ASSEMBLY, No. 3569

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED FEBRUARY 25, 2020

Sponsored by:
Assemblyman LOUIS D. GREENWALD
District 6 (Burlington and Camden)
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District 7 (Burlington)

Co-Sponsored by:
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SYNOPSIS

Requires Treasurer and Divisions of Pensions and Benefits and Investment Directors to report on status of State-administered pension plans to Legislature by May 15 and November 15 each year.

CURRENT VERSION OF TEXT

As introduced.

(Sponsorship Updated As Of: 5/28/2020)

AN ACT concerning reporting on the State-administered retirement systems and public employer funding obligations to the Legislature and supplementing P.L.1955, c.70 (C.52:18A-95 et seq.).

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

1. On or before May 15 of each year, the Treasurer, the Director of the Division of Pensions and Benefits, and the Director of the Division of Investment shall report in writing to the Legislature, in accordance with section 2 of P.L.1991, c.164 (C.52:14-19.1), and appear before the Senate Budget and Appropriations Committee and the Assembly Budget Committee, or their successors, with respect to the current funding obligations of the State and other public employers to and the financial status of the State-administered retirement systems with a presentation regarding the assets, investment return and liabilities, as well as the annual valuation reports, of each system. The written report shall include, for each system and the systems in the aggregate for the most recent year available and the prior nine years, changes in actuarial funding ratios, actuarial assets, liabilities and funding, expressed as two sets of data, one calculated in accordance with State law and one in accordance with the financial reporting standards of the Governmental Accounting Standards Board, or its successor. The listing of liabilities shall include at a minimum the total unfunded accrued liability, the annual change in the unfunded accrued liability, the rate of interest due on the unfunded accrued liability, the total accrued interest added to the unfunded accrued liability and the number of years required to pay off the unfunded accrued liability for each system. The funding portion shall include at a minimum the actuarially determined normal contribution, the annual actuarially determined payment toward the unfunded accrued liability and the actuarially determined total pension obligation for each system and the total actual funding provided by the State or public employer appropriation. In addition, the report shall provide Governmental Accounting Standards Board accounting and disclosure information for the most recent year available reported by the retirement systems of at least five states with comparable public employee populations. The report and appearance shall include a presentation regarding the investment performance of any assets, moneys, securities or other financial instruments of any funds or accounts under the control and management of the Division of Investment on behalf of the pension systems administered by the Division of Pensions and Benefits.

On or before November 15 of each year, the Treasurer, the Director of the Division of Pensions and Benefits, and the Director of the Division of Investment shall report in writing to the

Legislature, in accordance with section 2 of P.L.1991, c.164 (C.52:14-19.1), and appear before the Senate Budget and Appropriations Committee and the Assembly Budget Committee, or their successors, with respect to the funding obligations of the State and other public employers, to and the financial status of, the State-administered retirement systems and the status of the annual valuation reports, and with a presentation regarding the investment performance of any assets, moneys, securities or other financial instruments of any funds or accounts under the control and management of the Division of Investment on behalf of the pension systems administered by the Division of Pensions and Benefits.

2. This act shall take effect immediately.

STATEMENT

This bill requires the State Treasurer, the Director of the Division of Pensions and Benefits, and the Director of the Division of Investment to report in writing to the Legislature and appear before the Senate Budget and Appropriations Committee and Assembly Budget Committee, on or before May 15 and on or before November 15 of each year, with regard to the current funding obligations of the State and other public employers to, and the financial status of, the State-administered retirement systems, and with regard to the investment performance of the assets, moneys, securities or other financial instruments of any of the funds or accounts under the management and control of the Division of Investment on behalf of the pension systems administered by the Division of Pensions and Benefits.

The purpose of the bill is to increase disclosure about the fiscal health of the State's public pension plans by establishing routine reporting to the Legislature and its budget committees on the State's funding obligations and its management of retirement system assets.