



State of New Jersey  
OFFICE OF THE STATE TREASURER  
PO Box 002  
TRENTON NJ 08625-0002

CHRIS CHRISTIE  
Governor

KIM GUADAGNO  
Lt. Governor

ANDREW P. SIDAMON - ERISTOFF  
State Treasurer

May 30, 2014

David J. Rosen  
Legislative Budget and Finance Officer  
Office of Legislative Services  
State House Annex  
P.O. Box 068  
Trenton, NJ 08625-0068

Dear Dr. Rosen:

I write in response to Chairman Schaer's May 22 letter, which follows up on questions that Assemblyman Webber asked at the May 21 Assembly Budget Committee hearing. Listed below are the Assemblyman's questions (in bold and italics) and Treasury's responses (plain text):

***P.L. 2010, c. 1 and P.L. 2011, c. 78 made a multitude of changes to the various State-administered public employee retirement systems. Please juxtapose: a) the systems' current unfunded accrued liability and the equivalent unfunded actuarial accrued liability assuming the State had not enacted P.L.2010, c. 1 and P.L.2011, c. 78 and b) the current actuarially determined full FY 2015 State contribution to the retirement systems and the equivalent actuarially determined full FY 2015 State contribution assuming the State had not enacted P.L.2010, c. 1 and P.L.2011, c. 78.***

The State funded systems' current unfunded actuarial accrued liability (UAAL) as of the July 1, 2013 valuations which determine contributions for FY 2015 is \$37.279 billion. The projected equivalent UAAL had P.L. 2011, c. 78 not been enacted is \$53.937 billion. The current actuarially determined full State contribution for FY 2015 is \$3.935 billion and equivalent projected FY 2015 full State contribution had P.L. 2011, c. 78 not been enacted is \$4.672 billion.

Please note that the actuarially determined amounts for FY 2015 reflect the impact of P.L. 2010, c. 1 and P.L. 2011, c. 78 but the pre-reform numbers only project what the amounts would have been if P.L. 2011, c. 78 had not been enacted. At the time of enactment of P.L. 2010, c.1, the actuaries were not asked to develop projections on a going forward basis had this law not been enacted. Therefore, projections reflecting the impact if P.L. 2010, c.1 had not been enacted are not available.

If you have any additional questions, please don't hesitate to contact me.

Sincerely,

Andrew P. Sidamon-Eristoff  
State Treasurer