Our mission is to provide quality benefits and services that meet the needs of our clients and others we are committed to serve, through our efficient and responsive workforce.
Our Mission . . .

To provide quality benefits and services that meet the needs of our clients and others we are committed to serve, through our efficient and responsive workforce.

Our Vision . . .

WE will achieve client satisfaction through equitable, effective, responsive service, and clear and accessible communications that meet the needs of our clients.

WE will encourage and support an accomplished workforce that is knowledgeable, flexible, technically proficient and committed to excellence.

WE will be committed to working with executive and legislative agencies and governing boards to improve the design and implementation of the benefit programs.

WE will support technologies that simplify procedures and improve services, manage our resources in a responsible and creative manner, and hold contracted service providers to high standards.

WE will work with participating employers to enhance their role in the administration of benefits for their employees through integrated technology that allows them to access and process benefit information directly.

Our Values . . .

WE are customer-focused, recognizing each client individually.

WE acknowledge as our greatest asset our knowledgeable, hardworking, dedicated and caring staff.

WE are financially responsible in the administration, oversight, and delivery of our benefit programs.

WE are committed to providing quality, timely, accurate, efficient, and cost effective services.

WE are committed to creating and developing a quality work environment using state-of-the-art technologies, and processes that foster continuous improvement of our organization through teamwork, motivation, and communication among staff.

Our Goals . . .

Customer Service —

TO create and maintain a customer focused work environment that anticipates and meets client needs.

Staff —

TO have a full complement of staff that is well trained, undergoes continual development, and is motivated to provide benefit services effectively and efficiently in a customer friendly manner.

Technology —

TO have an integrated, easily maintained and modified, information processing system that supports the efficient and effective delivery of services.

Planning —

TO have an effective planning system that facilitates improvement, anticipates change and properly focuses resources on priorities.

Benefits Processing —

TO provide benefits to clients in a timely and efficient manner.

Advocacy —

TO help structure a well-funded system of benefits that meets the needs of public employees and employers.

Oversight and Compliance —

TO administer programs with clear and consistent policies and procedures and provide oversight to safeguard fund assets and ensure benefit entitlement.
NEW JERSEY DIVISION OF
PENSIONS AND BENEFITS
A DEPARTMENT OF THE STATE OF NEW JERSEY

57th
COMPREHENSIVE
ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2012

Chris Christie
Governor

Andrew P. Sidamon-Eristoff
State Treasurer

Florence J. Sheppard
Acting Director

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
DIVISION OF PENSIONS AND BENEFITS
PO BOX 295
TRENTON, NJ 08625-0295
(609) 292-7524
NEW JERSEY DIVISION OF PENSIONS AND BENEFITS

PERS Public Employees' Retirement System
TPAF Teachers' Pension and Annuity Fund
PFRS Police and Firemen's Retirement System
SPRS State Police Retirement System
JRS Judicial Retirement System
DCRP Defined Contribution Retirement Program
ABP Alternate Benefit Program
POPF Prison Officers' Pension Fund
CPFPF Consolidated Police and Firemen's Pension Fund
NJSEDCP NJ State Employees Deferred Compensation Plan
SACT Supplemental Annuity Collective Trust
ACTS Additional Contributions Tax-Sheltered Program
CPF Central Pension Fund
PAF Pension Adjustment Fund
UCTDSE Unemployment Compensation and Temporary Disability for State Employees
SHBP State Health Benefits Program
SEHBP School Employees' Health Benefits Program
PDP Prescription Drug Plan
EDP Employee Dental Plans
Tax$ave NJ State Employees Tax Savings Program
Premium Option Plan,
Unreimbursed Medical Flexible Spending Account, and
Dependent Care Flexible Spending Account
Commuter Tax$ave State Employees Commuter Tax Savings Program
LTC State Employees Long Term Care Insurance Plan

INDEPENDENT AUDITOR
CliftonLarsonAllen LLP
309 Fellowship Road, Suite 200
Mt. Laurel, NJ 08054

ACTUARIAL REPORTS
BUCK CONSULTANTS
500 Plaza Drive
Secaucus, NJ 07096-1533

MILLIMAN
1550 Liberty Ridge Drive
Suite 200
Wayne, PA 19087-5572

New Jersey Division of Pensions and Benefits
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Certificate of Achievement for Excellence in Financial Reporting

Presented to

New Jersey Division of Pensions and Benefits

For its Comprehensive Annual Financial Report
for the Fiscal Year Ended
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

Christophe P. Morrell
President

Jeffrey L. Evans
Executive Director
LETTER OF TRANSMITTAL

February 28, 2013

To the Honorable
Chris Christie, Governor
Andrew P. Sidamon-Eristoff, State Treasurer
Members of the Legislature
Members of the Boards of Trustees

On behalf of the Division of Pensions and Benefits, I am pleased to submit the 57th Comprehensive Annual Financial Report (CAFR) of the New Jersey State-administered retirement systems and related benefit programs for the fiscal year ended June 30, 2012. The management of the Division of Pensions and Benefits (the Division) is responsible for the accuracy of the data and the completeness and fairness of the presentation. To the best of my knowledge and belief, the enclosed information is accurate in all material respects and is reported in a manner that fairly represents the financial position and results of the Division’s operations.

STRUCTURE OF THE CAFR

This comprehensive annual financial report is divided into five sections:

- The Introductory Section, which contains this letter of transmittal, the organization of the Division and Boards of Trustees, an overview of legislation enacted during the year covered by the CAFR, and general information regarding the operations of the Division.

- The Financial Section, which contains the report of the Independent Auditors and the financial statements, schedules and supplementary financial information regarding funds administered by the Division.

- The Investment Section, which contains information pertaining to the management of the investment of the Pension Trust Funds.

- The Actuarial Section, which contains the funds’ Actuary Certification letters and information regarding the actuarial assumptions and methods used to determine the contribution requirements of the Pension Trust Funds.

- The Statistical Section, which contains general statistical information regarding the programs administered by the Division.
LETTER OF TRANSMITTAL

THE REPORTING ENTITY

The Division was established in 1955 as the Division of Pensions to provide all administration of the state pension funds except investments. The Division changed its name to the Division of Pensions and Benefits in 1992 to more accurately reflect its roles and responsibilities beyond the realm of pensions. Currently, the Division administers one of the largest non-federal public benefits program in the nation, consisting of ten separate retirement systems, three supplemental retirement savings programs, two health benefits programs for employees, retirees, and family members, and several other employee benefits programs. Over 789,573 members enjoy the benefits of the various pension systems administered by the Division, and over 863,000 lives are covered in the State Health Benefits Program (SHBP) and the School Employees’ Health Benefits Program (SEHBP). In addition to the State, 1,763 local public employers participate in the retirement systems, and 1,103 local employers participate in the SHBP and SEHBP.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) recognized the Division’s CAFR of last year for Excellence in Financial Reporting. A copy of the Certificate of Achievement is included in this CAFR.

MAJOR INITIATIVES

The impact of major pension and health benefit reform legislation continued to be a significant administrative challenge for the Division in 2012. The implementation of P.L. 2011, c. 78, enacted just prior to the 2012 fiscal year, was the Division’s primary focus during the latter part of 2011 into early 2012. The legislation provided for the following increases in the employee contribution rates: from 5.5% to 6.5% in the first year plus an additional 1% phased-in over 7 years for TPAF and PERS (including legislators, law enforcement officer (LEO) members, and workers compensation judges); from 3% to 12% for JRS phased-in over seven years; from 8.5% to 10% for PFRS members and members of PERS Prosecutors Part; and from 7.5% to 9% for SPRS members. This sweeping reform also included provisions to establish new pension committees in the PERS, TPAF, PFRS, and SPRS, provided for increases in employee contribution rates across all the defined benefit funds, created new membership tiers for newly enrolling members of the PERS, TPAF and PFRS with different retirement eligibility requirements/formulas, changed the methodology for calculating the unfunded accrued liability, and suspended automatic additional cost of living adjustments to current and future retirees.

On the health benefits side, Chapter 78 required that all public employees in New Jersey covered by an employer-sponsored health plan contribute to the cost of coverage based on their salary and coverage level. In addition, the law established two joint employee-employer plan design committees, one for the State Health Benefits Program and one for the School Employees Health Benefits Program, to create cost effective plans as well as a high deductible health plan (HDHP). The committees also have sole discretion in establishing copays, coinsurance, deductibles and out-of-pocket maximums in the plans.

In other health benefits-related developments, the Division, in cooperation with the Division of Purchase and Property, initiated a Medical Plan RFP with a contract effective date of January 1, 2013. The RFP was developed during fiscal 2012 with an award announcement in fiscal 2013. The RFP is for the administration of the SHBP/SEHBP’s PPO, HMO and HDHP plan designs for its 863,000 covered lives. It is estimated that the RFP award will result in an estimated $30-$35 million savings in each of the plan years in the four year contract.

In addition, Medicare eligible retirees were transitioned to a new Medicare integration plan effective January 1, 2012. The new plan, an Employer Group Waiver Plan (EGWP) plus wrap, replaced the current integration method, Retiree Drug Subsidy (RDS). Federal health care reform resulted in the EGWP plan being more cost effective for the SHBP/SEHBP and is estimated to save the plans $90M per year over the current RDS integration method.
The Division continues its efforts to provide additional automated and self-service processing opportunities to both the members and employers of the State-administered retirement systems and health benefit programs. As a result of new legislation and technology enhancements, the following initiatives were implemented:

**Chapter 52 Employer Enrollment Training** — The enactment of P.L. 2011, c. 52, established new procedures and online employer training requirements for the enrollment and/or transfer of employees into the State-administered retirement systems. The 2012 implementation required changes in the enrollment applications for all pension funds. An online training module was developed for employers to satisfy the mandatory training requirement of the law. An Employer Certification module that would be accessible through the EPIC portal is waiting to be deployed.

**Interactive Voice Response System (IVR)** — The existing hardware and software for the IVR was replaced and the new system shares hardware and software resources with the Department of Labor. The IVR system provides members and employers with the ability to obtain pension and health plan information, and process a loan and other transactions over the telephone. As result of a major initiative completed in the summer of 2012, the IVR is now the point of entry for members calling the Division. From there a number of self-service options are available, or, if the member chooses, they will be transferred to the call center to speak with a counselor.

**Web Enhancement Project** — The WEB Enhancement Project involved two components; 1) an upgrade to the Division’s static web pages, and 2) an upgrade to the inquiry and transactional web pages of Employer Pension Information Connection (EPIC) and Member Benefits Online System (MBOS). This project has resulted in the enhancement of 26 sub-application components.

**Auto Response System for E-mails** — The Division expanded the Siebel automated e-mail response system with 87 categories to respond to common questions. As a result, e-mails that require a response from a counselor have decreased. The business benefit of the auto response system provides that both members and employers receive immediate responses to those issues that are routine in nature. Complex inquiries are forwarded to counselors for a more detailed response.

**FINANCIAL INFORMATION**

The Financial reports of the Fiduciary Funds of the Division have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting. The specific accounting policies can be found in the Notes to the Financial Statements found in the Financial Section.

The Fiduciary Funds include twelve separate pension trust funds, three health benefit program funds, and three agency funds. A summary of the condition of the funds administered by the Division of Pensions and Benefits is located in the “Management Discussion and Analysis” that begins on page 39 of the CAFR. Management is responsible for establishing and maintaining the accounting systems complete with internal controls so that the data presented is complete and fairly presents the financial position of the Division as of June 30, 2012. CliftonLarsonAllen LLP independently audited the funds.

**INVESTMENTS**

The Division of Investment has the responsibility for investing the assets of the programs administered by the Division. This is done under the jurisdiction of the State Investment Council. Investments are guided by the “prudent person rule”. During FY 2012 investment returns on pension funds were +2.52 percent. When combined with the returns for previous years, the annualized returns over the past three, five and ten-year periods were +11.11 percent, +2.46 percent, and +6.42 percent, respectively.
LETTER OF TRANSMITTAL

FUNDING
A fully funded system that has assets sufficient to meet the retirement benefit schedules is one that instills confidence and trust. While employer funding obligations have been difficult to meet over the past several years due to conflicting budgetary priorities, the enactment of Chapter 1, P.L. 2010 and Chapter 78, P.L. 2011 have charted a long term path which is projected to result in improved funded levels over a thirty year period.

PROFESSIONAL SERVICES
The Division contracts with several professional organizations for advice and assistance in administering the programs for which it is responsible. The list of these organizations is found on page 95 of the CAFR. The Office of the Attorney General provides all legal services required by the Division of Pensions and Benefits and the retirement system Boards of Trustees.

ACKNOWLEDGEMENTS
The preparation of the CAFR required the combined efforts of many employees from different operational units within the Division. The CAFR is intended to provide extensive and reliable information to facilitate informed decisions, determine compliance with legal requirements, and determine responsible stewardship for the assets contributed by the systems’ members, participating employers, and the taxpayers of the State. I would like to take this opportunity to express my gratitude to the Governor, the Legislature, the Treasurer, the Boards of Trustees, the individuals providing professional services, participating employer benefits administrators, and to the outstanding employees of the Division for all their efforts and support. Such concerted effort has resulted in making New Jersey’s public benefits system one of the largest and best administered in the nation.

Respectfully submitted,

Florence J. Sheppard, Acting Director
ALL IN A YEAR’S WORK...

- There are **504,791 ACTIVE MEMBERS** in the combined retirement systems.
- There are **1,783 PARTICIPATING EMPLOYERS** in the combined retirement systems; **10 NEW EMPLOYERS** began participating this year.
- There are **427,118 INDIVIDUAL RETIREMENT SYSTEM MEMBER ACCOUNTS** being maintained; **7,990 MEMBER ACCOUNTS** were audited internally.
- A total of **290,721 RETIREES AND BENEFICIARIES** received monthly pensions totaling in excess of **$8.4 BILLION** annually.
- Over **9,020 BENEFICIARY CLAIMS** were processed. Premiums in excess of **$212 MILLION** were paid to the insurance carrier on behalf of active and retired members.
- Over **908,125 TELEPHONE CALLS** were received in Client Services. Counselors handled over **234,107** calls; over **815,907** calls were handled by our automated telephone systems.
- **18,723 PERSONAL INTERVIEWS** were conducted by pension counselors.
- **11,684 SERVICE PURCHASE REQUESTS** were processed.
- **26,402 NEW ENROLLMENTS OR TRANSFERS** were processed in our retirement systems.
- There were **9,560 WITHDRAWALS** from the retirement systems.
- **16,788 MEMBERS RETIRED.**
- Over **112,398 PENSION LOANS** totaling **$553,410,491** were processed.
- State and local membership in the State Health Benefits Program and School Employees’ Health Benefits Program was **400,387 MEMBERS** with **862,247 LIVES COVERED.**
- A total of over **$5.1 BILLION IN PREMIUMS** was collected from State and local State Health Benefits Program employers, School Employees’ Health Benefits Program employers, and combined employees. **1,103 LOCAL EMPLOYERS** elected to participate in the SHBP or SEHB this year.
EXECUTIVE MANAGEMENT TEAM

Seated, Front Row (left to right): Susanne Culliton, Assistant Director, Professional Services and Board of Trustees; Florence J. Sheppard, Acting Director; John D. Megariotis, Deputy Director, Finance

Back Row (left to right): Frank Corliss, Assistant Director, Management Information Systems; Janice F. Nelson, Assistant Director, Client Services and Benefit Operations; David Pointer, Assistant Director, Health Benefits and Publications

FLORENCE J. SHEPPARD
ACTING DIRECTOR
DIVISION OF PENSIONS AND BENEFITS

DAVID POINTER
ASSISTANT DIRECTOR
HEALTH BENEFITS AND PUBLICATIONS

JANICE F. NELSON
ASSISTANT DIRECTOR
CLIENT SERVICES & BENEFIT OPERATIONS

JOHN D. MEGARIOTIS
DEPUTY DIRECTOR
FINANCE

SUSANNE CULLITON
ASSISTANT DIRECTOR
PROFESSIONAL SERVICES & BOARD OF TRUSTEES

FRANK CORLISS
ASSISTANT DIRECTOR
MANAGEMENT INFORMATION SYSTEMS
ORGANIZATION

The Director is responsible for the coordination of the functions of the Division, the development of the Division budget, and communication with other branches of State government, local government, and the public. The Director serves as the Secretary to the Supplemental Annuity Collective Trust Council, the State Health Benefits Commission, and the State House Commission in its capacity as the Board of Trustees for the Judicial Retirement System. The Director is also responsible for legal and legislative matters and Board of Trustees administration. In addition, the Treasurer has delegated the responsibility of maintaining the Federal-State Agreement for Social Security to the Director of the Division of Pensions and Benefits.

The Division of Pensions and Benefits falls under the jurisdiction of the New Jersey Department of the Treasury. The Director of the Division of Pensions and Benefits reports directly to the State Treasurer.

OFFICE OF OPERATIONS

The work of this office, overseen by a Deputy Director, is divided among three bureaus: Enrollment and Purchase; Claims; and Retirement.

The Enrollment and Purchase Bureau processes all enrollments, transfers, and purchases of service credit for all of the State retirement systems. The Claims Bureau processes all death claims, withdrawals, and loan requests. In addition, this bureau oversees beneficiary designations filed by active and retired members and issues group life insurance policies, riders, and special endorsements. The Retirement Bureau prepares retirement estimates and processes retirement...
applications for all of the State retirement systems.

**OFFICE OF HEALTH BENEFITS**

This office, overseen by a Deputy Director, consists of two elements: the Health Benefits Bureau and the Office of Policy Planning. The Health Benefits Bureau processes all enrollments, changes, and terminations for active and retired members of the State Health Benefits Program. In addition, this bureau is responsible for the administration of benefits under the federal COBRA law, and enrollments, changes, and terminations for members of the Prescription Drug Plan and State Employee Dental Program. The Office of Policy and Planning analyzes and makes recommendations concerning current and proposed health benefits programs to provide the highest quality programs at the least possible cost. It manages contract renewals and requests for proposals. Policy and Planning is responsible for health benefit program review and development. This office also provides administrative support to the State Health Benefits Commission.

**OFFICE OF FINANCIAL SERVICES**

The work of this office, overseen by a Deputy Director, is divided among three bureaus: Financial Reporting, Payment, and Collections; Budget and Compliance; and Defined Benefit and Contribution Plans Reporting.

The Office of Financial Services is charged with the custodian ship of pension and health benefits assets. These assets are in excess of $77 billion and include over 789,573 individual member accounts. The office is responsible for the accounting and budget functions necessary for the successful operations of the various pension funds, health benefits and agency funds, as well as the administration of the Pension Adjustment Program, the Supplemental Annuity Collective Trust, and Deferred Compensation Plan.

**OFFICE OF CLIENT SERVICES**

This office, overseen by a Deputy Director, consists of three units: Telecommunications; Counseling, Education, and Support; and Publications. Client Services disseminates pension, life insurance, and health benefits information to employees, retirees, and employers covered by the various New Jersey State-administered retirement systems and benefit programs.

The Telecommunications Unit counsels employees, retirees, and employers via the telephone by providing information about pension, life insurance, health benefits, and general procedures. The Counseling, Education, and Support Unit responds to written requests for information, conducts personal interviews with employees and retirees who visit the Division of Pensions and Benefits, and provides seminars, employer group meetings, employer instructions, and various presentations concerning pension, life insurance, and health benefits to employees, employers, and retirees. This unit is also responsible for providing receptionist services for the entire Division. The Publications Unit exercises overall responsibility for creating, editing, updating, and printing of written materials disseminated by the Division, including manuals, reports, forms, benefits statements, and booklets. This unit also manages the Division’s Internet site.

**OFFICE OF MANAGEMENT INFORMATION AND SUPPORT SERVICES**

The work of this office, overseen by an Assistant Director, is responsible for the development and maintenance of all processing and management information systems for the Division. This office also has the responsibility for the training, usage, and maintenance of all automated office and telephone equipment.

This office consists of five sections: Image Processing and Records Management; Data Entry; Computer Scheduling and Production Control; Systems Development; and Support Services.

The Support Services section has the responsibility for the building and equipment, mail room, warehouse operations, and forms inventory.

**OFFICE OF PROFESSIONAL SERVICES**

The Office of Professional Services is located within the Director’s Office and operates under the direction of an Assistant Director. It is responsible for providing a structured and consistent planning function for the Division, analyzing proposed legislation for its fiscal and policy impacts, maintaining the regulatory documentation for Division programs, managing the development of contracts with external service providers, and conducting research in support of Division activities.
ORGANIZATION

OFFICE OF BOARD OF TRUSTEES ADMINISTRATION

The Office of Board of Trustees Administration, under the direction of an Assistant Director, provides administrative services for the various defined benefit plans’ Boards and Commissions.

The Boards and Commissions have the general responsibility for the proper operation of their respective employee benefits program. The Boards adopt rules in compliance with statute and advice of the Attorney General. The Boards may grant hearing in disputes concerning issues of law or fact. Hearings are held by the Office of Administrative Law.

The Boards maintain a record of all proceedings and hold regular meetings and special meetings when necessary.

ACTUARIAL ADVISORS

The actuaries establish actuarial tables for the operation of the retirement systems, determine the annual appropriation required of participating employers and conduct annual examinations of the systems’ actuarial position.

Contracts for actuarial services for the retirement systems are awarded at specified intervals through the regulations governing the procurement of goods and services for the State of New Jersey and its constituent departments and agencies.

LEGAL ADVISOR

The State Attorney General is the legal advisor for all pension funds and other employee benefit programs.

MEDICAL ADVISORS

All pension funds are served by a medical board consisting of three physicians who review claims for disability as submitted by the Disability Review Section of the Retirement Bureau for the Division of Pensions and Benefits.
ORGANIZATION — BOARDS OF TRUSTEES

PUBLIC EMPLOYEES’ RETIREMENT SYSTEM

Seated: Kathleen Coates, Board Secretary
(l to r) Leon Flanagan, Chairperson
Thomas Bruno

Standing: Kellie Kiefer-Pushko, Deputy Attorney General
(l to r) Peter Maurer
Suzanna Buriani-DeSantis
Ronald Winthers
Edward (Ned) Thomson, III
William O’Brien
Susanne Culliton, State Treasurer’s Representative
Jackie Bussanich, Administrative Assistant

TEACHERS’ PENSION AND ANNUITY FUND

Seated: James Joyner, Chairperson
(l to r) Martha Liebman

Standing: Paul Orihel
(l to r) H. O’Neill Williams
Susanne Culliton, State Treasurer’s Representative
Erland Nordstrom
Mary Ellen Rathbun, Board Secretary
Jackie Bussanich, Administrative Assistant
Kellie Kiefer-Pushko, Deputy Attorney General

POLICE AND FIREMEN’S RETIREMENT SYSTEM

Seated: Marty Barrett
(l to r) John Sierchio, Chairperson
Richard Mikutsky
Wayne Hall

Standing: Lisa Pointer, Administrative Assistant
(l to r) Richard Loccke
Laurel Brennan
Vincent Foti
Susanne Culliton, State Treasurer’s Representative
Frank Leake
Kellie Kiefer-Pushko, Deputy Attorney General
Michael Postorino
Wendy Jamison, Board Secretary

Absent: Sherryl Gordon
ORGANIZATION — BOARDS OF TRUSTEES

STATE POLICE RETIREMENT SYSTEM
Seated: Lieutenant Patrick Callahan
(l to r) Wendy Jamison, Board Secretary
      Major Karl Kleeberg, Chairperson
Standing: Lisa Pointer, Administrative Assistant
(l to r) Susanne Culliton, State Treasurer’s Representative
        Diane Weeden, Deputy Attorney General
Absent: Jack Sayers

SUPPLEMENTAL ANNUITY COLLECTIVE TRUST COUNCIL
John Megariotis, Chairperson, Representing Andrew P. Sidamon-Eristoff, Treasurer, State of New Jersey
Leslie Notor, Representing Charlene Holzbaur, Director, Office of Management and Budget
Felix Schirripa, Representing Kenneth Kobylowski, Commissioner, Department of Banking and Insurance

DEFERRED COMPENSATION BOARD
David Ridolfino, Chairperson, Representing Andrew P. Sidamon-Eristoff, Treasurer, State of New Jersey
Leslie Notor, Representing Charlene Holzbaur, Director, Office of Management and Budget
Felix Schirripa, Representing Kenneth Kobylowski, Commissioner, Department of Banking and Insurance

DEFINED CONTRIBUTION RETIREMENT PROGRAM BOARD
Joseph Zisa, Chairperson, Representing Florence J. Sheppard, Acting Director, Division of Pensions and Benefits
Sonia Rivera-Perez, Representing Charlene Holzbaur, Director, Office of Management and Budget
Felix Schirripa, Representing Kenneth Kobylowski, Commissioner, Department of Banking and Insurance
Timothy Walsh, Director, Division of Investment

STATE HEALTH BENEFITS COMMISSION
Andrew P. Sidamon-Eristoff, State Treasurer, Chairperson
Kenneth E. Kobylowski, Acting Commissioner, Department of Banking and Insurance
Robert Czech, Chair, Civil Service Commission
Florence J. Sheppard, Secretary
Patrick Nowlan, State Employees’ Representative of the AFL-CIO
Dudley Burdge, Local Employees’ Representative of the AFL-CIO

SCHOOL EMPLOYEES’ HEALTH BENEFITS COMMISSION
David Earling, Chairperson
Andrew P. Sidamon-Eristoff, Treasurer, State of New Jersey
Kenneth E. Kobylowski, Acting Commissioner, Department of Banking and Insurance
Cynthia Jahn, Representing the NJ School Boards Association
Florence J. Sheppard, Secretary
Kevin Kelleher, Representing the NJEA
Wendell Steinhauer, Representing the NJEA
Joseph Del Grosso, Representing the AFL-CIO
SIGNIFICANT LEGISLATION

CHAPTER 188, P.L. 2011

Effective Date: This law takes effect on the 180th day after enactment (July 16, 2012) and applies to all contracts and policies issued on or after the effective date.

Description: This law requires health insurance carriers (hospital, medical, and health service corporations, individual, small employer, and larger group commercial insurers, and health maintenance organizations), the State Health Benefits Program (SHBP), and the School Employees’ Health Benefits Program (SEHBP) to provide coverage for expenses for prescribed, orally administered anticancer medications used to kill or slow the growth of cancerous cells on a basis no less favorable than the policy or contract provides for intravenously administered or injected anti-cancer medications.

Coverage for prescribed, orally administered anticancer medications will not to be subject to any prior authorization, dollar limit, copayment, deductible, or coinsurance provision that does not apply to intravenously administered or injected anticancer medications.

Additionally, it prohibits a contract or policy from achieving compliance with the provisions of this law by imposing an increase in patient cost sharing for anticancer medications, whether intravenously administered or injected or orally administered, that are covered under the contract or policy as of this law’s effective date.
SCOPE OF OPERATIONS

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)
This system was established by Chapter 84, P.L. 1954, after the repeal of the law creating the former State Employees’ Retirement System. The retirement benefits of this system are coordinated, but not integrated with, Social Security. This system is maintained on an actuarial reserve basis. Under the terms of Chapter 71, P.L. 1966, most public employees in New Jersey not required to become members of another contributory retirement program are required to enroll.

Statutes can be found in the New Jersey Statutes Annotated, Title 43, Chapter 15A. Rules governing the operation and administration of the fund may be found in Title 17, Chapter 2 of the New Jersey Administrative Code.

TEACHERS’ PENSION AND ANNUITY FUND (TPAF)
This fund was reorganized by Chapter 37, P.L. 1955. The retirement benefits of this system and coordinated, but not integrated with, Social Security. This fund is maintained on an actuarial reserve basis. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional, and certified.

Statutes can be found in the New Jersey Statutes Annotated, Title 18A, Chapter 66. Rules governing the operation and administration of the system may be found in Title 17, Chapter 3 of the New Jersey Administrative Code.

POLICE AND FIREMEN’S RETIREMENT SYSTEM (PFRS)
This system was established by Chapter 255, P.L. 1944. All police officers and firefighters, appointed after June 1944, in municipalities where local police and fire pension funds existed or where this system was adopted by referendum or resolution are required to become members of this system. Certain State and county employees are also covered. Employer obligations are paid by the local employers and the State. This system is maintained on an actuarial reserve basis.

Statutes can be found in the New Jersey Statutes Annotated, Title 43, Chapter 16A. Rules governing the operation and administration of the system may be found in Title 17, Chapter 4 of the New Jersey Administrative Code.

STATE POLICE RETIREMENT SYSTEM (SPRS)
This system was created by Chapter 89, P.L. 1965 as a successor to the State Police Retirement and Benevolent Fund. All uniformed officers and troopers of the Division of State Police in the New Jersey Department of Law and Public Safety are required to enroll. This system is maintained on an actuarial reserve basis.

Statutes can be found in the New Jersey Statutes Annotated, Title 53, Chapter 5A. Rules governing the operation and administration of the system may be found in Title 17, Chapter 5 of the New Jersey Administrative Code.

JUDICIAL RETIREMENT SYSTEM (JRS)
This system was established by Chapter 140, P.L. 1973 after the repeal of the laws providing pension benefits to members of the State judiciary and their eligible survivors. All members of the State judiciary are required to enroll. The system is maintained on an actuarial reserve basis.

Statutes can be found in the New Jersey Statutes Annotated, Title 43, Chapter 6A. Rules governing the operation and administration of the system may be found in Title 17, Chapter 10 of the New Jersey Administrative Code.

DEFINED CONTRIBUTION RETIREMENT PROGRAM (DCRP)
This program was established July 1, 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The program is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) §401(a) et seq., and is a “governmental plan” within the meaning of IRC §414(d). Eligible members are provided with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Individuals eligible for membership
SCOPE OF OPERATIONS

include State or Local Officials who are elected or appointed on or after July 1, 2007; employees enrolled in the PERS or TPAF on or after July 1, 2007 who earn salary in excess of established “maximum compensation” limits, employees enrolled in the PFRS or SPRS after May 21, 2010 who earn salary in excess of established “maximum compensation” limits; and employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary required for PERS or TPAF Tier 3 enrollment or do not work the minimum hours per week required for PERS or TPAF Tier 4 enrollment.

Statutes can be found in the New Jersey Statutes Annotated, Title 43, Chapter 15C, Article 1 et seq.

ALTERNATIVE BENEFIT PROGRAM (ABP)

This program was established by several pieces of legislation between 1965 and 1968 for full-time faculty members of public institutions of higher education. It was later expanded to include certain administrative and professional titles.

Chapter 385, P.L. 1993 increased the number of investment carriers to six. The investment carriers underwriting annuities are as follows: VALIC; AXA Financial (Equitable); The Hartford; ING Life Insurance and Annuity Co.; MetLife (formerly Travelers/CitiStreet); and the Teachers Insurance and Annuity Association/College Retirement Equities Fund (TIAA/CREF). The ABP is a “defined contribution” plan as distinguished from “defined benefits” payable by the other State retirement systems. Immediate vesting after the first year of participation offers the mobility of pension credit among the private and public institutions of higher education in the United States and Canada. Group life insurance and long-term disability insurance are underwritten by the Prudential Insurance Company of America, Inc.

Statutes can be found in the New Jersey Statutes Annotated, Title 43, Chapter 15C, Article 1 et seq.

PRISON OFFICERS’ PENSION FUND (POPF)

This fund was established under Chapter 220, P.L. 1941. It was closed to new employees as of January 1960. New employees are enrolled in the Police and Firemen’s Retirement System. This system is not maintained on an actuarial reserve basis.

Statutes can be found in the New Jersey Statutes Annotated, Title 43, Chapter 7.

CONSOLIDATED POLICE AND FIREMEN’S PENSION FUND (CPFPF)

This fund was established by Chapter 358, P.L. 1952, to place 212 local police and fire pension funds on an actuarial reserve basis. The membership consists of police and firefighters appointed prior to July 1, 1944. The liabilities of these local funds were shared: two-thirds by the participating municipalities and one-third by the State.

Statutes can be found in the New Jersey Statutes Annotated, Title 43, Chapter 16. Rules governing the operation and administration of this fund may be found in Title 17, Chapter 6 of the New Jersey Administrative Code.

NEW JERSEY STATE EMPLOYEES DEFERRED COMPENSATION PLAN (NJSEDCP)

This plan was established by Chapter 39, P.L. 1978 and is available to any State employee who is a member of a State-administered retirement system. This plan is a voluntary investment program that provides retirement income separate from and in addition to the basic pension benefit.

Statutes can be found in the New Jersey Statutes Annotated, Title 52, Chapter 18A.

Prudential Retirement was selected as the NJSEDCP’s third-party administrator on August 26, 2005. The Division of Pensions and Benefits maintains its administrative oversight functions.

SUPPLEMENTAL ANNUITY COLLECTIVE TRUST (SACT)

This trust was established by Chapter 123, P.L. 1963. This program includes active members of several State-administered retirement systems. Members make voluntary additional contributions through their pension
funds to purchase variable retirement annuities in order to supplement the benefits provided by their basic system. Some employers agree to purchase tax-sheltered annuities for the same purpose for certain eligible employees.

Statutes can be found in the New Jersey Statutes Annotated, Title 52, Chapter 18A. Rules governing the operation and administration of the trust may be found in Title 17, Chapter 8 of the New Jersey Administrative Code.

**ADDITIONAL CONTRIBUTIONS TAX-SHELTERED PROGRAM (ACTS)**

This program was established in 1996. ACTS is a tax-sheltered, supplemental, retirement program pursuant to Section 403(b) of the federal Internal Revenue Code offered to employees of institutions of higher education, the Commission of Higher Education, the Department of Education, and the Office of Student Assistance. The eligible employees are able to obtain tax-deferred annuities with a variety of investment carriers through a salary reduction agreement. The annuities are available from the same investment carriers who service the Alternate Benefit Program.

Statutes can be found in the New Jersey Statutes Annotated, Title 52, Chapter 18A, Section 113.

**CENTRAL PENSION FUND (CPF)**

This fund consists of the administration of a series of noncontributory pension acts. No reserves are established for the payment of retirement benefits. These benefits are administered by the Division in accordance with the governing statute and the rules and regulations of the State House Commission.

**PENSION ADJUSTMENT FUND (PAF)**

This fund was established pursuant to Chapter 143, P.L. 1958 and covers all eligible pensions of State-administered retirement systems. It was altered by Chapter 169, P.L. 1969, which provided a cost-of-living adjustment and by Chapter 139, P.L. 1971 which extended its provisions to eligible survivors.

Statutes can be found in the New Jersey Statutes Annotated, Title 52, Chapter 18A. Rules governing the operation and administration of the fund may be found in Title 17, Chapter 1 of the New Jersey Administrative Code.

**UNEMPLOYMENT COMPENSATION AND TEMPORARY DISABILITY INSURANCE FOR STATE EMPLOYEES (UC/TDI)**

The Division of Pensions and Benefits coordinates the work related to the payment of the charges involving unemployment compensation and temporary disability insurance benefits for State employees eligible for coverage under federal law. It is responsible for contracting with a service agency to review all questionable claims for unemployment compensation.

**STATE HEALTH BENEFITS PROGRAM (SHBP)**

The program provides medical coverage to employees, retirees, and their dependents. Chapter 125, P.L. 1964 extended the program to include employees of local government. The program includes a preferred provider organization (NJ DIRECT) and two HMO plans (Aetna HMO and CIGNA HealthCare). A small group of State employees are covered under legacy plans — the indemnity type plan (Traditional Plan) and a point-of-service plan (NJ PLUS).

Statutes can be found in the New Jersey Statutes Annotated, Title 52, Chapter 14, Article 17.25 et seq. Rules governing the operation and administration of the program can be found in Title 17, Chapter 9 of the New Jersey Administrative Code.

**SCHOOL EMPLOYEES’ HEALTH BENEFITS PROGRAM (SEHBP)**

The program provides medical coverage to local education employees, retirees, and their dependents. Chapter 103, P.L. 2007 established the program which includes a preferred provider organization (NJ DIRECT) and two HMO plans (Aetna HMO and CIGNA HealthCare).

Statutes can be found in the New Jersey Statutes Annotated, Title 52, Chapter 14, Article 17.46 et seq. Rules governing the operation and administration of the program can be found in Title 17, Chapter 9 of the New Jersey Administrative Code.
SCOPE OF OPERATIONS

PRESCRIPTION DRUG PLAN (PDP)
This plan was initiated by the State effective December 1, 1974. The passage of Chapter 41, P.L. 1976 extended coverage to all eligible State employees. The State Health Benefits Commission offered the plan to local employers on July 1, 1993. Employees and their eligible dependents are covered by the plan in the same manner as the State Health Benefits Program. The Division of Pensions and Benefits became responsible for plan administration in November 1976.

Statutes can be found in the New Jersey Statutes Annotated, Title 52, Chapter 14, Section 17.29(F). Rules governing the operation and administration of the program can be found in Title 17, Chapter 9, of the New Jersey Administrative Code.

EMPLOYEE DENTAL PLANS (EDP)
This program was initially established February 1, 1978 and further expanded in June 1984. Eligible State and certain local employees may enroll for themselves and their eligible dependents by paying the premium calculated to meet half the cost of the plan. Plans offered include the Dental Expense Plan, a traditional indemnity plan, and a selection of Dental Plan Organizations.

Statutes can be found in the New Jersey Statutes Annotated, Title 52, Chapter 14, Section 17.29(F). Rules governing the operation and administration of the program can be found in Title 17, Chapter 9, of the New Jersey Administrative Code.

TAX$AVE
The State Employees Tax Savings Program (Tax$ave) was initially established for State Employees in July 1996 and authorized under Section 125 of the Internal Revenue Code. The benefit consists of three components: the Premium Option Plan that allows employees to use pre-tax dollars deducted from their pay for health or dental benefit premiums they may be required to pay for coverage; the Flexible Spending Account for Unreimbursed Medical Expenses that allows employees to use up to $2,500 pre-tax dollars annually deducted from their pay for medical expenses not reimbursed by their medical or dental insurance; and the Dependent Care Spending Account that allows employees to use up to $5,000 pre-tax dollars annually deducted from their pay for dependent care expenses required to permit the employee and spouse to work.

Statutes can be found in the New Jersey Statutes Annotated, Title 52, Chapter 14, Article 15.1a. Rules governing the Tax$ave can be found in Title 17, Chapter 1, Subchapter 13 of the New Jersey Administrative Code.

COMMUTER TAX$AVE
This program, authorized by Chapter 162, P.L. 2001 and available under Section 132(f) of the federal Internal Revenue Code, allows eligible State employees to use before-tax dollars to pay for qualified commuter expenses. Under the program, eligible employees may execute salary reduction agreements to have up to $230 per month ($2,760 per year) deducted from salary to pay for mass transit commutation costs and $230 per month ($2,760 per year) to pay for parking at work or at park and ride sites. The program was implemented in February 2004.

Statutes can be found in the New Jersey Statutes Annotated, Title 52, Chapter 14, Article 17.33. Rules governing Commuter Tax$ave can be found in Title 17, Chapter 1, Subchapter 14 of the New Jersey Administrative Code.

STATE EMPLOYEES LONG TERM CARE INSURANCE PLAN
This plan is a participant-pay-all benefit available to State employees, retirees, and family members. The Prudential Insurance Company administers the insurance plan under contract with the State. The initial offering of the benefit was effective July 1, 2003.

Statutes can be found in the New Jersey Statutes Annotated, Title 52, Chapter 14, Article 15.9a and Title 34, Chapter 11, Article 4.4b(10).
## MEMBERSHIP

### ACTIVE MEMBERSHIP

<table>
<thead>
<tr>
<th>RETIREMENT SYSTEM</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Employees’ Retirement System</td>
<td>297,604*</td>
<td>285,710*</td>
</tr>
<tr>
<td>Teachers’ Pension &amp; Annuity Fund</td>
<td>152,145*</td>
<td>152,158*</td>
</tr>
<tr>
<td>Police &amp; Firemen’s Retirement System</td>
<td>42,849*</td>
<td>41,518*</td>
</tr>
<tr>
<td>State Police Retirement System</td>
<td>2,880*</td>
<td>2,776*</td>
</tr>
<tr>
<td>Judicial Retirement System</td>
<td>416</td>
<td>404</td>
</tr>
<tr>
<td>Alternate Benefit Program</td>
<td>21,364</td>
<td>22,225</td>
</tr>
<tr>
<td>Prison Officers’ Pension Fund</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Consolidated Police &amp; Firemen’s Pension Fund</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Central Pension Fund</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>517,258</td>
<td>504,791</td>
</tr>
</tbody>
</table>

*Both the 2011 and 2012 figures represent the total number of Active and Inactive accounts. The 2012 Inactive (noncontributing) accounts are as follows: PERS Inactive — 50,014, TPAF Inactive — 14,263, PFRS Inactive — 2,017, SPRS Inactive — 30.

### RETIRED MEMBERSHIP & BENEFICIARIES

<table>
<thead>
<tr>
<th>RETIREMENT SYSTEM</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Employees’ Retirement System</td>
<td>147,311</td>
<td>152,147</td>
</tr>
<tr>
<td>Teachers’ Pension &amp; Annuity Fund</td>
<td>85,875</td>
<td>89,276</td>
</tr>
<tr>
<td>Police &amp; Firemen’s Retirement System</td>
<td>37,882</td>
<td>39,413</td>
</tr>
<tr>
<td>State Police Retirement System</td>
<td>2,813</td>
<td>3,019</td>
</tr>
<tr>
<td>Judicial Retirement System</td>
<td>544</td>
<td>561</td>
</tr>
<tr>
<td>Alternate Benefit Program</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Prison Officers’ Pension Fund</td>
<td>141</td>
<td>133</td>
</tr>
<tr>
<td>Consolidated Police &amp; Firemen’s Pension Fund</td>
<td>288</td>
<td>224</td>
</tr>
<tr>
<td>Central Pension Fund</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>274,863*</td>
<td>284,782*</td>
</tr>
</tbody>
</table>

*The number of retirees varies slightly from those reported in the Notes to the Financial Statements due to differences in the effective dates of said tabulations.

### PARTICIPATION IN HEALTH PROGRAM

<table>
<thead>
<tr>
<th>HEALTH PROGRAM</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Health Benefits Program and School Employees’ Health Benefits Program</td>
<td>394,016</td>
<td>400,387</td>
</tr>
<tr>
<td>Prescription Drug Plan</td>
<td>333,853</td>
<td>337,743</td>
</tr>
<tr>
<td>Dental Expense Program</td>
<td>164,152</td>
<td>170,017</td>
</tr>
</tbody>
</table>
PUBLIC EMPLOYEES’ RETIREMENT SYSTEM

As of June 30, 2012, the active membership of the system totaled 285,710. There were 152,147 retirees and beneficiaries receiving annual pensions totaling $2,791,879,133*.

Beneficiaries of deceased active and retired members received lump sum death benefits in the amount of $108,660,771.

The system’s assets totaled $27,106,035,734 at the close of the fiscal year 2012.

* Includes cost-of-living adjustments paid under the provisions of the Pension Adjustment Act.

TEACHERS’ PENSION AND ANNUITY FUND

As of June 30, 2012, the active membership of the fund totaled 152,158. There were 89,276 retirees and beneficiaries receiving annual pensions totaling $3,470,573,025*.

Beneficiaries of deceased active and retired members received lump sum death benefits in the amount of $68,044,466.

The fund’s assets totaled $26,333,845,533 at the close of the fiscal year 2012.

* Includes cost-of-living adjustments paid under the provisions of the Pension Adjustment Act.

POLICE AND FIREMEN’S RETIREMENT SYSTEM

As of June 30, 2012, the active membership of the system totaled 41,518. There were 39,413 retirees and beneficiaries receiving annual pensions totaling $1,828,342,643*.

Beneficiaries of deceased active and retired members received lump sum death benefits in the amount of $34,058,970.

The system’s assets totaled $21,494,209,356 at the close of the fiscal year 2012.

* Includes cost-of-living adjustments paid under the provisions of the Pension Adjustment Act.

STATE POLICE RETIREMENT SYSTEM

As of June 30, 2012, the active membership of the system totaled 2,776. There were 3,019 retirees and beneficiaries receiving annual pensions totaling $162,329,762*.

Beneficiaries of deceased active and retired members received lump sum death benefits in the amount of $735,607.

The system’s assets totaled $1,772,937,738 at the close of the fiscal year 2012.

* Includes cost-of-living adjustments paid under the provisions of the Pension Adjustment Act.
MEMBERSHIP

JUDICIAL RETIREMENT SYSTEM
As of June 30, 2012, the active membership of the system totaled 404. There were 561 retirees and beneficiaries receiving annual pensions totaling $45,464,833.

The system’s assets totaled $239,579,486 at the close of the fiscal year 2012.

ALTERNATE BENEFIT PROGRAM
As of June 30, 2012, the State paid $152,994,447 on behalf of 22,225 participants to the carriers underwriting this program.

Beneficiaries of deceased active and retired members received $16,258,202 in lump sum death benefits.

PRISON OFFICERS’ PENSION FUND
The activity shown to the right is consistent with a closed pension fund.

This fund was closed to new membership in January 1960.

As of June 30, 2012, the active membership of the fund totaled zero. There were 133 retirees and beneficiaries receiving annual pensions totaling $1,950,804.

The fund’s assets totaled $9,191,238 at the close of the fiscal year 2012.

CONSOLIDATED POLICE AND FIREMEN’S PENSION FUND
The activity shown to the right is consistent with a closed pension fund.

As of June 30, 2012, the active membership of the fund totaled zero. There were 224 retirees and beneficiaries receiving annual pensions totaling $5,046,645.

The fund’s assets totaled $5,259,544 at the close of the fiscal year 2012.
MEMBERSHIP

NJ STATE EMPLOYEES’ DEFERRED COMPENSATION PLAN

Fiscal year 2012 continues to show a marked increase in active participation due to membership campaigns conducted by the Division of Pensions and Benefits.

As of June 30, 2012, the active membership of the New Jersey State Employees’ Deferred Compensation Plan totaled 40,232. There were 4,903 members receiving monthly installment payments.

The plan’s net assets (participants’ balances) were $2,586,043,883 at the close of the fiscal year 2012.

SUPPLEMENTAL ANNUITY COLLECTIVE TRUST

As of June 30, 2012, the active membership of the trust totaled 3,104. The unit value was $62.5365, an increase of $0.1623 from the June 30, 2011 value of $62.3742.

There were 454 annuitants.

The trust’s assets totaled $155,647,322 at the close of the fiscal year 2012.

UNEMPLOYMENT COMPENSATION AND TEMPORARY DISABILITY INSURANCE

As of June 30, 2012, the Unemployment Compensation Program for State employees covered as many as 123,032 persons, and the Division remitted $4,267,626 on behalf of the State. There were 10,210 requests for unemployment benefits filed, and $30,592,766 was paid to the employees found eligible.

During the same period, the Temporary Disability Insurance Program covered 133,222 employees, and the Division remitted $33,761,605 on behalf of the State. Claims paid totaled $33,608,873.

CENTRAL PENSION FUND

As of June 30, 2012, there were 9 beneficiaries receiving annual pensions totaling $189,481.
PENSION ADJUSTMENT EXPENSE

There were 233,551 pensioners who were paid $930,323,418 during the fiscal year 2012.

STATE HEALTH BENEFITS PROGRAM AND SCHOOL EMPLOYEES’ HEALTH BENEFITS PROGRAM

As of June 30, 2012, there were 400,387 covered participants (active and retired) consisting of 143,099 State participants and 257,288 participants of 1,103 local participating employers.

The State and state employee contributions were $1,351,142,972 while payment made by local (including education) employers and employees was $2,447,690,108.

PRESCRIPTION DRUG PLAN

The Prescription Drug Plan covered as many as 142,616 State participants and 195,127 local participants during fiscal year 2012.

The State’s contribution was $473,386,992 while payment made by local (including education) employers was $638,946,255.

DENTAL EXPENSE PROGRAM

The Dental Expense Program covered as many as 116,691 eligible State participants and 53,326 local participants during fiscal year 2012. The State of New Jersey as the employer expended $37,927,718 for active participants while payment made by local (including education) employers was $2,680,305.