PFRSNJ

Police & Firemen's Retirement System of New Jersey

JAMES A. KOMPANY
Chairman

GREGORY PETZOLD
Executive Director

PFRSNJ MEMBERSHIP FAQ
ONE-TIME BENEFIT ENHANCEMENT TO ELIGIBLE RETIREES

What is a "one-time benefit enhancement"?
Through robust management of our portfolio in combination of very favorable market conditions, the Police and Firemen's Retirement System of New Jersey (PFRSNJ) experienced exceptionally strong investment returns. As a result, the PFRSNJ is in a position to responsibly distribute to eligible retirees a one-time, lump sum payment without impacting the long-term health of the retirement system.

Why did the Board vote to approve it?
The Board is keenly aware of the economic pressures facing our retired members. Even in this time of strong investment returns, daily living costs have significantly increased and we recognize the impact that it has on our retirees. Because of this, the Board voted to provide a benefit enhancement in the form of a one-time lump sum payment.

Who is eligible to receive the one-time benefit enhancement?
In order to be eligible to receive this one-time benefit enhancement, eligible retirees must have an effective retirement date of no later than June 1, 2024.

How much is the one-time benefit enhancement?
The one-time benefit enhancement will be $3,700.00 per eligible retiree.

When will eligible retirees receive this one-time benefit enhancement?
The Board and PFRSNJ professionals are developing a distribution plan and anticipate payment by the end of the calendar year.

Why was July 1, 2026, picked as the date to determine eligibility?
The PFRSNJ financial reports are prepared on a fiscal year basis. The most recent reports provided investment returns up through June 30, 2026. Additionally, prior to Chapter 78, retirees were eligible to receive an adjustment to their pension payment beginning in the 25th month, which we have relied upon to establish the framework for eligibility of this one-time benefit enhancement.

Will eligible retirees get a check, or will it be deposited directly into their bank account?
Eligible retirees will receive the one-time benefit enhancement in the same manner in which they receive their monthly pension payments.

If I am a surviving spouse or surviving dependent, am I eligible to receive the one-time benefit enhancement?
Yes, as long as the retiree and/or you have been receiving retirement/survivorship benefits for at least 24 months. The 24 months can be made up of monthly pension payments received by the eligible retiree or a qualified surviving beneficiary.

Will the one-time benefit enhancement have a material impact on the strength of the PFRS retirement funds?
No. The PFRSNJ actuary, who analyzes the financial strength of the retirement system, concluded that the one-time distribution would not adversely impact the long-term health of the retirement fund.

Is the one-time benefit enhancement taxable income that must be declared on state and federal tax returns?
This one-time benefit enhancement is subject to the applicable taxes in the same manner as your pension payment is currently taxed.

If my pension is not taxed, will this one-time benefit enhancement be taxed?
The one-time benefit enhancement will not be subject to taxes if your current pension is not taxed.

Is this the same as a COLA payment?
No. A COLA is a recurrent enhancement of the amount of the monthly payment. The one-time special distribution is a non-recurring, lump sum payment.

Will I receive this payment every year?
No. This is a one-time benefit enhancement being provided based on exceptionally strong investment performance and favorable market conditions that contributed positively to the current financial position of the PFRSNJ.