

NEW JERSEY DIVISION OF PENSIONS AND BENEFITS

A DEPARTMENT OF THE STATE OF NEW JERSEY

50th COMPREHENSIVE ANNUAL FINANCIAL REPORT *For the Fiscal Year Ended June 30, 2005*

Jon S. Corzine
Governor

Bradley Abelow
Acting State Treasurer

Frederick J. Beaver
Director



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

Programs administered by the

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
- 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
- PDP** Prescription Drug Plan
- SEDP** State Employee Dental Program
- Tax\$ave** Premium Option Plan, Unreimbursed Medical Expense Plan Flexible Account Plan, and Dependent Care Spending Account Plan
- Commuter Tax\$ave** State Employees Commuter Tax Savings Program
- LTC** State Employees Long Term Care Insurance Plan

INDEPENDENT AUDITOR

KPMG LLP

New Jersey Headquarters
150 John F. Kennedy Parkway
Short Hills, NJ 07078

ACTUARIAL REPORTS

BUCK CONSULTANTS

500 Plaza Drive
Secaucus, NJ 07096-1533

MILLIMAN

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

TABLE OF CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal	9
All in a year's work (Accomplishments in 2005)	12
Organization	13
Organization — Board of Trustees	17
Significant Legislation	19
Scope of Operations	20
Membership	24

FINANCIAL SECTION

Index	31
Independent Auditors' Report	32
Management's Discussion and Analysis	34
Basic Financial Statements	
Statement of Net Assets	43
Statement of Activities	44
Balance Sheet — Governmental Funds	45
Statement of Revenues, Expenditures, and Changes in Fund Balances	
— Governmental Funds	46
Statement of Net Assets — Proprietary Funds	47
Statement of Revenues, Expenses, and Changes in Net Assets	
— Proprietary Funds	48
Statement of Cash Flows — Proprietary Funds	49
Statement of Fiduciary Net Assets — Fiduciary Funds	50
Combining Statement of Fiduciary Net Assets — Pension Trust and Post-Retirement Medical Funds . . .	51
Statement of Changes in Fiduciary Net Assets — Fiduciary Funds — Pension Trust Funds	53
Combining Statement of Changes in Fiduciary Net Assets — Pension Trust and Post-Retirement Medical Funds	54
Notes to Financial Statements	
(1) Description of the Funds	56
(2) Summary of Significant Accounting Policies	56
(3) Investments	64
(4) Securities Lending Collateral	69
(5) Contributions	71
(6) Vesting and Benefits	76
(7) Funds	82
(8) Unpaid Claims Liabilities	86

TABLE OF CONTENTS

Schedules

#1	Required Supplementary Information — Schedule of Funding Progress	87
#2	Required Supplementary Information — Schedule of Employer Contributions	92
#3	Supplementary Information — Schedule of Loss Development Information	95
#4	Schedule of Administrative Expense	96
#5	Schedule of Investment Expense	97
#6	Schedule of Expense for Consultants	97
#7	Statement of Fiduciary Net Assets — Fiduciary Funds	98
#8	Statement of Changes in Fiduciary Net Assets — Fiduciary Funds	99
#9	Balance Sheet — Fiduciary Funds — Agency Funds	100
#10	Schedule of Changes in Fiduciary Net Assets — Agency Funds	101

INVESTMENT SECTION

Reviews of Major Policy Issues	105
State Investment Council — Regulations Pertaining to Pension Fund Assets	106
Investment Returns	107
Fair Value and the Percent of Total Fair Value for Each Major Type of Investment	107
State of New Jersey Composite Asset Allocation History (Graph)	108
Domestic Stock Holdings — Portfolio Sector Weightings (Graph)	109
International Stock Holdings — Portfolio Sector Weightings (Graph)	109
List of Largest Assets Held	110
Domestic Equity Trading	112
International Equity Trading	112

ACTUARIAL SECTION

Public Employees' Retirement System (PERS)

Actuary's Certification Letter	115
Summary of Actuarial Assumptions and Methods	117
Schedule of Retired Members and Beneficiaries Added to and Removed from Rolls	120
Schedule of Active Member Valuation Data	121
Solvency Test	122
Analysis of Past Financial Experience	123
Summary of Benefit and Contribution Provisions	124

Teachers' Pension and Annuity Fund of New Jersey (TPAF)

Actuary's Certification Letter	129
Summary of Actuarial Assumptions and Methods	131
Schedule of Retired Members and Beneficiaries Added to and Removed from Rolls	135

TABLE OF CONTENTS

Schedule of Active Member Valuation Data	135
Solvency Test	135
Analysis of Past Financial Experience	136
Summary of Principal Plan Provisions	137
Police and Firemen’s Retirement System (PFRS)	
Actuary’s Certification Letter	141
Summary of Actuarial Assumptions and Methods	143
Schedule of Retired Members and Beneficiaries Added to and Removed from Rolls	145
Schedule of Active Member Valuation Data	146
Solvency Test	147
Analysis of Past Financial Experience	148
Summary of Benefit and Contribution Provisions	149
State Police Retirement System (SPRS)	
Actuary’s Certification Letter	152
Summary of Actuarial Assumptions and Methods	154
Schedule of Retired Members and Beneficiaries Added to and Removed from Rolls	156
Schedule of Active Member Valuation Data	156
Solvency Test	156
Analysis of Past Financial Experience	157
Summary of Benefit and Contribution Provisions	158
Judicial Retirement System (JRS)	
Actuary’s Certification Letter	160
Summary of Actuarial Assumptions and Methods	162
Schedule of Retired Members and Beneficiaries Added to and Removed from Rolls	164
Schedule of Active Member Valuation Data	164
Solvency Test	164
Analysis of Past Financial Experience	165
Summary of Benefit and Contribution Provisions	166
Consolidated Police and Firemen’s Pension Fund (CPFPF)	
Actuary’s Certification Letter	168
Summary of Actuarial Assumptions and Methods	170
Schedule of Retired Members and Beneficiaries Added to and Removed from Rolls	171
Schedule of Active Member Valuation Data	171
Solvency Test	171
Analysis of Past Financial Experience	172
Summary of Benefit and Contribution Provisions	173

TABLE OF CONTENTS

Prison Officers' Pension Fund (POPF)

Actuary's Certification Letter	174
Summary of Actuarial Assumptions and Methods	176
Schedule of Retired Members and Beneficiaries Added to and Removed from Rolls	177
Schedule of Active Member Valuation Data	177
Solvency Test	177
Analysis of Past Financial Experience	178
Summary of Benefit and Contribution Provisions	179

Supplemental Annuity Collective Trust (SACT)

Actuary's Certification Letter	180
Summary of Actuarial Assumptions and Methods	182
Schedule of Retired Members and Beneficiaries Added to and Removed from Rolls	183
Schedule of Active Member Valuation Data	183
Solvency Test	183
Analysis of Past Financial Experience	184
Summary of Benefit and Contribution Provisions	185

STATISTICAL SECTION

Schedule of Retired Members By Type of Benefit	189
Schedule of Revenues By Source	190
Schedule of Expense By Type	192
Participating County and Municipal Employers	194
Participating Education Employers	197
Participating Agencies and Authorities	202

INTRODUCTORY SECTION

Certificate of Achievement for Excellence in Financial Reporting

Presented to

New Jersey

Division of Pensions & Benefits

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2004

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.

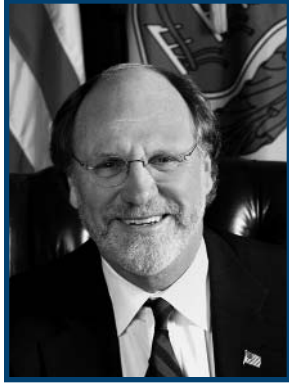


Nancy L. Zielle

President

Jeffrey R. Emer

Executive Director



JON S. CORZINE
Governor



BRADLEY ABELOW
State Treasurer



FREDERICK J. BEAVER
*Director, Division of
Pensions and Benefits*



Mailing Address:
PO Box 295
Trenton, NJ 08625-0295
Location:
50 West State Street
Trenton, New Jersey

State of New Jersey
DEPARTMENT OF THE TREASURY
DIVISION OF PENSIONS AND BENEFITS
(609) 292-7524 TDD (609) 292-7718
www.state.nj.us/treasury/pensions

LETTER OF TRANSMITTAL

January 2006

To the Honorable

Jon S. Corzine, Governor
Bradley Abelow, Acting 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 50th Comprehensive Annual Financial Report (CAFR) of the New Jersey State-administered retirement systems and related benefit programs for the fiscal year ended June 30, 2005. 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.

THE REPORTING ENTITY

The Division was established in 1955 as the Division of Pensions to provide all administration of the state pension funds except investment. The Division

LETTER OF TRANSMITTAL

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 the second largest non-federal public benefits program in the nation, consisting of nine separate retirement systems, three supplemental retirement savings programs, a health benefits program for employees, retirees, and family members, and several other employee benefits programs. Over 763,000 members enjoy the benefits of the various pension systems administered by the Division and over 801,000 lives are covered in the State Health Benefits Program (SHBP). In addition to the State, 1,702 local public employers participate in the retirement systems and 969 local employers participate in the SHBP.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance and Accounting Organization (GFAO) recognized the Division's CAFR of last year for Excellence in Financial Reporting. A copy of the Certificate of Achievement is included in the CAFR.

MAJOR INITIATIVES

The Internet Report of Contributions that now enables employers to report and transmit their employee pension data via an automated process. This has changed a very paper intensive process to an Internet-based application that will provide both the Division and local employers with a streamlined process that will ultimately lead to savings in processing time and operating expenses. To date, more than 50% of the 2,900 employer reporting entities have been converted to this new process. The Division is focusing on redirecting current staff that will no longer be required to process these reports, to a hot line phone function that will assist employers with the registration and technical aspects of electronic reporting.

Employer Pension Information Connection (EPIC) is a Web-based tool that provides employers with as many as fourteen applications to obtain pension and health benefit information for their members. Employers can now access various payroll certifications, member account information, health benefit status, retirement status, forms and letters and much more. The development of these applications has initially increased resources in the areas of staff, hours, and dollars. Over the next three years, the Division will realize savings that will become evident during that period.

The Member Benefits Online System is a set of Internet based applications that allows registered members access to their pension and if applicable, health benefits account information. Members can submit a pension loan online without the intervention of Division staff. The continued development of applications will have a direct impact on current work processing throughout the operational sections of the Division. An additional four applications will be available to members by the end of November 2005 and retiree applications will become available by early Spring 2006. Staff in these operational areas have become part of technical development teams and will be trained in telecommunications and electronic communications services.

FINANCIAL INFORMATION

The Financial reports of the Government Funds, Proprietary Funds, and 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 Governmental Funds include the three separate State programs for Health Benefits, Prescription Drug, and Dental Expense.
- The Proprietary Funds include the three separate Local Group programs for Health Benefits, Prescription Drug, and Dental Expense.

LETTER OF TRANSMITTAL

- The Fiduciary Funds include eleven separate pension funds and two agency funds, the Alternate Benefit Program Fund and the Pension Adjustment Fund.

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 34 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, 2005. KPMG 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 '05, investment returns on pension funds were 8.7 percent. When combined with the returns for previous years, the annualized returns over the past three, five and ten-year periods were +8.6 percent, +0.9 percent, and +8.97 percent, respectively.

FUNDING

Funding is the keystone of a good benefits system. A fully funded system that has assets sufficient to meet the disability and retirement benefits schedules of all its members is one that instills confidence and trust. I'm pleased to report that our benefits systems are in excellent financial condition despite the disappointing market returns over the past several years. The liabilities of the actuarially based pension systems are 87.2 percent funded. Members and retirees can feel confident that the State-administered retirement systems in New Jersey will meet their obligations now and in the future.

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 97 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,



Frederick J. Beaver
Director

ALL IN A YEAR'S WORK...

- There are **543,399 ACTIVE MEMBERS** in the combined retirement systems.
- There are **1,710 PARTICIPATING EMPLOYERS** in the combined retirement systems; **6 NEW EMPLOYERS** began participating this year.
- There are **468,366 INDIVIDUAL RETIREMENT SYSTEM MEMBER ACCOUNTS** being maintained; **55,788 MEMBER ACCOUNTS** were audited internally.
- A total of **219,859 RETIREES AND BENEFICIARIES** received monthly pensions totally in excess of **\$5.7 BILLION** annually.
- Over **8,131 BENEFICIARY CLAIMS** were processed. Premiums in excess of **\$140.4 MILLION** were paid to the insurance carrier on behalf of active and retired members.
- Over **500,000 TELEPHONE CALLS** were received in Client Services. Counselors handled over 303,000 calls; over 1.2 million calls were handled by our automated telephone systems.
- **15,026 PERSONAL INTERVIEWS** were conducted by pensions counselors.
- **451 RETIREMENT SEMINARS** were conducted for over **15,181 MEMBERS**.
- **15,434 SERVICE PURCHASE REQUESTS** were processed.
- Over **66,191 NEW ENROLLMENTS OR TRANSFERS** were processed in our retirement systems.
- There were **9,348 WITHDRAWALS** from the retirement systems.
- **14,486 MEMBERS RETIRED.**
- Over **112,962 PENSION LOANS** totaling **\$411,469,910** were processed.
- State and local membership in the State Health Benefits Program was **359,452 MEMBERS** with **801,021 LIVES COVERED.**
- A total of over **\$3.3 BILLION IN PREMIUMS** was collected from State and local State Health Benefits Program employers. **968 LOCAL EMPLOYERS** elected to participate in the SHBP this year.

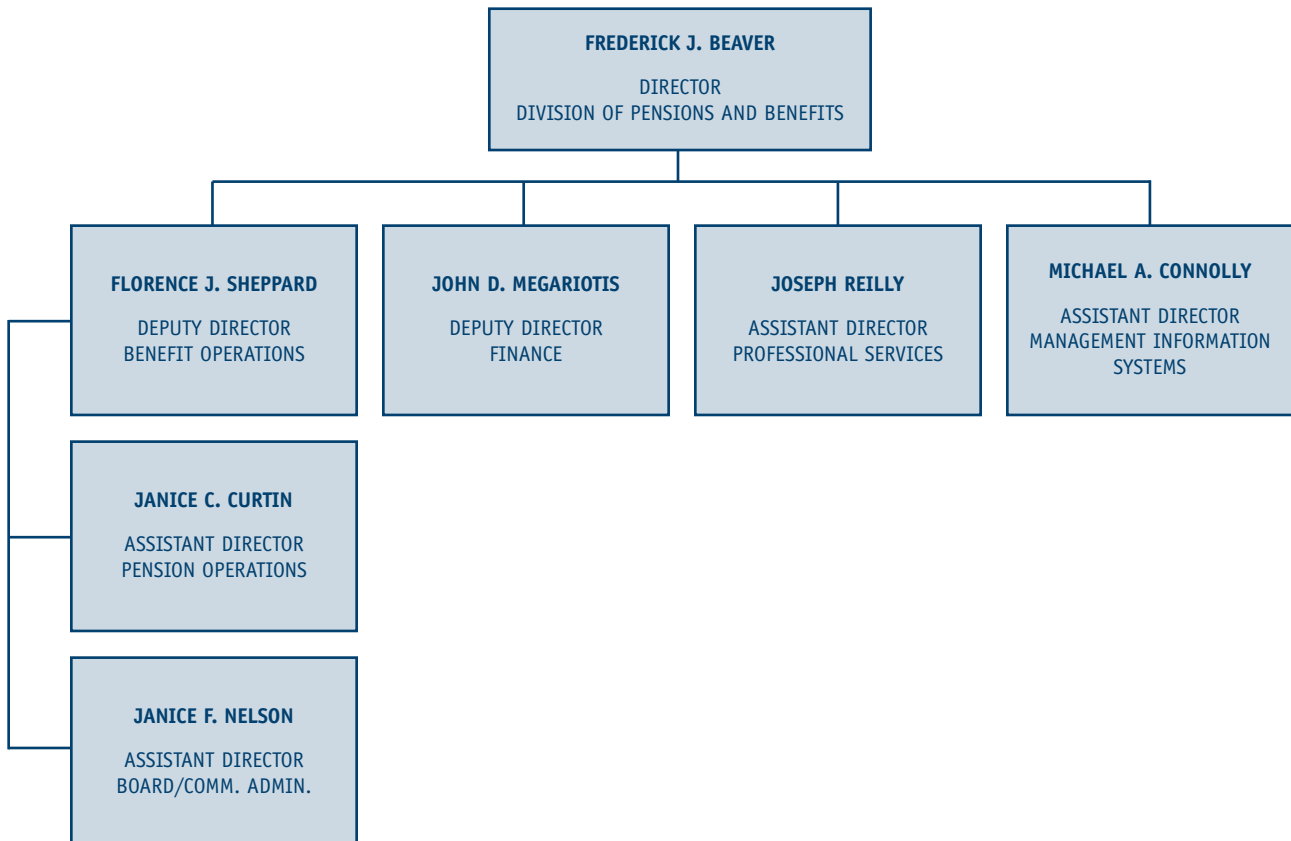
ORGANIZATION



EXECUTIVE MANAGEMENT TEAM

Front Row (left to right): Janice C. Curtin, *Assistant Director, Pension Operations*
 John D. Megariotis, *Deputy Director, Finance*
 Florence J. Sheppard, *Deputy Director, Benefit Operations*

Back Row (left to right): Michael A. Connolly, *Assistant Director, MIS*
 Frederick J. Beaver, *Director, Division of Pensions and Benefits*
 Joseph Reilly, *Assistant Director, Professional Services*
 Janice F. Nelson, *Assistant Director, Board and Commission Administration*



ORGANIZATION



CHIEFS AND MANAGERS

Seated, First Row (left to right): Virginia Martucci – *Claims*, Rita Partyka – *Client Services*, Sandra Horan – *Enrollments and Purchases*

Second Row (left to right): Timothy McMullen – *Budget and Compliance*, Wendy Jamison – *Boards of Trustees*, Christine Servis – *Health Benefits*, Michael Weik – *Administrative Services*, Timothy Rooney – *Information Technology*

Third Row (left to right): Joseph Zisa – *Defined Benefit and Contribution Plans*, David Pointer – *Retirements*, Frank Corliss – *MIS*, Francis Peterson – *Manager, Fiscal Resources*

DIRECTOR

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 an Assistant 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 responsi-

ORGANIZATION

ble 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 custodianship of pension and health benefits assets. These assets are in excess of \$75 billion and include over 763,000 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.

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

ORGANIZATION

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) Roderick Lewis
George B. Babula, *Chairperson*
Jackie Bussanich, *Support Staff*
- Standing: Frederick J. Beaver, *Treasurer's Representative*
(l to r) Stephen Florek
Susanne Culliton, *Deputy Attorney General*
Edward Thomson, III
Leon Flanagan
- Absent: Ronald Winthers
Suzanna Buriani-DeSantis
James Brey



TEACHERS' PENSION AND ANNUITY FUND

- Seated: Kathleen Coates, *Board Secretary*
(l to r) James Clemente, *Chairperson*
Grace Haislip
Gail Griffin
- Standing: Frederick J. Beaver, *Treasurer's Representative*
(l to r) Marie Flynn
John Keeler
- Absent: Deborah Rivosa
Susanne Culliton, *Deputy Attorney General*
Vacant Seat



POLICE AND FIREMEN'S RETIREMENT SYSTEM

- Seated: Alan C. Levine
(l to r) John Sierchio
Mark Kandrach, *Chairperson*
Dennis Connelly
Richard Mikutsky
- Standing: Vincent Foti
(l to r) Frederick J. Beaver, *Treasurer's Representative*
Tom Murphy
Wendy Jamison, *Board Secretary*
Gail Griffin
Frank Leake
- Absent: Joseph Boucher
Nichole Fava
Susanne Culliton, *Deputy Attorney General*

ORGANIZATION — BOARDS OF TRUSTEES



STATE POLICE RETIREMENT SYSTEM

Seated: Susanne Culliton, *Deputy Attorney General*
(l to r) James Grant
Jackie Bussanich, *Support Staff*

Standing: Peter Gorman, *Treasurer's Representative*
(l to r) John K. Sayers
Wendy Jamison, *Board Secretary*
Korneilus Vanderploeg

CONSOLIDATED POLICE AND FIREMEN'S PENSION FUND

Spencer H. Smith, Jr., *Chairperson (deceased, March 5, 2005)*
Louis J. Risacher, *Vice Chairperson*
Thomas Tighe, *Governor Appointee*
William H. Schlueter, *Governor Appointee*
William A. Nagy, Jr., *Governor Appointee*
Frederick J. Beaver, *Treasurer's Representative*

SUPPLEMENTAL ANNUITY COLLECTIVE TRUST

John E. McCormac, *State Treasurer*
Donald Bryan, *Acting Commissioner, Department of Banking and Insurance*
Charlene Holzbour, *Director and State Comptroller,*
Office of Management and Budget, Department of the Treasury

STATE HEALTH BENEFITS COMMISSION

John E. McCormac, *State Treasurer, Chairperson*
Donald Bryan, *Acting Commissioner, Department of Banking and Insurance*
Rolando Torres, Jr., *Commissioner, Department of Personnel*
Frederick J. Beaver, *Secretary*
Eric E. Richard, *State Employees' Representative of the AFL-CIO*
Brian Volz, *NJEA Representative*

DEFERRED COMPENSATION BOARD

John E. McCormac, *State Treasurer*
Donald Bryan, *Acting Commissioner, Department of Banking and Insurance*
Charlene Holzbour, *Director and State Comptroller,*
Office of Management and Budget, Department of the Treasury

SIGNIFICANT LEGISLATION

CHAPTER 86, P.L. 2004

This law requires health insurers, including health, hospital and medical service corporations, commercial individual, small employer and group health insurers, health maintenance organizations, and the State Health Benefits Program (SHBP), to provide health benefits coverage for expenses incurred in conducting a mammogram for women under 40 years of age who have a family history of breast cancer or other breast cancer risk factors, at such age and intervals as deemed medically necessary by the woman's health care provider.

The law also codifies in statute that the SHBP shall provide coverage for one baseline mammogram examination for women who are at least 35 but less than 40 years of age and a mammogram every year for women age 40 and over.

This act shall take effect on the 90th day after enactment and shall apply to all contracts and policies that are delivered, issued, executed, or renewed or approved for issuance or renewal in this State on or after the effective date.

This law was effective October 5, 2004.

CHAPTER 177, P.L. 2004

This law concerns the retirement allowance of Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS) veteran members who retire after having attained age 55, and who have at least 35 years of service credit. It provides that the retirement allowance shall be based on the 12-month period of membership providing the largest possible benefit to the member or the member's beneficiary instead of the last year of employment upon which contributions to the annuity savings fund or contingent reserve fund are made.

This law was effective December 22, 2004.

CHAPTER 6, P.L. 2005

This law allows retired administrative law judges and workers' compensation judges to be recalled for service, with the judge's consent.

It amends N.J.S.A.52:14F-4 and N.J.S.A.34:15-49, which requires these judges to retire upon attaining age 70, to provide that upon such recall the retired administrative law judge or judge of compensation will have all the powers of such a judge and will be paid a per diem allowance to be fixed by the Director/ Chief Administrative Law Judge or the Director/Chief Judge of the Division of Workers' Compensation, as applicable. The recalled judge will be reimbursed for reasonable expenses actually incurred in connection with the assignment and will be provided with such facilities as may be required in the performance of the judge's duties. Those per diem compensation and expenses will be paid by the State. Payment for services and expenses will be made in the same manner as payment is made to the judges of the Office of Administrative Law or Division of Workers' Compensation, as applicable, from which the judge retired.

This law was effective January 19, 2005.

CHAPTER 64, P.L. 2005

This law amends several statutes to define members of Operations Northern Watch and Southern Watch as veterans for the purposes of civil service hiring preferences, the purchase of service credit and the calculation of veterans benefits in the Public Employees' Retirement System (PERS) and Teachers' Pension and Annuity Fund (TPAF), the purchase of service credit in the Police and Firemen's Retirement System (PFRS), and the receipt of a property tax deduction or exemption.

Operation Northern Watch and Operation Southern Watch are the names given to the missions that monitored and controlled airspace above and below the 33rd parallel in Iraq, otherwise known as "no-fly zones."

The pension-related sections of this law are effective immediately (April 7, 2005).

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 policemen and firemen, appointed after June 1944, in municipalities where local police and firemen 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.

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: ING Aetna Financial Services, The Travelers Insurance Company (represented by CitiStreet), Lincoln Financial Group, Metropolitan Life Insurance Company, Teachers' Insurance and Annuity Association/College Retirement Equities Fund (TIAA/CREF) and Variable Annuity Life

SCOPE OF OPERATIONS

Insurance Company (VALIC). 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’s 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 18A, Chapter 66. Rules governing the operation and administration of this program may be found in Title 17, Chapter 7 of the New Jersey Administrative Code.

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 firemen pension funds on an actuarial reserve basis. The membership consists of police and firemen 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.

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)

The Additional Contributions Tax-Sheltered Program (ACTS) 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.

SCOPE OF OPERATIONS

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. It includes a basic indemnity type plan (Traditional Plan), a point-of-service plan (NJ PLUS), and several HMOs. Chapter 125, P.L. 1964 extended the program to include employees of local government.

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.

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 its 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.

STATE EMPLOYEE DENTAL PROGRAM (SEDP)

The program was initially established February 1, 1978 and further expanded in June 1984. All eligible State employees may enroll for themselves and their eligible dependents by paying the premium calculated to meet half the cost of the plan. The New Jersey State Dental Expense Plan Benefits Program is a traditional indemnity plan. The State of New Jersey Dental Plan Organization Program consists of ten separate 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 may be found in Title 17, Chapter 9, of the New Jersey Administrative Code.

TAX\$AVE

This benefit program for State Employees, authorized under Section 125 of the Internal Revenue Code, was initially established in July 1996. 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 \$2,000 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 52:14-15.1a. Rules governing the Tax\$ave can be found in Title 17, Chapter 1, Subchapter 13 of the New Jersey Administrative Code.

SCOPE OF OPERATIONS

COMMUTER TAX\$AVE

This benefit 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 \$105 per month (\$1,260 per year) deducted from salary to pay for mass transit commutation costs and \$200 per month (\$2,400 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 52:14-17.33a. 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

The State Employees Long Term Care Insurance 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 52:14-15.9a and 34:11-4.4b(10).

MEMBERSHIP

ACTIVE MEMBERSHIP	RETIREMENT SYSTEM	2004	2005
		Public Employees' Retirement System	314,673*
	Teachers' Pension & Annuity Fund	151,911*	154,854*
	Police & Firemen's Retirement System	45,124*	45,263*
	State Police Retirement System	2,710*	2,950*
	Judicial Retirement System	432	427
	Alternate Benefit Program	17,615	16,920
	Prison Officers' Pension Fund	0	0
	Consolidated Police & Firemen's Pension Fund	0	0
	Central Pension Fund	NA	NA
	Total	532,465	543,399
<p><i>*Both the 2004 and 2005 figures represent the total number of Active and Inactive accounts. The 2005 Inactive (noncontributing) accounts are as follows: PERS Inactive — 51,170, TPAF Inactive — 14,201, PFRS Inactive — 2,014, SPRS Inactive — 124</i></p>			
RETIRED MEMBERSHIP & BENEFICIARIES	RETIREMENT SYSTEM	2004	2005
		Public Employees' Retirement System	118,114
	Teachers' Pension & Annuity Fund	61,965	65,401
	Police & Firemen's Retirement System	27,826	29,192
	State Police Retirement System	2,204	2,299
	Judicial Retirement System	419	432
	Alternate Benefit Program	NA	NA
	Prison Officers' Pension Fund	200	186
	Consolidated Police & Firemen's Pension Fund	941	831
	Central Pension Fund	350	341
	Total	212,019	219,859
<p><i>*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.</i></p>			
PARTICIPATION IN HEALTH BENEFITS PROGRAM	HEALTH PROGRAM	2004	2005
		State Health Benefits Program	358,609
	Prescription Drug Plan	148,164	150,780
	Employee Dental Expense Plan	99,072	134,505

MEMBERSHIP

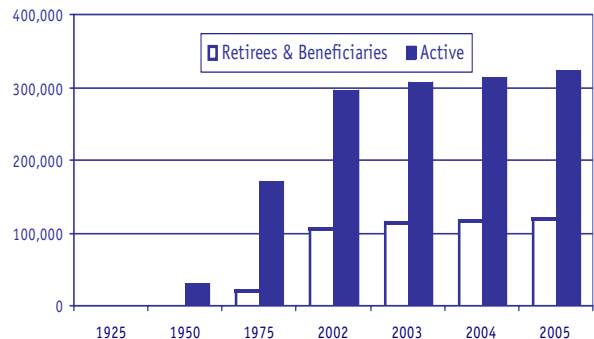
PUBLIC EMPLOYEES'S RETIREMENT SYSTEM

As of June 30, 2005, the active membership of the system totaled 444,162. There were 121,177 retirees and beneficiaries receiving annual pensions totaling \$1,605,184,591*.

Beneficiaries of deceased active and retired members received lump sum death benefits in the amount of \$103,933,291.

The system's assets totaled \$28,028,338,402 at the close of the fiscal year 2005.

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



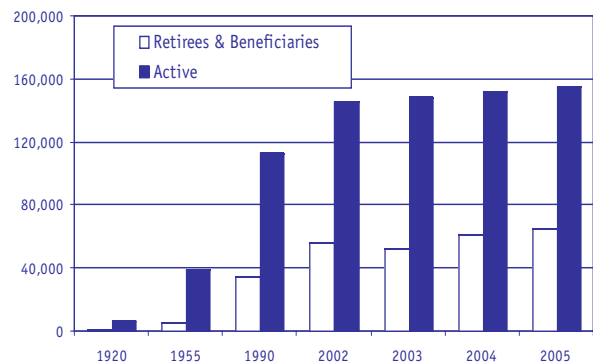
TEACHERS' PENSION AND ANNUITY FUND

As of June 30, 2005, the active membership of the system totaled 220,255. There were 65,401 retirees and beneficiaries receiving annual pensions totaling \$1,998,447,461*.

Beneficiaries of deceased active and retired members received lump sum death benefits in the amount of \$62,786,215.

The fund's assets totaled \$35,080,115,665 at the close of the fiscal year 2005.

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



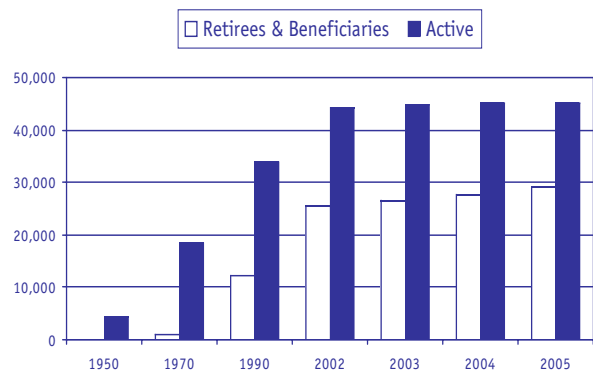
POLICE AND FIREMEN'S RETIREMENT SYSTEM

As of June 30, 2005, the active membership of the system totaled 74,455. There were 29,192 retirees and beneficiaries receiving annual pensions totaling \$1,037,521,253*.

Beneficiaries of deceased active and retired members received lump sum death benefits in the amount of \$26,942,000.

The system's assets totaled \$20,082,541,678 at the close of the fiscal year 2005.

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



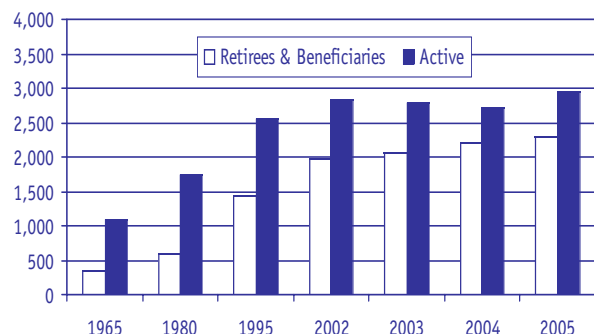
STATE POLICE RETIREMENT SYSTEM

As of June 30, 2005, the active membership of the system totaled 5,249. There were 2,299 retirees and beneficiaries receiving annual pensions totaling \$97,942,622*.

Beneficiaries of deceased active and retired members received lump sum death benefits in the amount of \$927,128.

The system's assets totaled \$2,026,126,514 at the close of the fiscal year 2005.

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

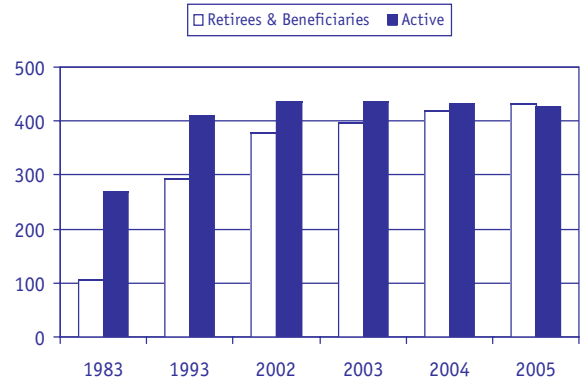


MEMBERSHIP

JUDICIAL RETIREMENT SYSTEM

As of June 30, 2005, the active membership of the system totaled 859. There were 432 retirees and beneficiaries receiving annual pensions totaling \$28,756,368.

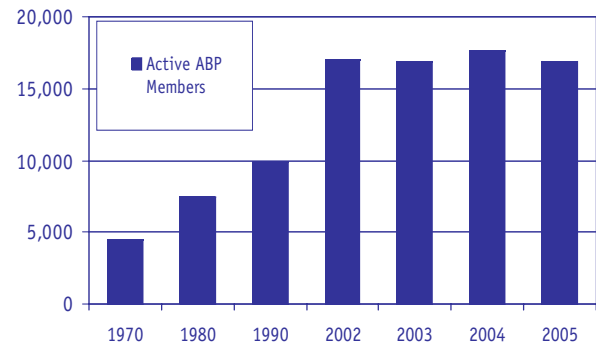
The system's assets totaled \$382,725,780 at the close of the fiscal year 2005.



ALTERNATE BENEFIT PROGRAM

As of June 30, 2005, the State paid \$114,066,388 on behalf of 16,920 participants to the carriers underwriting this program.

Beneficiaries of deceased active and retired members received \$10,128,022 in lump sum death benefits.



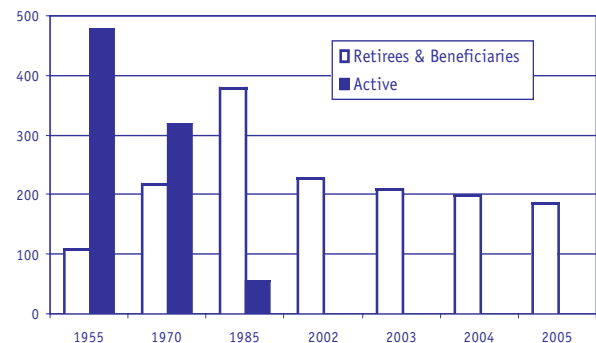
PRISON OFFICERS' PENSION FUND

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, 2005, the active membership of the fund totaled zero. There were 186 retirees and beneficiaries receiving annual pensions totaling \$2,631,732.

The fund's assets totaled \$16,075,161 at the close of the fiscal year 2005.

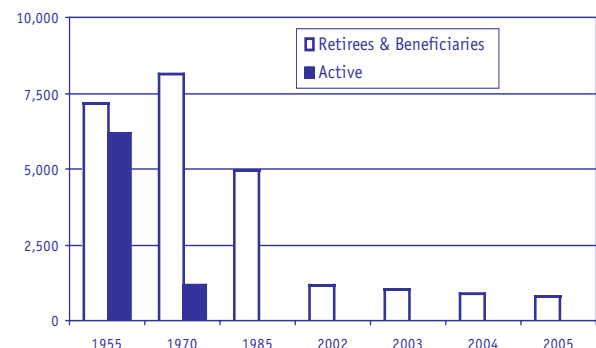


CONSOLIDATED POLICE AND FIREMEN'S PENSION FUND

The activity shown to the right is consistent with a closed pension fund.

As of June 30, 2005, the active membership of the fund totaled zero. There were 831 retirees and beneficiaries receiving annual pensions totaling \$15,137,682.

The fund's assets totaled \$18,057,251 at the close of the fiscal year 2005.



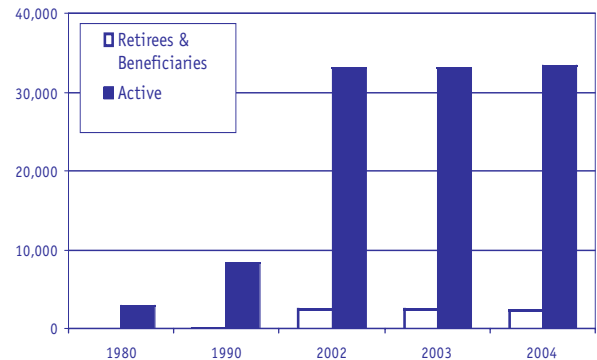
MEMBERSHIP

NJ STATE EMPLOYEES' DEFERRED COMPENSATION PLAN

Fiscal year 2005 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, 2005, the membership of the New Jersey State Employees' Deferred Compensation Plan totaled 34,414. There were 2,332 members receiving monthly installment payments.

The plan's net assets (participants' balances) were \$1,516,374,059 at the close of the fiscal year 2005.

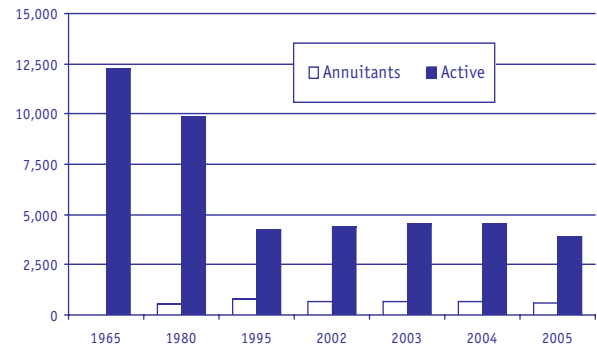


SUPPLEMENTAL ANNUITY COLLECTIVE TRUST

As of June 30, 2005, the active membership of the trust totaled 3,956. The unit value was \$58.1906, an increase of \$3.2024 from the June 30, 2004 value of \$54.9882.

There were 626 annuitants.

The trust's assets totaled \$152,933,129 at the close of the fiscal year 2005.



UNEMPLOYMENT COMPENSATION AND TEMPORARY DISABILITY INSURANCE

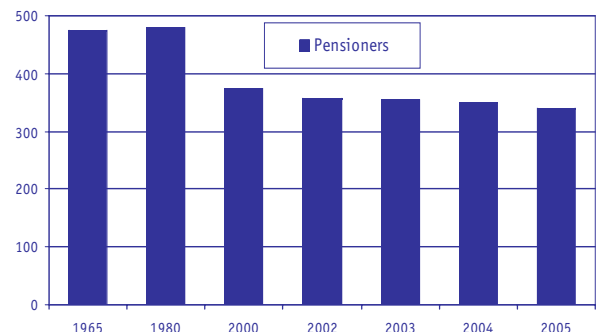
As of June 30, 2005, the Unemployment Compensation Program for State employees covered as many as 124,849 persons, and the Division remitted \$9,528,219 on behalf of the State. There were 4,507 requests for unemployment benefits filed, and \$13,390,593 was paid to the employees found eligible.

During the same period, the Temporary Disability Insurance Program covered 129,489 employees, and the Division remitted \$23,870,986 on behalf of the State. Claims paid totaled \$29,302,395.



CENTRAL PENSION FUND

As of June 30, 2005, there were 341 beneficiaries receiving annual pensions totaling \$443,764.



MEMBERSHIP

PENSION ADJUSTMENT EXPENSE

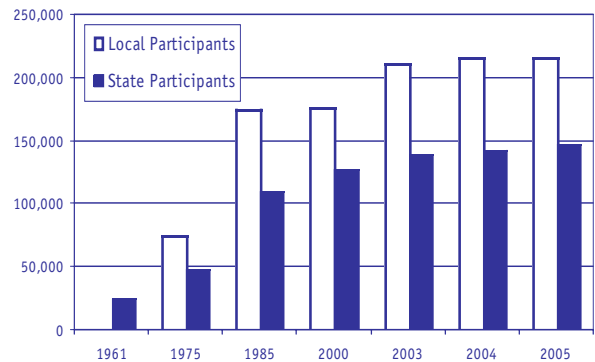
There were 193,791 pensioners who were paid \$561,198,004 during the fiscal year 2005.



STATE HEALTH BENEFITS PROGRAM

As of June 30, 2005, there were 363,435 covered participants (active and retired) consisting of 147,298 State participants and 216,137 participants of 969 local participating employers.

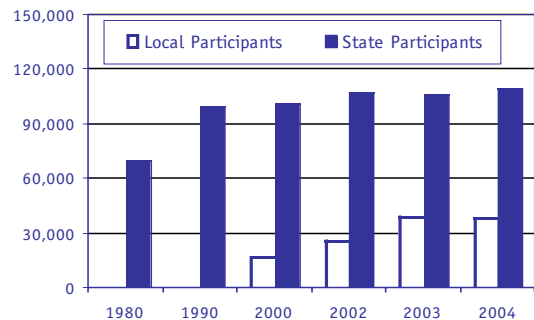
The State and state employee contributions were \$1,096,996,160 while payment made by local employers and employees was \$1,833,697,629.



PRESCRIPTION DRUG PLAN

The Prescription Drug Plan covered as many as 114,090 State employees and 36,690 local employees during fiscal year 2005.

The State's contribution was \$229,292,754 while payment made by local employers was \$91,541,927.



EMPLOYEE DENTAL PROGRAM

The Employee Dental Program covered as many as 110,831 eligible State employees and 23,674 local employees during fiscal year 2005. The State of New Jersey as the employer expended \$22,148,809 while payment made by local employers was \$210,736.

