2017	22,522,697,150	32,238,416,280	9,715,719,130	69.86%	7,022,322,604	138.35%
2016	21,900,421,798	30,673,935,604	8,773,513,806	71.40%	6,927,278,654	126.65%

<sup>1</sup> Includes receivable amounts. Excludes Special Asset Value.

<sup>2</sup> Limited annual compensation for contributing actives

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**APPENDIX D – HISTORICAL DATA AND REQUIRED EXHIBITS**

**Table D-13  
Schedule of Funding Progress  
Total**

Valuation Date July 1,	Actuarial Value of Assets <sup>1</sup> (a)	Actuarial Accrued Liability (b)	(Surplus)/Unfunded		Covered Payroll <sup>2</sup> (d)	(Surplus)/Unfunded Actuarial Accrued
			Actuarial Accrued Liability (c) = (b) - (a)	Funded Ratio (a) / (b)		Liability as % of Covered Payroll (c) / (d)
2025	\$ 41,482,999,218	\$ 72,594,647,946	\$ 31,111,648,728	57.14%	\$ 14,125,768,053	220.25%
2024	39,347,530,493	70,861,870,632	31,514,340,139	55.53%	13,443,522,880	234.42%
2023	37,538,373,241	69,129,306,901	31,590,933,660	54.30%	12,722,159,921	248.31%
2022	36,048,931,916	67,502,187,976	31,453,256,060	53.40%	12,256,433,730	256.63%
2021	34,855,040,246	65,883,123,352	31,028,083,106	52.90%	11,948,582,339	259.68%
2020	32,470,414,715	62,695,237,758	30,224,823,043	51.79%	11,965,922,552	252.59%
2019	31,945,984,174	61,192,971,966	29,246,987,792	52.21%	11,775,149,674	248.38%
2018	31,321,970,527	56,849,344,164	25,527,373,637	55.10%	11,440,021,762	223.14%
2017	30,731,030,638	55,563,277,665	24,832,247,027	55.31%	11,348,107,183	218.82%
2016	30,367,323,589	53,085,686,728	22,718,363,139	57.20%	11,296,345,312	201.11%

<sup>1</sup> Includes receivable amounts. Excludes Special Asset Value.

<sup>2</sup> Limited annual compensation for contributing actives

**Table D-14  
Schedule of Funded Liabilities by Type (Solvency Test)  
State**

Valuation Date July 1,	Actuarial Accrued Liability for				Actuarial Value of Assets <sup>3</sup>	Portion of Actuarial Accrued Liabilities Covered by Actuarial Value of Assets		
	Contributing Active & Non-Contributing Member Contributions <sup>1</sup> (1)	Retirees, Beneficiaries & Deferred Vested <sup>2</sup> (2)	Contributing Active & Non-Contributing Member Benefits			(1)	(2)	(3)
			Financed by Employer <sup>1,2</sup> (3)					
2025	\$ 7,312,609,052	\$ 18,769,425,234	\$ 4,164,450,635	\$ 11,299,371,110	100.00%	21.24%	0.00%	
2024	6,997,551,832	18,788,503,771	3,698,758,451	10,544,572,052	100.00%	18.88%	0.00%	
2023	6,758,381,603	18,461,762,575	3,542,552,643	9,900,003,769	100.00%	17.02%	0.00%	
2022	6,623,312,348	17,965,645,572	3,596,090,963	9,354,810,560	100.00%	15.20%	0.00%	
2021	6,592,343,771	17,328,578,369	3,569,075,118	8,889,754,699	100.00%	13.26%	0.00%	
2020	6,381,123,395	16,544,875,478	3,359,138,135	8,045,759,732	100.00%	10.06%	0.00%	
2019	6,152,782,465	16,087,603,025	3,426,375,506	8,017,468,579	100.00%	11.59%	0.00%	
2018	5,953,378,763	15,070,236,164	2,722,101,704	8,057,092,909	100.00%	13.96%	0.00%	
2017	5,727,517,176	14,487,785,677	3,109,558,532	8,208,333,488	100.00%	17.12%	0.00%	
2016	5,504,706,131	13,686,116,692	3,220,928,301	8,466,901,791	100.00%	21.64%	0.00%	

<sup>1</sup> Includes deferred beneficiaries

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

<sup>3</sup> Includes receivable amounts. Excludes Special Asset Value.

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**APPENDIX D – HISTORICAL DATA AND REQUIRED EXHIBITS**

**Table D-15**  
**Schedule of Funded Liabilities by Type (Solvency Test)**  
**Local Employers**  
**Actuarial Accrued Liability for**

Valuation Date July 1,	Actuarial Accrued Liability for			Actuarial Value of Assets <sup>3</sup>	Portion of Actuarial Accrued Liabilities Covered by Actuarial Value of Assets		
	Contributing Active & Non-Contributing Member Contributions <sup>1</sup> (1)	Retirees, Beneficiaries & Deferred Vested <sup>2</sup> (2)	Contributing Active & Non-Contributing Member Benefits Financed by Employer <sup>1,2</sup> (3)		(1)	(2)	(3)
2025	\$ 10,834,046,232	\$ 25,656,937,651	\$ 5,857,179,142	\$ 30,183,628,108	100.00%	75.42%	0.00%
2024	10,530,433,962	25,273,949,685	5,572,672,931	28,802,958,441	100.00%	72.30%	0.00%
2023	10,231,450,653	24,581,821,568	5,553,337,859	27,638,369,472	100.00%	70.81%	0.00%
2022	10,018,520,222	23,735,979,687	5,562,639,184	26,694,121,356	100.00%	70.25%	0.00%
2021	9,867,154,217	22,934,745,828	5,591,226,049	25,965,285,547	100.00%	70.19%	0.00%
2020	9,574,866,049	21,680,763,400	5,154,471,301	24,424,654,983	100.00%	68.49%	0.00%
2019	9,234,762,976	20,983,426,083	5,308,021,911	23,928,515,595	100.00%	70.03%	0.00%
2018	8,934,728,567	19,552,684,545	4,616,214,421	23,264,877,618	100.00%	73.29%	0.00%
2017	8,542,088,646	18,737,855,865	4,958,471,769	22,522,697,150	100.00%	74.61%	0.00%
2016	8,168,141,804	17,622,616,344	4,883,177,456	21,900,421,798	100.00%	77.92%	0.00%

<sup>1</sup> Includes deferred beneficiaries

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

<sup>3</sup> Includes receivable amounts. Excludes Special Asset Value.

**Table D-16**  
**Schedule of Funded Liabilities by Type (Solvency Test)**  
**Total**  
**Actuarial Accrued Liability for**

Valuation Date July 1,	Actuarial Accrued Liability for			Actuarial Value of Assets <sup>3</sup>	Portion of Actuarial Accrued Liabilities Covered by Actuarial Value of Assets		
	Contributing Active & Non-Contributing Member Contributions <sup>1</sup> (1)	Retirees, Beneficiaries & Deferred Vested <sup>2</sup> (2)	Contributing Active & Non-Contributing Member Benefits Financed by Employer <sup>1,2</sup> (3)		(1)	(2)	(3)
2025	\$ 18,146,655,284	\$ 44,426,362,885	\$ 10,021,629,777	\$ 41,482,999,218	100.00%	52.53%	0.00%
2024	17,527,985,794	44,062,453,456	9,271,431,382	39,347,530,493	100.00%	49.52%	0.00%
2023	16,989,832,256	43,043,584,143	9,095,890,502	37,538,373,241	100.00%	47.74%	0.00%
2022	16,641,832,570	41,701,625,259	9,158,730,147	36,048,931,916	100.00%	46.54%	0.00%
2021	16,459,497,988	40,263,324,197	9,160,301,167	34,855,040,246	100.00%	45.69%	0.00%
2020	15,955,989,444	38,225,638,878	8,513,609,436	32,470,414,715	100.00%	43.20%	0.00%
2019	15,387,545,441	37,071,029,108	8,734,397,417	31,945,984,174	100.00%	44.67%	0.00%
2018	14,888,107,330	34,622,920,709	7,338,316,125	31,321,970,527	100.00%	47.47%	0.00%
2017	14,269,605,822	33,225,641,542	8,068,030,301	30,731,030,638	100.00%	49.54%	0.00%
2016	13,672,847,935	31,308,733,036	8,104,105,757	30,367,323,589	100.00%	53.32%	0.00%

<sup>1</sup> Includes deferred beneficiaries

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

<sup>3</sup> Includes receivable amounts. Excludes Special Asset Value.

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**APPENDIX D – HISTORICAL DATA AND REQUIRED EXHIBITS**

**Table D-17  
Analysis of Financial Experience  
Change in Unfunded Actuarial Accrued Liability  
State**

Valuation Date July 1,	Actuarial Value Of Assets Investment (Gain)/Loss	Actuarial Accrued Liability (Gain)/Loss	Assumption & Method Changes	Plan/Policy Changes	Contributions <sup>1</sup>	Change in Unfunded Actuarial Accrued Liability
2025	\$ 23,732,234	\$ 278,155,779	\$ 57,539,109	\$ 0	\$ (352,555,313)	\$ 6,871,809
2024	100,535,192	323,579,520	0	0	(346,565,762)	77,548,950
2023	169,368,014	179,396,467	0	0	(316,309,752)	32,454,729
2022	217,227,219	377,528,001	(100,572,196)	2,886,789	(267,074,049)	229,995,764
2021	(56,665,321)	(70,592,801)	798,443,571	4,799,089	(315,119,255)	360,865,283
2020	198,970,917	138,357,335	0	0	252,756,607	590,084,859
2019	140,706,362	461,324,998	1,081,742,399	(6,603,404)	283,498,340	1,960,668,695
2018	130,951,573	93,268,738	(112,274,899)	0	460,150,413	572,095,825
2017	171,949,238	103,170,590	328,696,298	0	567,862,438	1,171,678,564
2016	274,008,949	21,165,025	199,010,114	0	683,411,953	1,177,596,041

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

**Table D-18  
Analysis of Financial Experience  
Change in Unfunded Actuarial Accrued Liability  
Local Employers**

Valuation Date July 1,	Actuarial Value Of Assets Investment (Gain)/Loss	Actuarial Accrued Liability (Gain)/Loss	Assumption & Method Changes	Plan/Policy Changes	Contributions <sup>1</sup>	Change in Unfunded Actuarial Accrued Liability
2025	\$ (341,155,518)	\$ 180,211,088	\$ (56,953,505)	\$ 0	\$ (191,665,285)	\$ (409,563,220)
2024	(131,253,083)	168,516,941	0	0	(191,406,329)	(154,142,471)
2023	72,690,868	200,717,054	0	0	(168,185,051)	105,222,871
2022	234,078,422	202,540,254	(150,132,560)	8,219,652	(99,528,578)	195,177,190
2021	(590,983,481)	(26,972,346)	1,086,372,117	0	(26,021,510)	442,394,780
2020	383,179,629	(53,231,151)	0	0	57,801,914	387,750,392
2019	169,848,852	207,179,448	1,392,592,722	(6,437,745)	(4,237,817)	1,758,945,460
2018	154,877,626	161,064,936	(176,743,018)	0	(16,168,759)	123,030,785
2017	263,103,187	249,175,903	439,168,994	0	(9,242,760)	942,205,324
2016	536,039,915	28,949,988	251,983,145	0	20,474,495	837,447,543

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

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**APPENDIX D – HISTORICAL DATA AND REQUIRED EXHIBITS**

Table D-19 Analysis of Financial Experience Change in Unfunded Actuarial Accrued Liability Total							
Valuation Date July 1,	Actuarial Value Of Assets Investment (Gain)/Loss	Actuarial Accrued Liability (Gain)/Loss	Assumption & Method Changes	Plan/Policy Changes	Contributions <sup>1</sup>	Change in Unfunded Actuarial Accrued Liability	
2025	\$ (317,423,284)	\$ 458,366,867	\$ 585,604	\$ 0	\$ (544,220,598)	\$ (402,691,411)	
2024	(30,717,891)	492,096,461	0	0	(537,972,091)	(76,593,521)	
2023	242,058,882	380,113,521	0	0	(484,494,803)	137,677,600	
2022	451,305,641	580,068,255	(250,704,756)	11,106,441	(366,602,627)	425,172,954	
2021	(647,648,802)	(97,565,147)	1,884,815,688	4,799,089	(341,140,765)	803,260,063	
2020	582,150,546	85,126,184	0	0	310,558,521	977,835,251	
2019	310,555,214	668,504,446	2,474,335,121	(13,041,149)	279,260,523	3,719,614,155	
2018	285,829,199	254,333,674	(289,017,917)	0	443,981,654	695,126,610	
2017	435,052,425	352,346,493	767,865,292	0	558,619,678	2,113,883,888	
2016	810,048,864	50,115,013	450,993,259	0	703,886,448	2,015,043,584	

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

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
JULY 1, 2025 ACTUARIAL VALUATION**

**APPENDIX E – EARLY RETIREMENT INCENTIVE PROGRAMS**

<b>Table E-1 State ERI Contribution Schedule</b>			
<b>Location Number</b>	<b>Location Name</b>	<b>Fiscal Year 2027 Payment</b>	<b>Present Value as of 7/1/2025</b>
<b>Chapter 23, P.L. 2002</b>			
410	ROWAN UNIVERSITY	\$ 785,800	\$ 9,012,603
411	NEW JERSEY CITY UNIVERSITY	544,199	6,241,606
412	KEAN UNIVERSITY	479,714	5,501,997
413	WILLIAM PATTERSON UNIVERSITY OF NJ	335,181	3,844,304
414	MONCLAIR STATE UNIVERSITY	213,100	2,444,120
415	THE COLLEGE OF NEW JERSEY	599,150	6,871,857
420	RAMAPO COLLEGE OF NEW JERSEY	175,458	2,012,392
421	STOCKTON UNIVERSITY	461,069	5,288,154
430	THOMAS EDISON STATE UNIVERSITY	139,164	1,596,113
498	RUTGERS UNIVERSITY	5,102,608	58,523,510
32700	NEW JERSEY INSTITUTE OF TECHNOLOGY	264,473	3,033,335
	ALL OTHER STATE LOCATIONS	<u>106,047,767</u>	<u>1,216,297,255</u>
	<b>Sub-Total</b>	<b>\$ 115,147,683</b>	<b>\$ 1,320,667,246</b>
	<b>Chapter 21, P.L. 2008</b>	<b>\$ 25,753,933</b>	<b>\$ 295,380,456</b>
	<b>Total</b>	<b>\$ 140,901,616</b>	<b>\$ 1,616,047,702</b>

Consistent with established methodology, payment amounts calculated using a payment date 12 months after the valuation date.

Present values as of July 1, 2025 exclude expected payments for fiscal year ending 2026.

State ERI amounts are not used in determining the Statutory contribution. They are used only in allocating the Statutory contribution to State locations.

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
JULY 1, 2025 ACTUARIAL VALUATION**

**APPENDIX E – EARLY RETIREMENT INCENTIVE PROGRAMS**

<b>Table E-2 Local Employers ERI 2 Contribution Schedule</b>			
<b>Location Number</b>	<b>Location Name</b>	<b>Fiscal Year 2027 Payment</b>	<b>Present Value as of 7/1/2025</b>
10071	BURLINGTON CO BD OF SOCIAL SERV	\$ 55,534	\$ 328,274
10171	MERCER CO BD OF SOCIAL SERVICE	119,992	709,304
20100	LAVALLETTE BOROUGH	16,550	97,831
20114	LINDEN CTY FREE PUBLIC LIBRARY	16,445	97,208
20264	MONTCLAIR PUBLIC LIBRARY	41,647	246,184
20320	PALMYRA BOROUGH	25,590	151,268
20720	WASHINGTON BOROUGH	10,699	63,243
21303	WEST NEW YORK BD OF ED	3,462	18,973
21480	EATONTOWN BOROUGH	25,941	153,346
21663	BEVERLY CITY BD OF ED	894	4,899
22030	VERONA TOWNSHIP	17,821	105,346
22540	BOUND BROOK BOROUGH	10,303	60,905
30130	TRENTON HOUSING AUTHORITY	113,580	671,404
30160	ATLANTIC CITY HOUSING AUTHORITY	61,262	362,138
30230	ASBURY PK HOUSING AUTHORITY	1,944	11,494
30250	NEW BRUNSWICK HOUSING AUTHORITY	3,690	21,811
30420	BURLINGTON COUNTY BRIDGE COMM	22,414	132,497
30510	PATERSON HOUSING AUTHORITY	5,582	32,999
30560	MIDDLESEX CO UTILITIES AUTH	179,502	1,061,082
30770	PATERSON PARKING AUTHORITY	3,630	21,459
30900	GLOUCESTER TWP M U A	14,914	88,161
31190	BRIDGETON CITY HOUSING AUTH	1,835	10,849
31250	JERSEY CITY MUNICIPAL UT. AUTH	3,849	22,753
31260	LINDEN CITY HOUSING AUTHORITY	20,449	135,512
31370	MERCER CO IMPROVEMENT AUTHORITY	16,370	96,765
31580	MOUNT LAUREL TWP MUN UTIL AUTH	1,944	11,494
31680	OCEAN GROVE BD OF FIRE COMM	16,321	96,480
31720	NJ SPORTS & EXPOSITION AUTH	1,889	11,164
32080	OCEAN TWP MUN UTIL AUTHORITY	3,855	22,787
32260	HUDSON CO COMMUNITY COLLEGE	5,809	34,339
32700	NJ INSTITUTE OF TECHNOLOGY	96,520	570,555
39990	COMPENSATION RATING & INS BUR	100,793	595,816
50050	ALLENTOWN BOROUGH	1,916	11,324
50130	AUDUBON BOROUGH	4,120	24,353
50830	EAST HANOVER TOWNSHIP	23,311	137,799
51750	LEBANON BOROUGH	1,852	10,950

Consistent with established methodology, payment amounts calculated using a payment date 9 months after the valuation date.

Present values as of July 1, 2025 exclude expected payments for fiscal year ending 2026.

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
JULY 1, 2025 ACTUARIAL VALUATION**

**APPENDIX E – EARLY RETIREMENT INCENTIVE PROGRAMS**

<b>Table E-2 (cont.) Local Employers ERI 2 Contribution Schedule</b>			
<b>Location Number</b>	<b>Location Name</b>	<b>Fiscal Year 2027 Payment</b>	<b>Present Value as of 7/1/2025</b>
51800	LINWOOD CITY	\$ 41,560	\$ 245,675
52630	PENNSAUKEN TOWNSHIP	9,583	56,648
53490	WALLINGTON BOROUGH	19,945	117,898
53670	WEST LONG BRANCH BOROUGH	10,296	60,864
55640	FLORHAM PARK SEW AUTHORITY	5,953	35,189
55880	WRIGHTSTOWN MUN UTIL AUTH	1,913	11,308
60023	HUDSON CO SCHOOLS OF TECHNOLOGY	9,701	53,175
<b>Total</b>		<b>\$ 1,151,180</b>	<b>\$ 6,813,523</b>

Consistent with established methodology, payment amounts calculated using a payment date 9 months after the valuation date.

Present values as of July 1, 2025 exclude expected payments for fiscal year ending 2026.

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY  
JULY 1, 2025 ACTUARIAL VALUATION**

**APPENDIX E – EARLY RETIREMENT INCENTIVE PROGRAMS**

Table E-3 Local Employer ERI Contribution Schedules due to Recent ERI Legislation				
Location Number	Location Name	Years and Form of Payment	Fiscal Year 2027 Payment	Present Value as of 7/1/2025
<b>Chapter 59, P.L. 1999</b>				
21960	WOODBRIIDGE TOWNSHIP	15 Year - Level	\$ 404,657	\$ 384,635
<b>Chapter 23, P.L. 2002</b>				
30440	SOUTH JERSEY PORT CORPORATION	30 Year - Increasing	\$ 130,147	\$ 862,481
31210	NJ HOUSING & MTG FINANCE AGENCY	30 Year - Increasing	157,896	1,046,378
34920	SOUTH JERSEY TRANS AUTHORITY	30 Year - Increasing	136,946	907,543
39990	COMPENSATION RATING & INS BUR	30 Year - Increasing	167,773	1,111,831
<b>Sub-Total</b>			<b>\$ 592,762</b>	<b>\$ 3,928,233</b>
<b>Total</b>			<b>\$ 997,419</b>	<b>\$ 4,312,868</b>

Consistent with established methodology, payment amounts calculated using a payment date 9 months after the valuation date.

Present values as of July 1, 2025 exclude expected payments for fiscal year ending 2026.

**APPENDIX F – GLOSSARY OF TERMS**

**1. Actuarial Assumptions**

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

**2. Actuarial Cost Method**

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

**3. Actuarial Gain/(Loss)**

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

**4. Actuarial Liability**

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

**5. Actuarial Present Value (Present Value)**

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

$$\frac{\text{Amount}}{\text{Probability of Payment}} \times \frac{1}{(1+\text{Investment Return})} = \text{Present Value}$$

$\$100 \quad \times \quad (1 - .01) \quad \times \quad 1/(1+.1) \quad = \quad \$90$

**6. Actuarial Valuation**

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

**7. Actuarial Value of Assets**

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

**APPENDIX F – GLOSSARY OF TERMS**

**8. Actuarially Equivalent**

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

**9. Amortization Payment**

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

**10. Funded Ratio**

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

**11. Investment Return Assumption**

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

**12. Mortality Table**

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

**13. Normal Cost**

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

**14. Projected Benefits**

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

**15. Projected Unit Credit Cost Method**

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

**16. Unfunded Actuarial Liability**

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