

# 2025

# H U D S O N



## Budget Summary

Proposed Budget  
Craig Guy  
County Executive

**Hudson County**

**Proposed Budget**

**2025 Budget Highlights**

# **HUDSON COUNTY BUDGET HIGHLIGHTS 2025**

- ❖ The County Tax Base (equalized valuations) has increased for the twelfth consecutive time since 2013. The 2025 ratables reflect an increase of \$13,431,608,758 or 10.9% from \$122,245,837,135 to \$135,677,445,893.
- ❖ The tax rate is estimated to decrease by eighteen cents per \$1,000 of equalized value from \$3.59 to \$3.41 per \$1,000 of equalized value.
- ❖ A tax levy of \$453,180,876.11 is proposed for 2025. This is an increase of \$24 million over 2024's tax levy or 5.59%.
- ❖ Excluding grants with offsetting revenues, total appropriations in 2025 are \$694,558,810 compared to \$656,573,290 in 2024 or an increase of 4.23%.
- ❖ The budget CAP law is designed to control spending growth at the local level. Counties have to abide by the 1977 and 2010 CAP laws and use the lower of the two. For 2025, we must follow the 2010 CAP law.
- ❖ The County continues to meet its statutory pension obligations for the Police and Fire, Public Employees Retirement System and Hudson County Employees Pension Fund, which are based on actuarial studies.
- ❖ The construction of the new Honorable Frank J. Guarini Justice Complex in Jersey City is complete. The facility is now being fitted with all interior furnishings. The County anticipates the building to be ready for occupancy in late 2025. The complex consists of a five-story, 406,000 square foot state-of-the-art courthouse which will house 24 courtrooms intended for criminal, family, central judicial and landlord tenant court, hearing and mediation rooms, grand jury and jury assembly spaces. Court Administration, County Prosecutor, County Surrogate and the County Sheriff's Office will also have spaces within the facility. The surrounding roadways have been reconfigured

by the County to provide a suitable footprint for the facility, creating efficient traffic flow.

- ❖ The new Honorable Frank J. Guarini Justice Complex will also provide a new 171,000 square foot, six-level, 471 parking space precast concrete parking garage for use by the County and Judicial services.
- ❖ The County Parks are upgrading and constructing a variety of amenities through the Parks system using capital expenditures. Ballfields, rain gardens, dog runs, picnic areas, playgrounds and spray parks are all being addressed. Construction and repairs of pavilions, gazebos bathrooms and garages are to be worked on as well as improvements to Parks infrastructure. These amenities are a result of the high demand from the local constituents as well as a need to have the Parks run efficiently. Work on each of these amenities and improvements includes design, engineering and permitting (depending on the project) prior to construction.
- ❖ A Pavilion in Mercer Park is under development. Consultants have designed the proposed facility which will house Parks staff and equipment, as well as service the public by providing a multi-purpose room, bathrooms and a food service location. The building will be a 5,107 square foot, single story structure with an open-air passive seating area. Construction on this project is expected to begin this year.
- ❖ The County continues to pursue grants for Parks improvements. Grants that were funded or recommended for funding this year include a \$1 million dollar grant from the State of New Jersey for improvements to West Hudson Park and a Green Acres grant in the amount of \$2.1 million for the development of a Nature Trail in Braddock Park.
- ❖ The County has developed an amphitheater in which a section of the original Berlin Wall will be the focal point of the project. Some time ago, the County obtained a portion of the Wall and stored it for years. Now the County has used the Wall as a backdrop for the amphitheater as well as a historic monument memorializing the close of the Cold War. The Project entailed site work, precast circular steps, a 30' long granite timeline, a stage and amenities to support the given use.

- ❖ In 2024, the **Credible Messenger** program served 45 young people previously chronically involved in the justice system, gang-involved, involved in violence and seemingly resistant to change. The program provides transformative mentoring through adults with lived experience who have turned their lives around. Credible Messengers provide youth with life planning and life skills training, social consciousness education, educational and employment support to youth, as well as parent education and support. During the year, engaged youth advanced toward their life plans or gained pre-employment skills through community-based partnerships, internship opportunities and workforce development referrals. Thirteen youth graduated, were promoted to the next grade or obtained their GED.
- ❖ The County continues to pursue grants to provide services for senior citizens, the medically needy, employment and training, homeless and a host of other services without burdening the taxpayer. For 2025, it is estimated that the County will receive an estimated \$75 million in grant dollars from various Federal and State sources.
- ❖ In 2003, the Open Space Recreation & Historic Preservation Trust Fund was approved by referendum and established according to law. Through December 31, 2024, the County Executive along with the Board of County Commissioners have awarded more than \$95 million in the Open Space Trust Fund grants across the twelve municipalities. In 2024, the County raised an additional \$12,224,583.71. New awards will be approved for the 2025 funding cycle this September.
- ❖ Jointly, the State of New Jersey and Hudson County, over several years, have funded the expansion of the Community College (HCCC) by more than \$200 million dollars. Much of this debt has been shared equally by the State and County. Included in this figure is a commitment to provide additional financial support to the HCCC for the development of a new Mixed Use Academic Building to be constructed in the Journal Square area (The Tower Project). The County has also funded the Schools of Technology (HCST) by more than \$300 million dollars over the years. In addition, the County is providing financial support to the HCST towards a new school in Bayonne.
- ❖ The Hudson Guaranteed Pooled Note Program has allowed the County to utilize its strong credit in the short-term borrowing market to generate savings for eleven local entities within the County. Through the end of 2024, loans

exceeding \$2.8 billion (including notes refinanced) resulted in savings of more than \$37.0 million for the participants. Utilizing the County credit support, in the past year the participants were able to achieve net tax-exempt interest rates between 3.8% and 4.0% and net taxable interest rates between 5.9% and 6.0%. The full amount of the Pooled Note Program is \$300 million. Of that amount, approximately \$180 million remains available to be loaned.

**Hudson County**

**Proposed Budget**

**2025 County Workforce**

## **WORKFORCE**

This Administration has a continuing commitment to develop a more efficient and streamlined County government.

### **2025 Budget/Employee Impact**

The 2025 Budget reflects a 5.15% increase to salaries and wages. This increase is due to normal contractual increases. The County will continue its efforts to control the size of County government through a managed attrition program. This focuses responsibility on management to prioritize use of staff by prohibiting the automatic replacement of employees who leave County service.

### **PROFILE OF A COUNTY EMPLOYEE**

- **Average Age:** 49
- **Average Salary:** \$71,853
- **Average length of service:** 16 years
- **Gender:**
  - Female:** 49%
  - Male:** 51%
- **Minorities** 72%

## WHERE COUNTY EMPLOYEES WORK

| <u>Department</u>               | <u># of Employees</u> | <u>Workforce %</u> |
|---------------------------------|-----------------------|--------------------|
| BOARD OF COUNTY COMMISSIONERS   | 39                    | 1.24%              |
| BOARD OF ELECTIONS              | 12                    | 0.38%              |
| AGING & VETERANS' AFFAIRS       | 69                    | 2.19%              |
| CLERK OF THE BOARD              | 5                     | 0.16%              |
| COUNTY ADMINISTRATOR            | 6                     | 0.19%              |
| COUNTY CLERK                    | 26                    | 0.82%              |
| COUNTY EXECUTIVE                | 26                    | 0.82%              |
| COUNTY SURROGATE                | 19                    | 0.60%              |
| CORRECTIONS & REHABILITATION    | 533                   | 16.89%             |
| HEALTH & HUMAN SERVICES         | 247                   | 7.83%              |
| FAMILY SERVICES & REINTEGRATION | 712                   | 22.57%             |
| FINANCE AND ADMINISTRATION      | 65                    | 2.06%              |
| LAW DEPARTMENT                  | 57                    | 1.81%              |
| PARKS                           | 188                   | 5.96%              |
| PLANNING & BUSINESS OPPORTUNITY | 33                    | 1.05%              |
| PROSECUTOR'S OFFICE             | 269                   | 8.53%              |
| REGISTER OF DEEDS AND MORTGAGES | 37                    | 1.17%              |
| ROADS AND PUBLIC PROPERTY       | 332                   | 10.52%             |
| SHERIFF'S OFFICE                | 432                   | 13.69%             |
| SUPERINTENDENT OF ELECTIONS     | 44                    | 1.39%              |
| SUPERINTENDENT OF SCHOOLS       | 4                     | 0.13%              |
| GRAND TOTAL                     | 3,155                 | 100.00%            |

## Salary Increases and Related Benefits for County Employees

In 2025, the Budget recommends \$255.9 million for salaries and includes across-the-board raises for unions with current contracts. The Budget also provides for payment of unused accumulated sick leave. Employees are permitted to accumulate earned sick days. Unless otherwise incorporated in an existing collective bargaining agreement, County Policy is to cap the payout for unused sick days (one day in exchange for two sick days) at retirement to a maximum of \$10,000.

## Public Employer-Employee Relations Act

The County of Hudson employs approximately 3,155 workers. The County is covered by the New Jersey Public Employer-Employee Relations Act, as amended, NJSA 34:13A-1, et seq. This Act guarantees most public employees the right to negotiate collectively through employee organizations certified or recognized as the exclusive collective negotiation representatives for units of public employees.

Presently, approximately 2,367 County employees are represented by unions. This represents approximately 75% of the workforce. The following unions represent the number of employees noted:

| <b><u>COUNTY EMPLOYEE UNION AFFILIATION</u></b>              | <b><u># of Employees Represented</u></b> |
|--------------------------------------------------------------|------------------------------------------|
| 1. AFSCME Local 1697 (Welfare Supervisor)                    | 70                                       |
| 2. AFSCME Local 2306 (Welfare Rank & File)                   | 545                                      |
| 3. Corrections Captains' Endowment Association               | 5                                        |
| 4. District 1199J                                            | 656                                      |
| 5. District 1199J (Professional Union)                       | 118                                      |
| 6. District 1199J United Nurses Organization (Rank & File)   | 43                                       |
| 7. District 1199J United Nurses Organization (Supervisors)   | 12                                       |
| 8. FOP Local 127 (Sheriff Superior Officers)                 | 43                                       |
| 9. Local 68 - Operating Engineers, Carpenters & Electricians | 65                                       |
| 10. NJCSA (Supervisor) Local 22                              | 104                                      |
| 11. PBA Local 109 (Correctional Officers)                    | 305                                      |
| 12. PBA Local 109A (Correctional Superiors)                  | 65                                       |
| 13. PBA Local 232 (Prosecutor Investigators)                 | 67                                       |
| 14. PBA Local 232A (Prosecutor Superior Investigators)       | 34                                       |
| 15. PBA Local 334 (Sheriff Officers)                         | 226                                      |
| 16. Plumbers Local 24                                        | 9                                        |
| <b>TOTAL UNIONIZED</b>                                       | <b>2,367</b>                             |
| <b>TOTAL NON UNION</b>                                       | <b>788</b>                               |
| <b>TOTAL ALL EMPLOYEES:</b>                                  | <b><u>3,155</u></b>                      |

### **Law Enforcement Unions**

The law enforcement employees in the Department of Corrections, Prosecutor's Office and Sheriff's Office are represented by seven law enforcement unions. Sheriff's Officers rank & file PBA 334 is under contract through December 31, 2025. Corrections Officers rank & file PBA 109, Corrections Superiors PBA 109A, Corrections Captains, Sheriff's Superiors FOP 127, Prosecutor's Investigators PBA 232, and Prosecutor's Superiors PBA 232A are under contract through December 31, 2027.

## **Civilian Unions**

The Contracts with the civilian unions represent 1,622 civilian County employees. AFSCME Local 2306 Welfare rank and file and AFSCME Local 1697 Welfare Supervisors are currently in negotiations. Their contract ran through June 30, 2024. NJSCA Local 22 Supervisors, Local 68 Engineers, Carpenters & Electricians and Local 24 Plumbers are under contract through June 30, 2025. District 1199J, the County's largest union, is under contract through June 30, 2029.

## **Non-Union Employees**

Approximately 788 County employees are not represented by unions. This constitutes approximately 25% of the County workforce and includes employees, such as managers, who are not eligible for union representation under State law. Other employees in this category are in work locations, such as the Prosecutor's Office and the Superintendent of Elections, where they have chosen not to organize in a union. Non-union employees whose salary was under \$117,000 received 1% market rate + 3.0% salary increase in 2024. Those earning \$117,000 and greater received a 3.0% increase.

## **Employee Retirement**

Most County employees are members of one of the two State retirement systems. The Public Employees' Retirement System (PERS) covers 2,047 County employees, or approximately 65% of the workforce. The Police and Firemen's Retirement System (PFRS) covers 745 law enforcement employees or approximately 24% of the workforce. The Hudson County Employee Pension Fund covers 1 employee, or 0.03% of the workforce. The Court Attendants Pension Fund no longer has contributing members from the active workforce; however, it has 6 participating retirees. Approximately 363 employees, or 12% of the workforce, have no pension coverage because they voluntarily withdrew from a pension or did not join a pension when eligible or are otherwise not covered by a pension. Of these 363 employees: (i) 5 may be eligible for a Non-contributory Pension, which is administered by the Board of County Commissioners; (ii) 72 employees, or 2%, are enrolled in the Defined Contribution Retirement Program; and (iii) another 252 employees or 8% may be eligible for PERS or PFRS pension coverage when they meet the eligibility requirements.

The Court Attendant's Pension Fund, authorized by State law, covers retired Court Attendants, who were employed by the County prior to the takeover of judicial functions in Hudson County.

2025 recommendation for the Hudson County Employee Pension Fund is \$500,000.

The Defined Contribution Retirement Program (DCRP) was established July 1, 2007. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Individuals eligible for membership in the DCRP include: (i) State or Local Officials who are elected or appointed on or after July 1, 2007; and (ii) Employees

enrolled in the PERS or TPAF on or after July 1, 2007, who earn salary in excess of established “maximum compensation” limits. A newly elected or appointed official or an employee who is ineligible for PERS because the hours of work are fewer than those required for membership are eligible for enrollment provided the annual salary is \$5,000 or higher. When enrolled, the elected or appointed official or qualifying employee contributes 5.5% of the base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP with the Division of Pensions and Benefits. Member contributions are matched by a 3% employer contribution.

In addition to the pensions noted above, the County must also fund the following pension, which covers only retired County employees:

***The Consolidated Police and Firemen’s Pension Fund, which was established by State law, covers police officers and firemen appointed prior to July 1, 1944. The liabilities of this fund are shared: two-thirds by the County and one-third by the State of New Jersey.***

State law regulates administration of the retirement systems. The law provides that all defined benefit pension plans are subject to actuarial valuation every year and actuarial experience studies every three years. Such valuations and studies ensure that these programs are adequately funded and recognize the costs resulting from experience and legislative changes in benefits paid. The County’s actual total contribution for 2025, for PERS and PFRS including normal costs for County employees is \$43,514,386.

County employees can also contribute to their retirement security, while reducing their present Federal tax burden by enrolling in one of two deferred compensation programs. At present, County employees have invested money through the MetLife and Mass Mutual Insurance Companies. The County does not match employee contributions but does oversee the programs in a fiduciary manner.

### **Changes to PERS Pension**

Chapter 1, P.L. 2010 and Chapter 3, P.L. 2010 laws implemented several changes to the Public Employee Retirement System (PERS) and the Defined Contribution Retirement Program (DCRP) effective May 21, 2010.

To be enrolled in PERS after May 21, 2010, employees must meet the minimum required work hours per week. Employees must have fixed work hours at 32 or more hours per week to be eligible for membership. This change established a new membership tier – Tier 4. Voluntary or mandatory furlough hours will not be deducted in determining if their hours worked are fixed at fewer than 32 hours per week.

Chapter 1, P.L. 2010 also changes the following for employees enrolled after May 21, 2010:

The formula for calculating PERS Service, Early, and Deferred retirements uses the pre-2001 level of  $1/60$  or years of service/ $60 \times$  final average salary.

The final average salary will be based on the last five years of service or any five fiscal years of membership that provide the largest possible benefit to the member or the member's beneficiary.

There have been no changes to the age or calculation method for PERS veteran retirements.

Employees enrolled after May 21, 2010 requires Tier 4 membership based on one position and requires the retirement system designate their position providing the higher or highest compensation for the member from the concurrently held position. If a member leaves a designated position or acquires a different position or an additional position with higher compensation, the member will receive a new designation from the retirement system.

Closure of the Prosecutor's Part of PERS to new members hired after May 21, 2010. Prosecutors who were enrolled in the Prosecutor's Part of PERS between 2001 and May 21, 2010 will be permitted to continue as members and receive Prosecutor's Part benefits, provided they continue in eligible Prosecutor's Part service.

Chapter 1, P.L. 2010 eliminates the five year "non forfeitable right to receive benefits" for employees enrolled in any New Jersey State administered retirement system after May 21, 2010. This provision also applies to retirees returning to covered employment with the same retirement system.

Chapter 3, P.L. 2010 eliminates Ordinary and Accidental Disability Retirement benefits for PERS members enrolled after May 21, 2010. In its place, Chapter 3 establishes disability insurance coverage for members who become disabled due to an occupational or non-occupational condition.

Disability insurance coverage will provide monthly income if a member becomes totally disabled from occupational or non-occupational causes due to sickness or accidental bodily injury. Members must be unable to perform any and every duty pertaining to his/her occupation; members must be under a doctor's regular care; the disability benefit shall be in an amount equal to 60% of the member's base monthly salary reduced by any periodic benefits to which the member may be entitled during the period of total disability.

Eighteen months after the onset of long-term disability eligibility, the member must be unable to engage in any gainful employment for which he or she is reasonably suited by education, training or experience. Total disability shall not be considered to exist if the member is gainfully employed. While disabled, the member's mandatory pension contribution is automatically credited to the member's retirement account.

Disability insurance benefits terminate when the member is no longer considered totally disabled, attains age 70, or begins to receive retirement benefits.

## **Employer Payroll Taxes**

The 2025 recommendation of \$17,150,000 for employer payroll taxes includes \$15,850,000 for the County's portion of the Social Security tax, \$1,000,000 for Temporary Disability Insurance (TDI) and \$300,000 for Unemployment Insurance (UI) liability. The 2025 employer tax rate for Social Security is 6.20% and 1.45% for Medicare. The maximum taxable wage base for Social Security increased \$7,500 from \$168,600 to \$176,100 in 2025. There is no wage base for Medicare. The maximum social security employer tax per employee is \$10,918.20, an increase of \$465 from 2024. The employer taxable wage base for TDI & UI increased \$1000 from \$42,300 to \$43,300. The County is a governmental reimbursable employer and contributes 0.75% of taxable wages for TDI. The maximum TDI employer contribution per employee for 2025 is \$324.75. In lieu of UI contributions, the County reimburses the cost of benefits paid and deducts employee contributions of 0.425% of taxable wages. The maximum UI employee contribution is \$184.03. Family Leave Insurance (FLI) increased from 0.09% to 0.33% on the first \$165,400 of taxable wages. The maximum FLI employee contribution for 2025 is \$545.82. In 2024 was \$145.26.

## **Longevity Pay**

Depending on union contracts, County employees receive \$300/400/500 added to their annual base salaries for the first completed five-year period of employment with the County and \$200 for each additional five-year period thereafter ending after completion of 25 years of service with a maximum level of \$1,100/1,200/1,300. Former employees of other covered employers, such as the Hudson County Community College, are also entitled to longevity credit for prior service with those employers. This fixed-dollar longevity payment is considerably less costly than longevity payments earned by employees of other public employers that calculate longevity pay as a percentage of annual base salaries which, in many instances, are higher than the salaries for similar County positions.

## **County Employee Health Benefits**

The gross cost for health benefits, including medical, prescription drug, dental and life, for County employees in 2025 is projected at \$95,590,000. This compares to \$84,525,000 budgeted for 2024 or an increase of \$10,055,000. Employee contributions for medical and dental are projected at \$17,290,000 for 2025 compared to \$14,925,000 in 2024.

There was an average 16.4% Statewide increase in State Health Benefits Program health and drug prescription benefits for active employees in calendar year, 2025.

The Delta Dental Insurance Plan incorporates four different programs. Only the Basic County Paid Plan does not require that the employee contribute to their dental premiums, the other plans require a payroll contribution each pay period.

All eligible County employees contribute a percentage of their salary toward their medical benefit premiums, pursuant to Public Law 2011, Chapter 78. All eligible employees are currently contributing at Year 4 of the Health Benefit contribution schedule.

As required by Chapter 78, the County began offering a voluntary Flexible Spending Account program in April 2013, pursuant to IRS Section 125. Currently 106 employees are participating in the program. Under the provisions of this program, participating employees can contribute a minimum of \$100 and a maximum of \$2,500 annually for uncovered, eligible medical expenses for themselves and their dependents.

### **Temporary Disability Benefits Law (TDB Law)**

Effective July 1, 2009, the State's existing Temporary Disability Benefits Law (TDB Law) changed to provide eligible employees with up to 6 weeks temporary disability benefits while taking leave under the NJFLA or the federal FMLA to care for a family member with a serious health condition or to care for a newborn or newly adopted child during the first 12 months following birth or placement for adoption. The law does not entitle an employee to leave time, but it does entitle a covered employee to receive temporary disability benefits while taking leave under the NJFLA or the federal FMLA. The law applies to all private employers (and state government employers) covered under the TDB Law 9NJ Rev. Stat. Sec. 3:21-25 et seq.

### **Benefit Eligibility**

Covered employees will be entitled to the same weekly benefit to which they are entitled under temporary disability law. Currently, an employee may receive 85% of his or her weekly compensation, up to \$1,025 per week, for up to 6 weeks, during any 12-month period. If the employee takes intermittent leave, the employee will be eligible to receive up to \$146.42 per day, for up to 56 days, during any 12-month period. Employees will be subject to a 1-week waiting period before being eligible to receive benefits. An employer may also require that employees take up to 2 weeks of available sick or vacation pay or other fully paid leave provided by the employer prior to being eligible to receive benefits. The period of benefits is reduced by the amount of time in which fully paid leave is provided. For example, if an employee uses 2 weeks of sick time, he or she will be eligible for a maximum of only 4 weeks of family leave.

### **Increased Productivity through Training & Education**

As part of its commitment to training, the County has an inter-local agreement with Hudson County Community College to provide various training programs to County employees. Training opportunities in technology, customer service, etc., are offered to all employees.

The County has partnered with the Hudson County Community College (HCCC) to offer employees the opportunity to enroll in classes tuition free at the HCCC. Under this program, employees may take up to six credits each Spring and Fall semester.

### **Quick Summary of County Employees' Benefits**

- Unless modified by union contract, County employees receive: 14 holidays, 15 sick days, 2 personal leave days (3 days after 5 years' service), and an average of 15 vacation days.
- "Final Compensation" - For a PFRS Tier 1 member enrolled on or before May 21, 2010, Final Compensation means the salary upon which contributions were based in the last 12 months of creditable service preceding retirement. For a PFRS Tier 2 or Tier 3 member enrolled after May 21, 2010, Final Compensation means the average salary upon which pension contributions were based for any three fiscal years of membership preceding retirement that provides the largest possible benefit. Final Compensation does not include extra pay for overtime or large increases in compensation paid primarily in anticipation of retirement.
- Employees with 25 years of pension credit in the Police and Firemen's Retirement System (PFRS) can retire at any age and receive pensions equal to 65% of their final compensation, plus 1% for every year after 25 years of credit up to a maximum of 30 years or 70% of their final compensation. In addition, employees with 20 years of PFRS pension credit can retire at any age and receive a pension equal to 50% of their "final compensation". An employee in PFRS, who is required to retire because of attaining the mandatory retirement age of 65 and has 20 or more years of service credit and was enrolled in PFRS as of 1/18/2000, will receive 50% of his/her Final Compensation, plus an additional 3% of final compensation for each additional year of creditable service up to 25 years. Employees retiring with less than 25 years of Pension Service Credit will not be eligible for County-paid Health Benefits.
- Employees with at least 30 years of service credit will receive 2% per year of their average Final Compensation for the first 30 years of service, plus an additional 1% of average Final Compensation for each year of service credit over 30 years.
- Employees and their eligible dependents are offered a choice of eleven health benefits plan options offered by Aetna and Horizon, under the State Health Benefit program as of July 2025. The County also offers a Health Benefits Waiver Program to eligible employees. Employees that have alternative coverage through another employer, spouse or partner are entitled to participate in the waiver program, provided the other coverage is not provided

by the State Health Benefits program. Approximately 143 employees are currently participating in the Waiver Program.

- Employees enrolled in PERS/Insurance receive paid life insurance equivalent to a minimum of one and one-half times annual salary.
- Employees enrolled in PFRS/Insurance receive paid life insurance equivalent to 3.5 times their annual salary.
- Employees receive a \$5,000 life insurance policy from the County and an additional \$5,000 for accidental death or dismemberment.

**Hudson County**

**Proposed Budget**

**2025 Capital Programs**

# **CAPITAL INVESTMENT, PROPERTY MANAGEMENT AND CAPITAL FUNDING**

Hudson County's capital programs are important to the citizens of the County because they reduce costs through planned repairs and renovations and provide needed infrastructure and facilities. Some of the ongoing and new capital programs the County is undertaking are highlighted below.

Green Acres projects and other County park improvements to acquire, maintain and construct new and modern recreational facilities throughout the County, including spray parks, new turf ballfields, construction of memorial monuments, installation of parks security cameras and ongoing improvements to the County nine-hole golf course.

Planned construction and reconstruction of County roads, bridges and intersections.

Improvements to various Community College facilities.

Classroom renovations and the construction of a new bus maintenance facility for the Hudson County Schools of Technology, including ongoing improvements to the recently completed new Technical High School in Secaucus.

Inmate housing improvements, security systems, facility and other improvements at the Hudson County Correctional Center including major renovations to Intake Area.

Open Space Recreation and Historic Preservation projects leveraging grant funds to maximize the various projects.

Major renovations and improvements to existing County buildings, including several buildings located at the Meadowview campus for use by the Hudson County Prosecutor and construction of a new Public Works Garage

Acquisition of major equipment for use in the provision of services to County residents.

The construction of a new justice complex along with improved traffic flow in the area.

Improvements to the Naval Reserve Center in Kearny for the housing of various social service programs to citizens.

## **CAPITAL FUNDING OVERVIEW**

Capital needs of the County are funded through several methods, which may be singular or in combination. The methods used are pay-as-you-go capital appropriations, grants, general obligation bonds and lease or lease-purchase of facilities for County operations.

Pay-as-you-go capital is used for renovations and preservation of property and facilities and acquisition of new equipment. Pay-as-you-go capital projects are often small and are usually funded through annual appropriations from the Current Fund or from the Capital Improvement Fund.

Grant funding is usually secured from the State of New Jersey and Federal Government and is used for, among other things, the acquisition of new equipment, improvement to facilities, reconstruction of roads and bridges and acquisition of property.

General obligation bonds are used to finance larger and more expensive capital construction projects such as new facilities. These projects must have a useful life of at least five (5) years or equal to the time required to retire the bonds and must yield substantial benefits for the present and future generations. These bonds will be amortized over their useful life and the debt service must be appropriated in the County's annual budget.

Lease or lease-purchase of facilities postpones or eliminates the cost associated with ownership and is normally structured to coincide with our needs or the useful life expectancy of a facility. This is an accepted alternative method of financing capital construction because it provides a degree of budget flexibility.

## **ANNUAL CAPITAL BUDGET REVIEW PROCESS**

The annual review process for capital projects involves several stages to ensure that only the most vital and necessary requests are recommended for funding. The County Engineer, in conjunction with County department directors will submit the major capital project requests, in writing, to the Department of Finance and Administration. The Department of Finance and Administration then reviews all requests with the County Engineer, County Department Heads and County Administrator. The result is a list of recommended capital requests, listed in priority order, necessary to meet the most critical needs of the County. This list is submitted to the County Executive's Office for review and recommendation to the Board of Commissioners.

## **CAPITAL BUDGET AND CAPITAL IMPROVEMENT PROGRAM**

Pursuant to Statute, Hudson County must submit, with its annual operating budget, a Capital Improvement Program, which is a six (6)-year list of planned capital projects. This capital budget does not confer any authorization to raise or expend funds. Rather, it is a document used as part of the County's planning and management program. Specific authorization to expend

funds for purposes described in the capital budget must be granted elsewhere, by a separate bond ordinance, inclusion of a line item in the Capital Improvement Section of the operating budget, a Capital Improvement Fund ordinance or some other lawful means. Our capital program for the next six years includes projects such as park improvements; building improvements, road and bridge reconstruction; the expansion and improvements to the Community College and Schools of Technology; and the construction of a new Justice Complex.

## **Open Space and Parklands**

Hudson County, as one of the most urban and populated counties in the U.S.A., has very little open space available for utilization as parkland and recreation. Strong efforts have been made recently, however, to acquire, improve and preserve open space in the County. On November 4, 2003, the voters approved a public question to create an Open Space, Recreation, Farmland and Historic Preservation Trust Fund in Hudson County. The establishment of this fund became effective on January 12, 2004, upon approval by the Director of Local Government Services. Revenues, which include an Open Space Tax limited to one cent per \$100 County equalized valuation, are dedicated to costs incurred for County Open Space, Recreation, Farmland and Historic Preservation. The Open Space Trust Fund has awarded over \$90 million dollars to the municipalities and non-profits since 2005, including nearly \$8.5 million in 2024. From the application process through the life of the grant, the Division of Planning provides technical assistance to the applicants and grant recipients and monitors the financial state of the program.

The County has been very aggressive with the modernization and improvement of its existing park facilities. Currently, Hudson County has ongoing capital improvement projects in Stephen R. Gregg Park, James J. Braddock Park, Lincoln Park, Washington Park, West Hudson Park, Laurel Hill Park, Mercer and Columbus Parks. Some of the projects being done in these parks include monument restoration, installation of spray parks, new synthetic ball fields, playgrounds, nature trails, bathroom facilities, pickleball and futsal courts, waterfront and lake improvements, passive areas, environmental facilities, and other improvements for our residents to enjoy. The Parks Department oversees tree maintenance in park areas and on all County properties, including roadway rights-of-way.

Green Acres funding or park development projects could be in the form of grants and loans. In some instances, the County may be required to provide a cash match. Green Acres funding requires environmental engineering assessment and review.

## **Roads, Bridges, and Intersections**

On an annual basis, Hudson County receives County Aid (\$6,291,966 in FY 2025) from the New Jersey State Department of Transportation (NJDOT) for the improvement, construction, and reconstruction of our roads, bridges, and intersections. The County also receives aid from NJDOT for Local Bridge Improvements (\$2,010,099 in FY 2025).

Hudson County's projects planned this year include improvements to Penhorn Creek Pump Station and various sections of JFK Boulevard, safety improvements to Manhattan Avenue, repairs to pedestrian county bridges in Jersey City, North Bergen and Union City and decorative lighting on Paterson Plank Road, North Bergen from JFK Boulevard to Columbia Avenue, 32<sup>nd</sup> Street from JFK Boulevard to Gregory Avenue, eight traffic signal upgrades, milling and paving of various county roads.

## **Hudson County Community College**

For many years the Hudson County Community College was housed primarily in leased facilities. Today, the College has consolidated its educational facilities in the Journal Square area of Jersey City including a new, state of the art library and a new campus in Union City (North Hudson). In addition, the College has constructed a Science Technology Engineering and Math (STEM) facility and a new nursing school. The STEM building was funded through a combination of State grants and County capital funds. Now the College plans to build a new Tower to consolidate more of its programs into one large facility. Over the years, the approved State and County funding for these capital projects exceeds \$200 million.

## **Other County Facilities**

The Hudson County Prosecutor has been relocated to newly renovated facilities at the Meadowview campus and those facilities will include a state-of-the-art DNA lab and Child Advocacy center.

## **Correctional Center and Public Safety Academy**

Capital investments have supported both completed expansions and ongoing renovations at the correctional facility, improving efficiency and service delivery. The completed phase added a centralized kitchen, dormitory-style housing for minimum-security inmates (eight, 64-bed units), and significant medical and HVAC improvements.

Current efforts are focused on a comprehensive renovation of 55,000 square feet of front-facing facility services, including the Intake area, Property Storage, Medical Waiting Room, Contact and Non-Contact Visitation areas, a separate Public/Staff Entrance, a new two-lane Sally Port, Central Command, and a new Facilities Maintenance Area.

Key features of this renovation include:

- 25 Video Court Stations;
- 40 Seats for Contact Visitation;
- 17 Non-contact Visitation Booths;
- 10 Attorney/Inmate Interview Rooms;
- 4 Group Holding Cells, 8 Individual Holding Cells, 1 Padded Isolation Cell;

- Automated Property Storage System; and
- Maintenance Workshops.

These improvements are being funded through a combination of capital allocations and grant support. Meanwhile, the Public Safety Academy is a training hub for law enforcement and public safety personnel.

## **Other Capital Projects**

In addition to the above-listed projects, the County must address ongoing capital replacement items such as trucks, computers, park equipment, office equipment, and changes to the building codes. Hudson County must make sure that its buildings comply with the Americans with Disabilities Act for the convenience and safety of both its employees and the public. The County must also ensure that its facilities are maintained to prevent deterioration and to keep pace with today's technology. On an ongoing basis the County Engineer and the IT specialists inspect our facilities and recommend improvements to meet these goals.

## **New Criminal Justice Complex**

The County, over the course of the last few years, has acquired properties in Jersey City between Cook Street and Oakland Avenue, from Newark to Hoboken Avenues, to house the new Justice Complex. The acquisition of the properties was the first step in establishing a footprint on which the Justice Complex is located. The construction of the Justice Complex is now nearing completion and includes a large parking garage to accommodate staff and jurors. Occupancy is expected by early September.

## **Purchase and Improvements to Naval Reserve Center**

The County uses the Naval Reserve Center in Kearny (Naval Reserve) to serve residents as a warming center and for other social service programs. The County is now the owner of the Naval Reserve and continues to make improvements to the facility for the permanent housing of these programs.

## **Lease Purchase and Installment Purchase Agreements**

Lease-purchase agreements continue to be an important and efficient means of obtaining essential office space. Under such agreements, independent authorities such as the Hudson County Improvement Authority issue bonds to acquire, construct or improve facilities. The County will then occupy these facilities and fund the debt service through lease payments over a defined period of time, and then acquire ownership. Currently, Hudson County is involved in several of these types of arrangements: Hudson County Plaza, Skyway Golf Course, the Guarini

Justice Complex, The View at Lincoln Park and the Vocational School in Secaucus. The office space at 830 Bergen Avenue is being purchased from the Hudson County Improvement Authority under an Installment Purchase Agreement.

## General Obligation Debt Service

As described above, general obligation bonds are issued by the County for a variety of capital programs. When these bonds are issued, they become a debt of the County. The County pledges its full faith and credit for the payment of principal and interest on the bonds, and unless paid from other sources, the County is authorized and required to levy on all real property taxable by the County such *ad valorem* taxes as may be necessary to pay the bonds and interest. For 2025, the County's debt service payments due and budgeted on bonded debt and Bond Anticipation Notes total \$41,280,859. This is comprised of \$29,171,375 for principal, \$12,109,484 for interest and \$248,837 for Green Acres payments. N.J.S.A limits the amount of net debt the County can issue to 2% of its Equalized Valuation Basis. At December 31, 2024, the County's percentage of net debt of equalized valuation basis was .477%, which is net debt of \$569,119,078 divided by the average Equalized Valuation Basis of \$119,436,889,635.

## Borrowing Power Under NJSA 40A:2-6

|                                     |                         |
|-------------------------------------|-------------------------|
| 2% County Equalized Valuation Basis | \$ 2,388,737,793        |
| Net Debt                            | <u>569,119,078</u>      |
| Remaining Borrowing Power           | <u>\$ 1,819,618,715</u> |

## County Bond Ratings

Bond ratings are a critical part of capital debt financing because they dictate what the interest rate will be when the County issues its general obligation bonds. The County's bond ratings have remained strong and at investment grade. Its bond ratings with the three major rating agencies are as follows:

|                              |     |
|------------------------------|-----|
| 1. Standard and Poors        | AA  |
| 2. Moody's Investors Service | Aa2 |
| 3. Fitch Ratings             | AA- |

## Grants and Housing

The County has been very successful in fulfilling its goal to provide affordable housing to its residents. Through the U.S. Department of Housing and Urban Development's (HUD) Home Investment Partnerships (HOME) Program and Community Development Block Grant (CDBG) Program, the County has been able to provide financing production of 1,586 affordable rental

units, 39 affordable homebuyer units, 97 down payment assistance grants and rehabilitate 254 homes for low-income homeowners. Assisted projects have varied in size from one- and two-family homes to large multifamily projects located throughout the County.

CDBG funds also support a wide array of nonprofit public service projects and municipal infrastructure and public facility projects. CDBG funds have been used to improve many streets throughout the county and fund a variety of much needed social services that benefit low- and moderate-income neighborhoods within the Towns of East Newark, Guttenberg, Harrison, Kearny, Secaucus, The Township of Weehawken and the Town of West New York. CDBG public service projects have provided yearly services to an estimated 200 seniors, 500 low-and moderate-income persons, 300 low-and moderate-income youth and 800 persons that are experiencing or at-risk to experience homelessness.

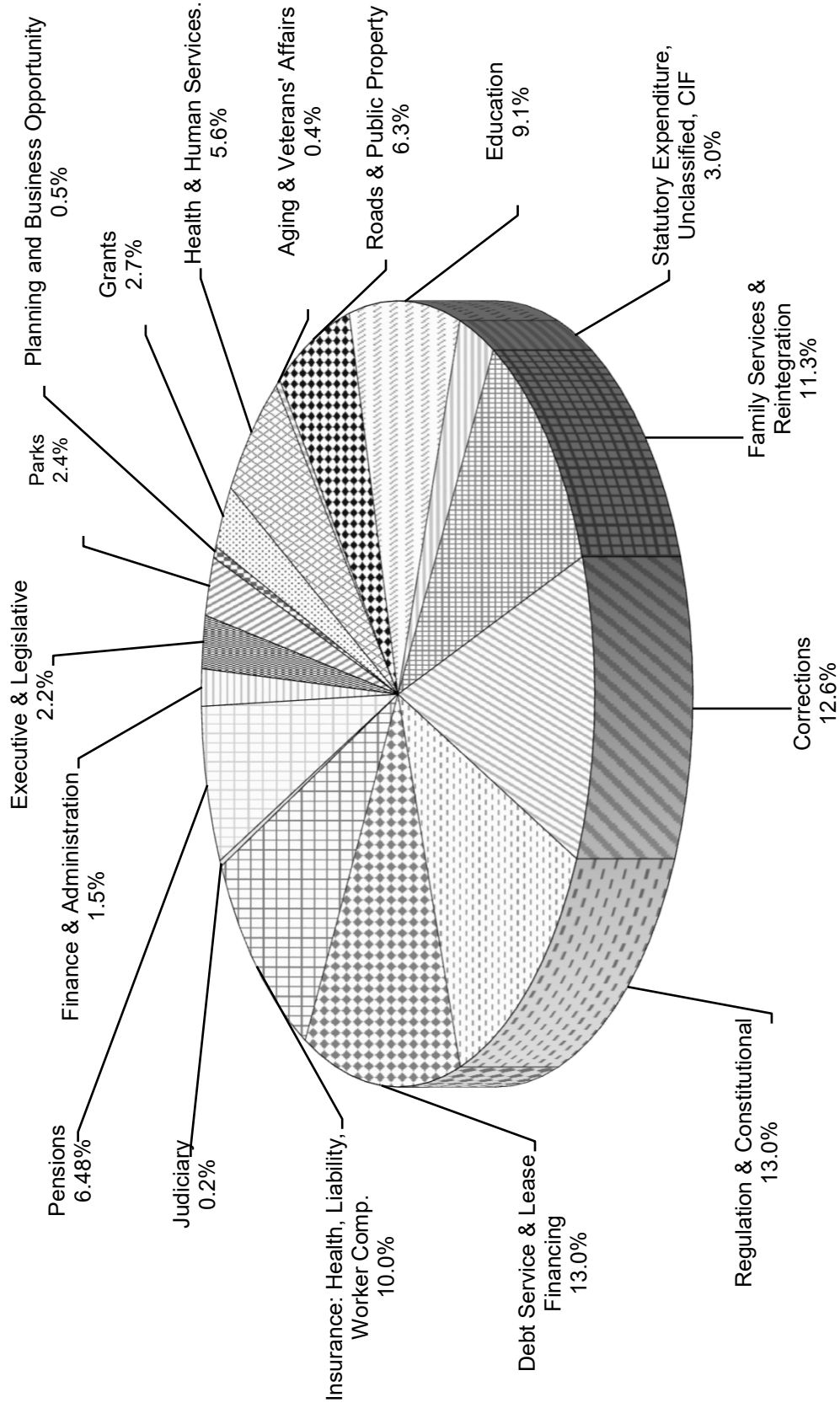
In addition, public facility and infrastructure projects provided an improved infrastructure and access to facilities to low-and moderate-income residents County-wide. It is projected that in 2025, that future projects will improve access to public facilities through development activities for approximately 10,000 low to moderate income persons and households and for special needs population (elderly, persons with a disability, victims of domestic abuse, etc.). Public facilities may include neighborhood facilities, community centers and parks and recreation facilities. Services may also include recreational programs for special needs populations, and education and health programs for special needs households.

**Hudson County**

**Proposed Budget**

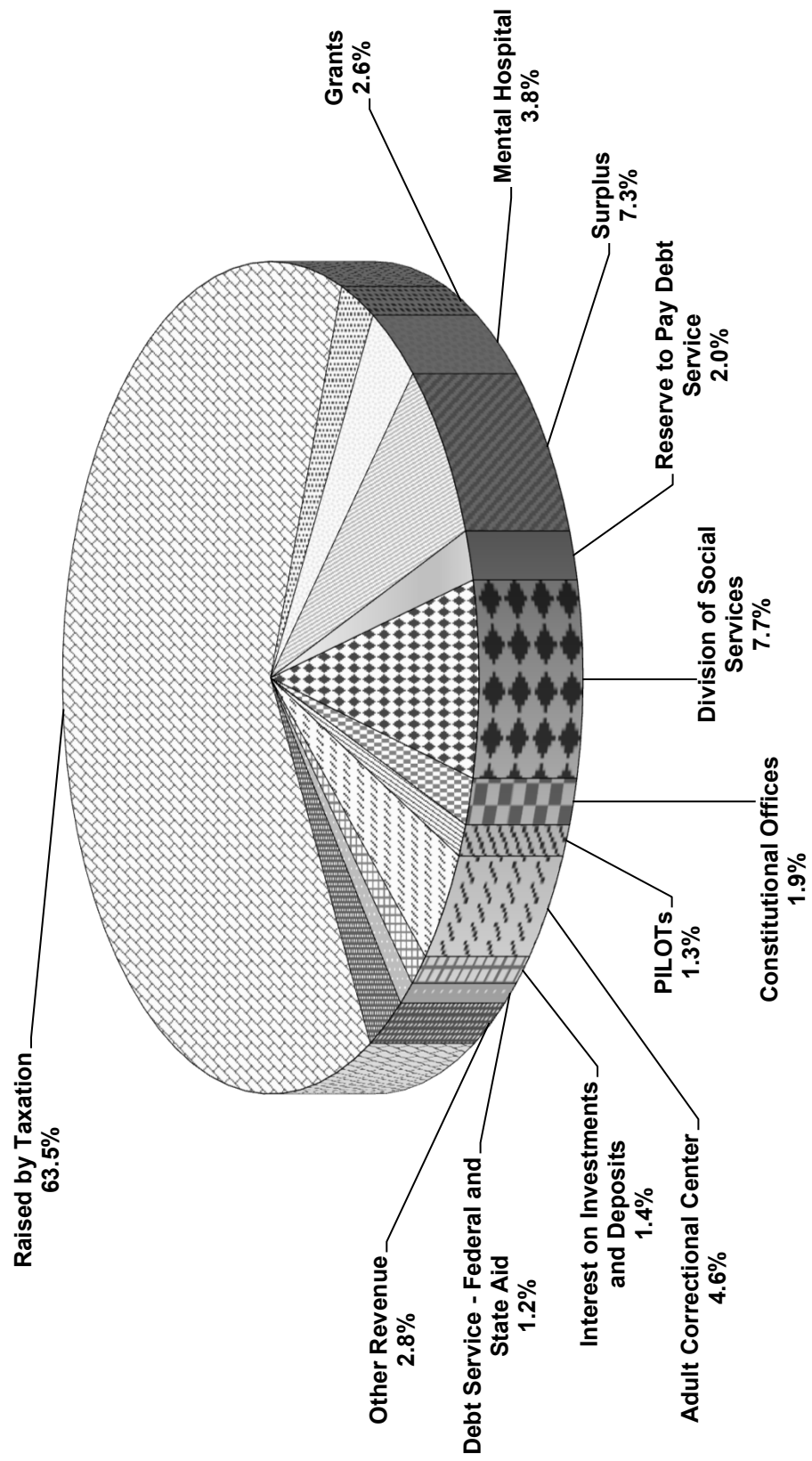
**2025 Financial Charts**

# Hudson County 2025 Budget

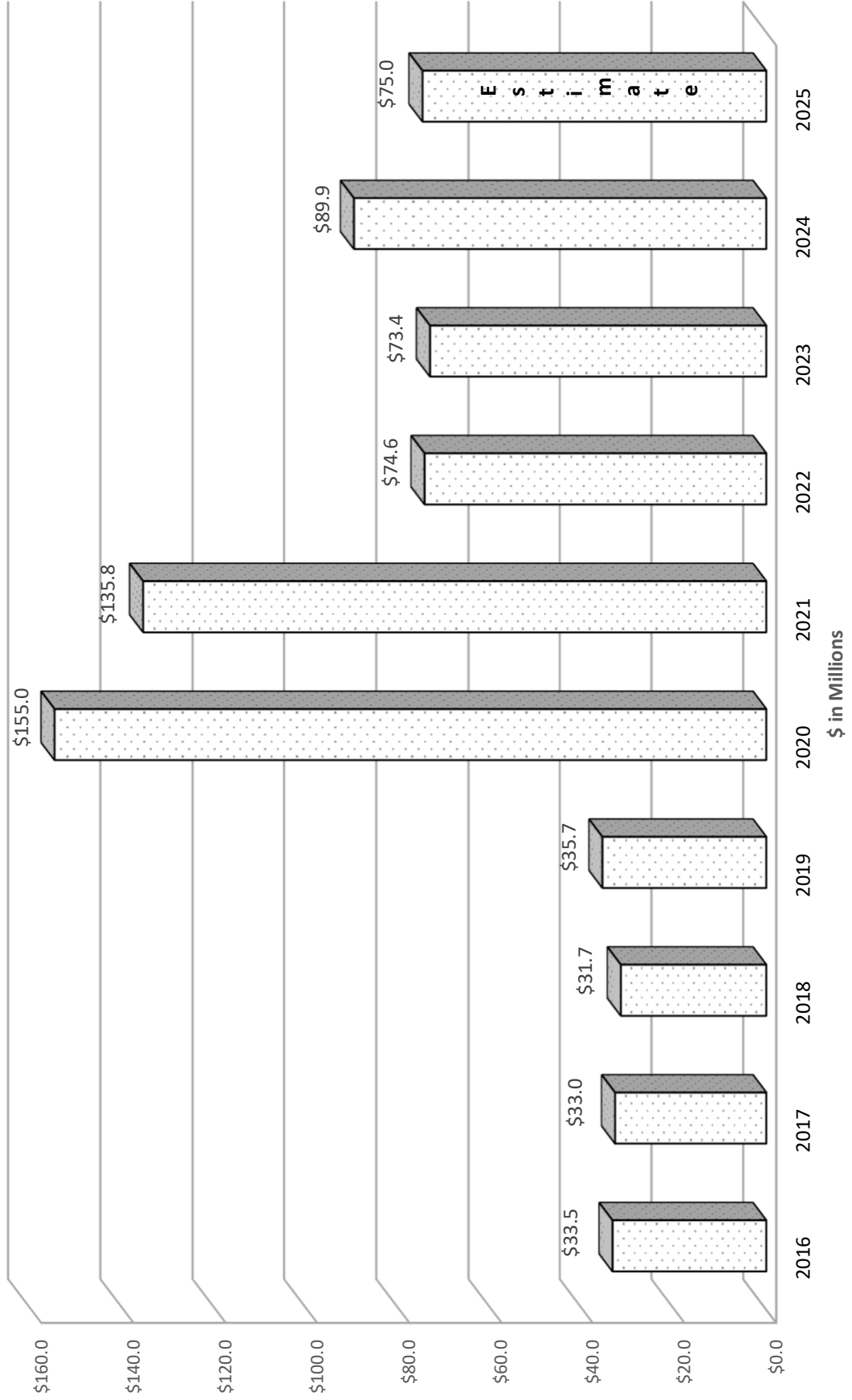


## Appropriations

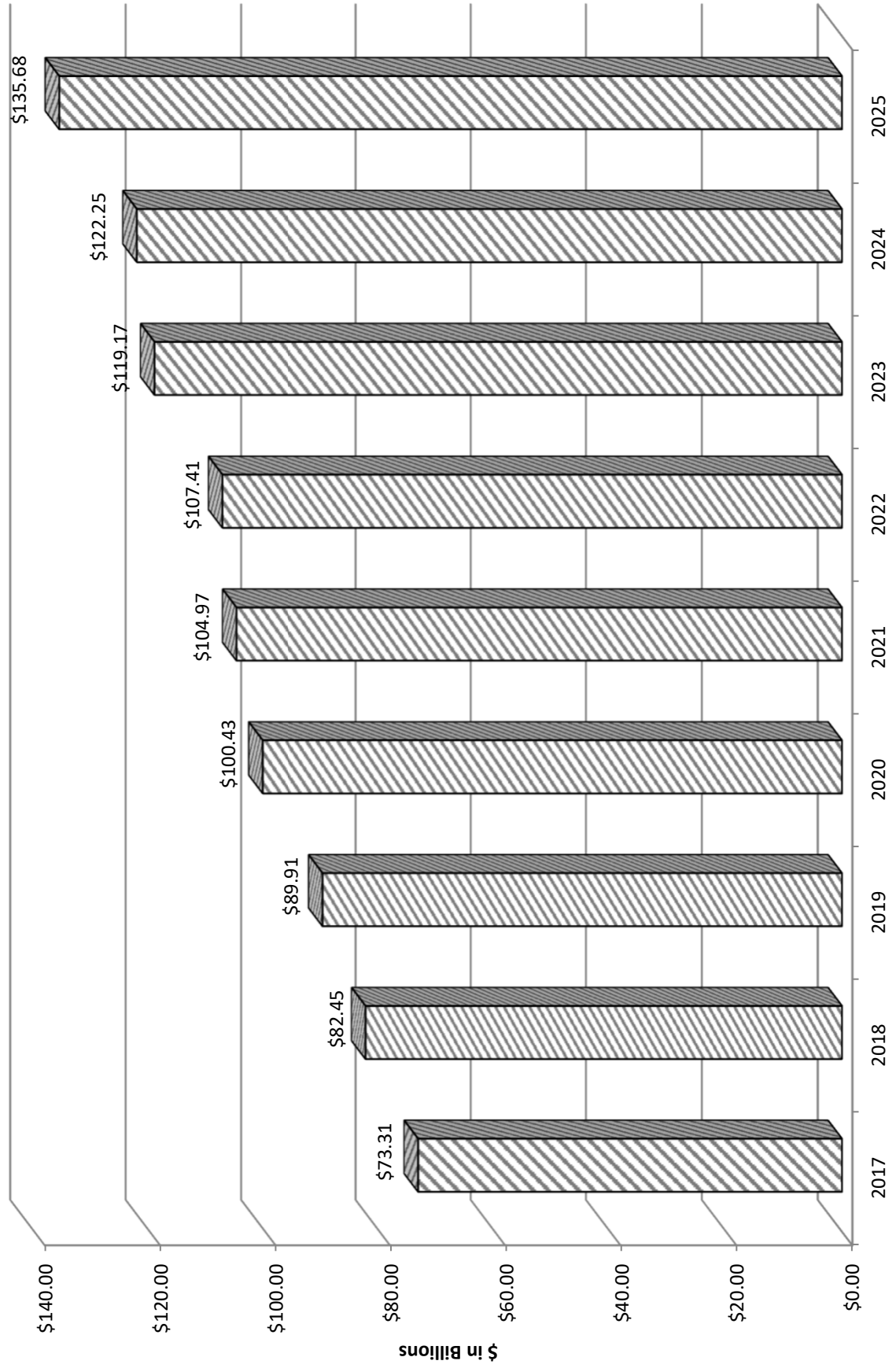
# Hudson County 2025 Budget Revenues



# Hudson County Operating Grant Revenue 2016 Through 2025



## Hudson County (Equalized Valuations)

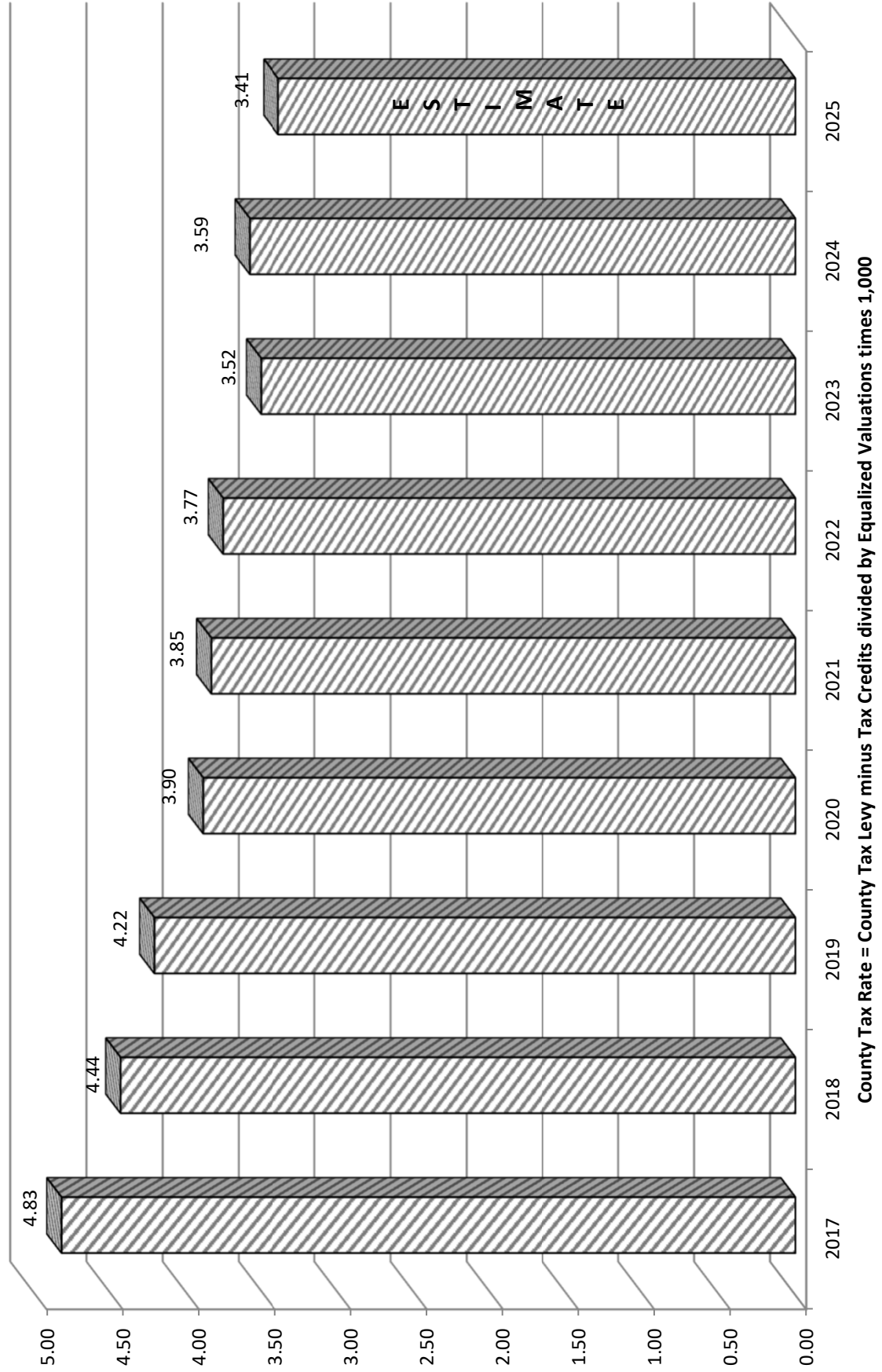


## Assessed and Equalized Valuations 2021 - 2025

| Assessed Valuation |                |                |                |                |                |                                |                                  |
|--------------------|----------------|----------------|----------------|----------------|----------------|--------------------------------|----------------------------------|
| Municipality       | 2021           | 2022           | 2023           | 2024           | 2025           | 2025 over 2021<br>Inc./ (Dec.) | 2025 over 2021<br>% Inc./ (Dec.) |
| Bayonne            | 7,540,289,306  | 7,534,423,877  | 7,604,155,436  | 7,570,703,976  | 7,576,335,100  | 36,045,794                     | 0.00                             |
| East Newark        | 158,673,917    | 157,516,694    | 160,376,298    | 161,539,200    | 162,699,200    | 4,025,283                      | 2.54                             |
| Guttenberg         | 783,315,316    | 784,093,616    | 783,493,221    | 782,495,221    | 776,656,035    | (6,659,281)                    | (0.85)                           |
| Harrison           | 1,550,367,694  | 1,540,407,520  | 1,545,759,614  | 1,549,032,252  | 1,563,853,351  | 13,485,657                     | 0.87                             |
| Hoboken            | 11,859,518,166 | 11,881,933,878 | 12,035,275,575 | 12,097,455,418 | 12,198,481,159 | 338,962,993                    | 2.86                             |
| Jersey City        | 39,640,675,892 | 40,952,142,064 | 43,959,568,210 | 45,392,365,002 | 47,014,032,020 | 7,373,356,128                  | 18.60                            |
| Kearny             | 1,107,323,012  | 1,128,512,410  | 1,144,302,680  | 1,163,382,596  | 1,174,916,944  | 67,593,932                     | 6.10                             |
| North Bergen       | 2,566,387,073  | 9,837,480,154  | 9,745,882,743  | 9,655,024,923  | 9,703,818,664  | 7,137,431,591                  | 278.11                           |
| Secaucus           | 2,829,398,034  | 2,849,860,482  | 2,858,679,283  | 2,852,560,493  | 2,865,279,995  | 35,881,961                     | 1.27                             |
| Union City         | 1,536,497,437  | 1,552,144,782  | 1,563,582,053  | 6,688,003,376  | 6,816,292,695  | 5,279,795,258                  | 343.63                           |
| Weehawken          | 4,101,977,138  | 4,093,983,568  | 4,082,647,868  | 4,065,117,168  | 4,014,741,868  | (87,235,270)                   | (2.13)                           |
| West New York      | 926,082,001    | 928,651,098    | 934,842,436    | 948,657,654    | 950,101,271    | 24,019,270                     | 2.59                             |
| Total              | 74,600,504,986 | 83,241,150,143 | 86,418,565,417 | 92,926,337,279 | 94,817,208,302 | 20,216,703,316                 | 27.10                            |

| Equalized Valuation |                 |                 |                 |                 |                 |                                |                                  |
|---------------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------------------------|----------------------------------|
| Municipality        | 2021            | 2022            | 2023            | 2024            | 2025            | 2025 over 2021<br>Inc./ (Dec.) | 2025 over 2021<br>% Inc./ (Dec.) |
| Bayonne             | 7,986,301,119   | 8,369,789,648   | 9,263,096,586   | 10,001,207,298  | 10,979,945,643  | 2,993,644,524                  | 37.48                            |
| East Newark         | 233,311,279     | 221,592,936     | 263,090,637     | 284,309,355     | 308,875,604     | 75,564,325                     | 32.39                            |
| Guttenberg          | 1,203,393,945   | 1,157,313,906   | 1,221,242,281   | 1,345,898,427   | 1,333,686,364   | 130,292,419                    | 10.83                            |
| Harrison            | 1,510,217,848   | 1,623,301,128   | 1,777,813,634   | 1,948,609,116   | 2,187,536,784   | 677,318,936                    | 44.85                            |
| Hoboken             | 17,715,623,645  | 17,042,293,659  | 18,439,563,198  | 19,260,895,285  | 20,584,276,236  | 2,868,652,591                  | 16.19                            |
| Jersey City         | 46,641,005,769  | 47,369,570,417  | 53,384,621,611  | 52,810,378,094  | 59,415,043,111  | 12,774,037,342                 | 27.39                            |
| Kearny              | 4,625,339,176   | 5,076,987,482   | 5,800,257,529   | 6,102,131,359   | 6,421,296,407   | 1,795,957,231                  | 38.83                            |
| North Bergen        | 6,988,919,154   | 8,798,272,027   | 9,762,696,286   | 10,098,549,112  | 10,680,136,045  | 3,691,216,891                  | 52.82                            |
| Secaucus            | 5,688,048,937   | 5,307,569,560   | 5,923,456,864   | 5,756,721,972   | 7,892,104,647   | 2,204,055,710                  | 38.75                            |
| Union City          | 4,744,846,386   | 4,824,347,731   | 5,320,532,388   | 6,184,428,033   | 6,772,891,604   | 2,028,045,218                  | 42.74                            |
| Weehawken           | 4,126,169,428   | 4,082,766,444   | 4,171,774,185   | 4,245,044,213   | 4,431,937,672   | 305,768,244                    | 7.41                             |
| West New York       | 3,509,392,100   | 3,533,073,263   | 3,845,913,227   | 4,207,664,871   | 4,669,715,776   | 1,160,323,676                  | 33.06                            |
| Total               | 104,972,568,786 | 107,406,878,201 | 119,174,058,426 | 122,245,837,135 | 135,677,445,893 | 30,704,877,107                 | 29.25                            |

# Hudson County Tax Rate Based on Equalized Valuations Per \$1,000



## GENERAL TAX LEVY

| RAISED BY TAXATION       |                  |                  |                  |                  |                  | 2024                   | 2024/2020      |
|--------------------------|------------------|------------------|------------------|------------------|------------------|------------------------|----------------|
| MUNICIPALITY             | 2020             | 2021             | 2022             | 2023             | 2024             | LESS 2020<br>INC/(DEC) | %<br>INC/(DEC) |
| TOTALS:                  |                  |                  |                  |                  |                  |                        |                |
| SCHOOL                   | 508,822,846.00   | 587,899,706.00   | 712,082,210.00   | 796,900,834.00   | 821,627,957.00   | 312,805,111.00         | 61.48%         |
| MUNICIPAL                | 789,780,666.98   | 734,307,365.31   | 850,646,128.91   | 902,304,272.54   | 940,193,669.89   | 150,413,002.91         | 19.04%         |
| COUNTY                   | 386,680,876.11   | 399,180,876.11   | 399,180,876.11   | 414,180,876.11   | 429,180,876.11   | 42,500,000.00          | 10.99%         |
| COUNTY OPEN SPACE TAX    | 419,183.76       | 420,783.76       | 5,370,343.91     | 8,917,405.84     | 12,224,583.71    | 11,805,399.95          | 2816.28%       |
| SPECIAL GARBAGE DISTRICT | 2,494,458.00     | 2,494,458.00     | 2,595,234.00     | 2,647,139.00     | 2,700,081.00     | 205,623.00             | 8.24%          |
| TOTAL                    | 1,688,198,030.85 | 1,724,303,189.18 | 1,969,874,792.93 | 2,124,950,527.49 | 2,205,927,167.71 | 517,729,136.86         | 30.67%         |

**Hudson County**

**Proposed Budget**

**2025 Budget Summary**

HUDSON COUNTY  
2025 OPERATING BUDGET  
EXECUTIVE SUMMARY  
REVENUES

| Revenue Item                                                                               | 2024<br>Budget  | 2024<br>Amendments | 2024<br>Amended Budget | 2024<br>Realized | \$ Over<br>(Under) | % Over<br>(Under) | 2025<br>BUDGET  | \$ Over/(Under)<br>2024 Budget | % Over/(Under)<br>2024 Budget |
|--------------------------------------------------------------------------------------------|-----------------|--------------------|------------------------|------------------|--------------------|-------------------|-----------------|--------------------------------|-------------------------------|
| Surplus Anticipated                                                                        | \$42,000,000.00 | \$0.00             | \$42,000,000.00        | \$42,000,000.00  | \$0.00             | 0.00              | \$52,000,000.00 | \$10,000,000.00                | 23.81                         |
| Surplus Anticipated with Prior Written Consent<br>of Director of Local Government Services | \$0.00          | 0.00               | 0.00                   | \$0.00           | 0.00               | n.a.              | \$0.00          | 0.00                           | n.a.                          |
| Total Surplus                                                                              | 42,000,000.00   | 0.00               | 42,000,000.00          | 42,000,000.00    | 0.00               | 0.00              | 52,000,000.00   | 10,000,000.00                  | 23.81                         |
| Miscellaneous Revenues:                                                                    |                 |                    |                        |                  |                    |                   |                 |                                |                               |
| County Clerk (Total)                                                                       | 260,000.00      | 0.00               | 260,000.00             | 270,076.82       | 10,076.82          | 3.88              | 265,000.00      | 5,000.00                       | 1.92                          |
| Register of Deeds & Mortgages (Total)                                                      | 11,230,000.00   | 0.00               | 11,230,000.00          | 10,972,927.08    | (257,072.92)       | (2.29)            | 10,965,000.00   | (265,000.00)                   | (2.36)                        |
| Surrogate (Total)                                                                          | 560,000.00      | 0.00               | 560,000.00             | 522,246.64       | (37,753.36)        | (6.74)            | 520,000.00      | (40,000.00)                    | (7.14)                        |
| Sheriff (Total)                                                                            | 1,650,000.00    | 0.00               | 1,650,000.00           | 1,502,029.86     | (147,970.14)       | (8.97)            | 1,500,000.00    | (150,000.00)                   | (9.09)                        |
| Interest on Investments and Deposits                                                       | \$6,500,000.00  | 0.00               | 6,500,000.00           | \$10,449,940.50  | 3,949,940.50       | 60.77             | \$10,300,000.00 | 3,800,000.00                   | 58.46                         |
| Mental Hospital                                                                            | 29,408,626.00   | 0.00               | 29,408,626.00          | 31,619,392.92    | 2,210,766.92       | 7.52              | 27,016,019.00   | (2,392,607.00)                 | (8.14)                        |
| Intoxicated Driver Resource Center Fees                                                    | 290,000.00      | 0.00               | 290,000.00             | 293,245.00       | 3,245.00           | 1.12              | 290,000.00      | 0.00                           | 0.00                          |
| N.J. School Building Aid                                                                   | 4,654,997.00    | 0.00               | 4,654,997.00           | 4,648,088.00     | (6,909.00)         | (0.15)            | 4,648,000.00    | (6,997.00)                     | (0.15)                        |
| Parks & Recreation                                                                         | 9,898.15        | 0.00               | 9,898.15               | 26,500.00        | 16,601.85          | 167.73            | 13,675.25       | 3,777.10                       | 38.16                         |
| Title IV-D, Social Security Act-Child Support Program                                      | 765,000.00      | 0.00               | 765,000.00             | 939,889.91       | 174,889.91         | 22.86             | 925,000.00      | 160,000.00                     | 20.92                         |
| Federal & State Contracts - Indirect Cost Allocation                                       | 5,875,000.00    | 0.00               | 5,875,000.00           | 5,783,617.03     | (91,382.97)        | (1.56)            | 5,780,000.00    | (95,000.00)                    | (1.62)                        |
| Maintenance of State Prisoners in County Institutions                                      | 2,750,000.00    | 0.00               | 2,750,000.00           | 1,687,959.72     | (1,062,040.28)     | (38.62)           | 1,675,000.00    | (1,075,000.00)                 | (39.09)                       |
| Maintenance of Other County Inmates in County Institutions                                 | 18,254,250.00   | 0.00               | 18,254,250.00          | 13,792,099.00    | (4,462,151.00)     | (24.44)           | 13,775,425.00   | (4,478,825.00)                 | (24.54)                       |
| Maintenance of Other County Juveniles                                                      | 0.00            | 0.00               | 0.00                   | 0.00             | 0.00               | n.a.              | 0.00            | 0.00                           | n.a.                          |
| Maintenance of Federal Inmates in County Institutions (Total)                              | 16,140,600.00   | 0.00               | 16,140,600.00          | 17,603,078.60    | 1,462,478.60       | 9.06              | 17,578,400.00   | 1,437,800.00                   | 8.91                          |
| Reserve to Pay Bonds                                                                       | 7,000,000.00    | 0.00               | 7,000,000.00           | 7,000,000.00     | 0.00               | 0.00              | 14,000,000.00   | 7,000,000.00                   | 100.00                        |
| Telephone Commissions                                                                      | 0.00            | 0.00               | 0.00                   | 0.00             | 0.00               | n.a.              | 0.00            | 0.00                           | n.a.                          |
| State Aid - County College Bonds (N.J.S.A. 18A:64-22.6)                                    | 3,227,283.95    | 0.00               | 3,227,283.95           | 2,875,135.97     | (352,147.98)       | (10.91)           | 3,338,683.46    | 111,399.51                     | 3.45                          |
| Division of Youth and Family Services                                                      | 0.00            | 0.00               | 0.00                   | 0.00             | 0.00               | n.a.              | 0.00            | 0.00                           | n.a.                          |
| Supplemental Social Security Income                                                        | 2,633,477.00    | 0.00               | 2,633,477.00           | 2,641,608.00     | 8,131.00           | 0.31              | 2,606,328.00    | (27,149.00)                    | (1.03)                        |
| Maintenance of Patients in State Institutions for Mental Diseases                          | 0.00            | 0.00               | 0.00                   | 0.00             | 0.00               | n.a.              | 0.00            | 0.00                           | n.a.                          |
| Maintenance of Patients in State Institutions for Mentally Retarded                        | 0.00            | 0.00               | 0.00                   | 0.00             | 0.00               | n.a.              | 0.00            | 0.00                           | n.a.                          |

HUDSON COUNTY  
2025 OPERATING BUDGET  
EXECUTIVE SUMMARY  
REVENUES

35

| Revenue Item                                               | 2024<br>Budget   | 2024<br>Amendments | 2024<br>Amended Budget | 2024<br>Realized | \$ Over<br>(Under) | % Over<br>(Under) | 2025<br>BUDGET   | \$ Over/(Under)<br>2024 Budget | % Over/(Under)<br>2024 Budget |
|------------------------------------------------------------|------------------|--------------------|------------------------|------------------|--------------------|-------------------|------------------|--------------------------------|-------------------------------|
| Board of County Patients in State and Other Institutions   | 0.00             | 0.00               | 0.00                   | 0.00             | 0.00               | n.a.              | 0.00             | 0.00                           | n.a.                          |
| Division of Developmental Disabilities, Assessment Program | 79,000.00        | 0.00               | 79,000.00              | 81,521.12        | 2,521.12           | 3.19              | 81,314.00        | 2,314.00                       | 2.93                          |
| Open Space Tax Debt Service                                | 418,583.76       | 0.00               | 418,583.76             | 418,583.76       | 0.00               | 0.00              | 423,783.76       | 5,200.00                       | 1.24                          |
| Division of Social Services (Welfare)                      | 51,524,407.00    | 0.00               | 51,524,407.00          | 48,413,938.99    | (3,110,468.01)     | (6.04)            | 54,629,245.00    | 3,104,838.00                   | 6.03                          |
| Added and Omitted Taxes                                    | 3,292,502.80     | 0.00               | 3,292,502.80           | 3,292,502.80     | 0.00               | 0.00              | 6,271,571.70     | 2,979,068.90                   | 90.48                         |
| State of N. J. - Lease of Court Space                      | 130,000.00       | 0.00               | 130,000.00             | 135,989.23       | 5,989.23           | 4.61              | 135,000.00       | 5,000.00                       | 3.85                          |
| N.J. Superior Court - Service Agreements                   | 0.00             | 0.00               | 0.00                   | 48,266.60        | 48,266.60          | n.a.              | 45,000.00        | 45,000.00                      | n.a.                          |
| Reserve to Pay Debt Service                                | 0.00             | 0.00               | 0.00                   | 0.00             | 0.00               | n.a.              | 0.00             | 0.00                           | n.a.                          |
| Dedicated Revenue - Motor Vehicle Fines Reimbursement      | 2,500,000.00     | 0.00               | 2,500,000.00           | 2,500,000.00     | 0.00               | 0.00              | 2,500,000.00     | 0.00                           | 0.00                          |
| Meadowview Campus - Treatment Leases                       | 850,000.00       | 0.00               | 850,000.00             | 800,520.42       | (49,479.58)        | (5.82)            | 800,000.00       | (50,000.00)                    | (5.88)                        |
| American Rescue Plan - Revenue Replacement                 | 556,734.00       | 0.00               | 556,734.00             | 556,734.07       | 0.07               | 0.00              | 0.00             | (556,734.00)                   | (100.00)                      |
| Reserve for American Rescue Plan - Revenue Replacement     | 7,500,000.00     | 0.00               | 7,500,000.00           | 7,500,000.00     | 0.00               | 0.00              | 0.00             | (7,500,000.00)                 | (100.00)                      |
| PILOT Payments, N.J.S.A. 40A:20-1 et seq. - County Share   | 7,300,000.00     | 0.00               | 7,300,000.00           | 9,391,472.31     | 2,091,472.31       | 28.65             | 9,300,000.00     | 2,000,000.00                   | 27.40                         |
| ARRA Recovery Zone Bonds Subsidy                           | 300,333.60       | 0.00               | 300,333.60             | 162,595.59       | (137,738.01)       | (45.86)           | 259,282.80       | (41,050.80)                    | (13.67)                       |
| Total Miscellaneous Revenues                               | 185,660,693.26   | 0.00               | 185,660,693.26         | 185,929,959.94   | 269,266.68         | 0.15              | 189,641,727.97   | 3,981,034.71                   | 2.14                          |
| Total Miscellaneous Revenues & Surplus                     | \$227,660,693.26 | \$0.00             | \$227,660,693.26       | \$227,929,959.94 | \$269,266.68       | 0.12              | \$241,641,727.97 | \$13,981,034.71                | 6.14                          |
| Grants:                                                    | 17,575,089.83    | 72,304,902.01      | 89,879,991.84          | 89,879,991.84    | (0.00)             | (0.00)            | 18,764,631.02    | (71,115,360.82)                | (79.12)                       |
| Total Miscellaneous Revenues including Grants and Surplus  | 245,235,783.09   | 72,304,902.01      | 317,540,685.10         | 317,809,951.78   | 269,266.68         | 0.08              | 260,406,358.99   | (57,134,326.11)                | (17.99)                       |
| Less: Budget Appropriations                                | 674,416,659.20   | 72,304,902.01      | 746,721,561.21         | 746,990,827.89   | 269,266.68         | 0.04              | 713,587,235.10   | (33,134,326.11)                | (4.44)                        |
| Amount to be Raised by Taxation                            | \$429,180,876.11 | \$0.00             | \$429,180,876.11       | \$429,180,876.11 | \$0.00             | 0.00              | \$453,180,876.11 | \$24,000,000.00                | 5.59                          |

HUDSON COUNTY  
2025 OPERATING BUDGET  
EXECUTIVE SUMMARY  
APPROPRIATIONS

| DEPARTMENT NAME                        | OTHER EXPENSES (02)      |                          |                     |          | SALARIES & WAGES (01)    |                          |                     |          | TOTAL SALARIES & WAGES AND OTHER EXPENSES |                          |                     |          |
|----------------------------------------|--------------------------|--------------------------|---------------------|----------|--------------------------|--------------------------|---------------------|----------|-------------------------------------------|--------------------------|---------------------|----------|
|                                        | 2025<br>BUDGET<br>APPROP | 2024<br>BUDGET<br>APPROP | INCREASE/(DECREASE) |          | 2025<br>BUDGET<br>APPROP | 2024<br>BUDGET<br>APPROP | INCREASE/(DECREASE) |          | 2025<br>BUDGET<br>APPROP                  | 2024<br>BUDGET<br>APPROP | INCREASE/(DECREASE) |          |
|                                        |                          |                          | AMOUNT              | PERCENT  |                          |                          | AMOUNT              | PERCENT  |                                           |                          | AMOUNT              | PERCENT  |
| TOTAL LEGISLATIVE                      | 322,650                  | 337,400                  | (14,750)            | (4.37)   | 1,606,785                | 1,561,777                | 45,008              | 2.88     | 1,929,435                                 | 1,899,177                | 30,258              | 1.59     |
| TOTAL ADMINISTRATIVE AND EXECUTIVE     | 4,900,217                | 5,168,408                | (268,191)           | (5.19)   | 8,738,706                | 8,351,974                | 386,732             | 4.63     | 13,638,923                                | 13,520,382               | 118,541             | 0.88     |
| TOTAL DEPT. FINANCE & ADMINISTRATION   | 5,324,488                | 5,786,328                | (461,840)           | (7.98)   | 5,614,741                | 5,394,682                | 220,059             | 4.08     | 10,939,229                                | 11,181,010               | (241,781)           | (2.16)   |
| TOTAL INSURANCE                        | 71,060,000               | 63,100,000               | 7,960,000           | 12.61    | 0                        | 0                        | 0                   | n.a.     | 71,060,000                                | 63,100,000               | 7,960,000           | 12.61    |
| COUNTY CLERK & REGISTER OF DEEDS       | 144,409                  | 148,056                  | (3,647)             | (2.46)   | 4,363,650                | 4,341,317                | 22,333              | 0.51     | 4,508,059                                 | 4,489,373                | 18,686              | 0.42     |
| PROSECUTOR'S OFFICE                    | 3,899,735                | 4,105,803                | (206,068)           | (5.02)   | 28,932,577               | 27,764,212               | 1,168,365           | 4.21     | 32,832,312                                | 31,870,015               | 962,297             | 3.02     |
| TOTAL CONSTITUTIONAL OFFICES           | 4,044,144                | 4,253,859                | (209,715)           | (4.93)   | 33,296,227               | 32,105,529               | 1,190,698           | 3.71     | 37,340,371                                | 36,359,388               | 980,983             | 2.70     |
| JUDICIARY                              | 92,275                   | 112,982                  | (20,707)            | (18.33)  | 1,684,277                | 1,626,554                | 57,723              | 3.55     | 1,776,552                                 | 1,739,536                | 37,016              | 2.13     |
| SHERIFF'S OFFICE                       | 5,029,076                | 5,126,500                | (97,424)            | (1.90)   | 41,729,822               | 39,999,375               | 1,730,447           | 4.33     | 46,758,898                                | 45,125,875               | 1,633,023           | 3.62     |
| ALL ELECTIONS                          | 7,549,288                | 7,094,409                | 454,879             | 6.41     | 1,025,200                | 845,341                  | 179,859             | 21.28    | 8,574,488                                 | 7,939,750                | 634,738             | 7.99     |
| TOTAL REGULATION                       | 12,578,364               | 12,220,909               | 357,455             | 2.92     | 42,755,022               | 40,844,716               | 1,910,306           | 4.68     | 55,333,386                                | 53,065,625               | 2,267,761           | 4.27     |
| TOTAL DEPT OF PARKS                    | 7,024,392                | 7,137,300                | (112,908)           | (1.58)   | 10,369,138               | 10,211,978               | 157,160             | 1.54     | 17,393,530                                | 17,349,278               | 44,252              | 0.26     |
| TOTAL DEPT OF PLANNING & BUSINESS OPP. | 376,195                  | 369,911                  | 6,284               | 1.70     | 3,060,147                | 2,868,199                | 191,948             | 6.69     | 3,436,342                                 | 3,238,110                | 198,232             | 6.12     |
| TOTAL DEPT OF ROADS AND PUB. PROP.     | 21,070,246               | 20,104,806               | 965,440             | 4.80     | 23,681,052               | 23,175,093               | 505,959             | 2.18     | 44,751,298                                | 43,279,899               | 1,471,399           | 3.40     |
| TOTAL DEPT OF HEALTH & HUMAN SERV.     | 20,243,479               | 18,823,123               | 1,420,356           | 7.55     | 19,437,207               | 19,159,168               | 278,039             | 1.45     | 39,680,686                                | 37,982,291               | 1,698,395           | 4.47     |
| TOTAL DEPT OF AGING & VETERANS AFFAIRS | 815,200                  | 987,850                  | (172,650)           | (17.48)  | 1,868,210                | 1,253,374                | 614,836             | 49.05    | 2,683,410                                 | 2,241,224                | 442,186             | 19.73    |
| TOTAL DEPT OF FAMILY SERVICES          | 0                        | 1,003,500                | (1,003,500)         | (100.00) | 0                        | 7,772,000                | (7,772,000)         | (100.00) | 0                                         | 8,775,500                | (8,775,500)         | (100.00) |
| TOTAL DEPT OF FAMILY SVS & REINT.      | 35,866,268               | 32,643,316               | 3,222,952           | 9.87     | 44,441,470               | 34,957,351               | 9,484,119           | 27.13    | 80,307,738                                | 67,600,667               | 12,707,071          | 18.80    |
| TOTAL DEPT. OF HOUSING & COMM. REINT.  | 0                        | 67,500                   | (67,500)            | (100.00) | 0                        | 471,100                  | (471,100)           | (100.00) | 0                                         | 538,600                  | (538,600)           | (100.00) |
| TOTAL DEPT. OF CORRECTIONS             | 30,453,721               | 28,375,000               | 2,078,721           | 7.33     | 59,159,127               | 53,382,396               | 5,776,731           | 10.82    | 89,612,848                                | 81,757,396               | 7,855,452           | 9.61     |
| TOTAL DEPT. OF EDUCATION               | 64,559,238               | 60,510,919               | 4,048,319           | 6.69     | 208,477                  | 252,576                  | (44,099)            | (17.46)  | 64,767,715                                | 60,763,495               | 4,004,220           | 6.59     |
| TOTAL UNCLASSIFIED                     | 1,039,000                | 1,066,000                | (27,000)            | (2.53)   | 9,020                    | 8,637                    | 383                 | 4.43     | 1,048,020                                 | 1,074,637                | (26,617)            | (2.48)   |
| CONTINGENT                             | 30,000                   | 30,000                   | 0                   | 0.00     | 0                        | 0                        | 0                   | 0.00     | 30,000                                    | 30,000                   | 0                   | 0.00     |
| TOTAL CAPITAL IMPROVEMENTS             | 48,263,363               | 47,606,914               | 656,448             | 1.38     | 0                        | 0                        | 0                   | n.a.     | 48,263,363                                | 47,606,914               | 656,448             | 1.38     |
| TOTAL CAPITAL IMPROVEMENTS-ARP         | 0                        | 0                        | 0                   | 0        | 0                        | 0                        | 0                   | n.a.     | 0                                         | 0                        | 0                   | n.a.     |
| TOTAL DEBT SERVICE                     | 47,188,279               | 41,432,828               | 5,755,451           | 13.89    | 0                        | 0                        | 0                   | n.a.     | 47,188,279                                | 41,432,828               | 5,755,451           | 13.89    |
| TOTAL DEF. CHARGES & STAT. EXP.        | 63,374,586               | 62,037,233               | 1,337,353           | 2.16     | 0                        | 0                        | 0                   | 0.00     | 63,374,586                                | 62,037,233               | 1,337,353           | 2.16     |
| JUDGEMENTS                             | 100                      | 100                      | 0                   | 0.00     | 0                        | 0                        | 0                   | 0.00     | 100                                       | 100                      | 0                   | 0.00     |
| TOTAL BEFORE GRANTS                    | 438,626,204              | 413,176,186              | 25,450,018          | 6.16     | 255,929,606              | 243,397,104              | 12,532,502          | 5.15     | 694,555,810                               | 656,573,290              | 37,982,520          | 5.78     |
| GRANTS & MATCHING FUNDS                | 19,031,425               | 90,148,271               | (71,116,846)        | (78.89)  | 0                        | 0                        | 0                   | 0.00     | 19,031,425                                | 90,148,271               | (71,116,846)        | (78.89)  |
| TOTAL BUDGET                           | \$457,657,629            | \$503,324,457            | (\$45,666,828)      | (9.07)   | \$255,929,606            | \$243,397,104            | \$12,532,502        | 5.15     | 713,587,235                               | 746,721,561              | (33,134,326)        | (4.44)   |

**Hudson County**

**Proposed Budget**

**2025 Pension Tiers**

| PERS AND TPAF SALARY OR HOURS REQUIREMENTS FOR ENROLLMENT BY MEMBERSHIP TIER<br>All other PERS or TPAF enrollment requirements must be met in addition to minimum hours or salary. |                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                    | TIER 1<br>(Enrolled before<br>July 1, 2007)                                                                                                                            | TIER 2<br>(Eligible for enrollment on or<br>after July 1, 2007, and before<br>November 2, 2008)                                                                                                                                                                                                     | TIER 3<br>(Eligible for enrollment on or after<br>November 2, 2008, and on or<br>before May 21, 2010)                                                                                                                                                                                                                                                                                            | TIER 4<br>(Eligible for enrollment after<br>May 21, 2010, and before June 28, 2011)                                                                                                                                                                                                                                                                                                                                                                                                                                                          | TIER 5<br>(Eligible for enrollment on or after<br>June 28, 2011)                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| PERS                                                                                                                                                                               | Minimum base salary of \$1,500 required for PERS Tier 1 enrollment.<br><br>IRS Annual Compensation Limit on maximum salary generally apply.<br><br>\$350,000 for 2025. | Minimum base salary of \$1,500 required for PERS Tier 2 enrollment.<br><br>PERS salary limited to Social Security maximum wage \$176,100 for 2025.<br><br>PERS members are eligible for participation in the Defined Contribution Retirement Program (DCRP) for salary over the maximum wage limit. | Minimum base salary required for PERS Tier 3 participation: \$9,600.<br><br>Employees with base salary between \$5,000 and current minimum PERS. Tier 3 salary are eligible for participation in the DCRP.<br><br>PERS salary limited to Social Security maximum wage \$176,100 for 2025.<br><br>PERS members are eligible for participation in the DCRP for salary over the maximum wage limit. | PERS Tier 4 enrollment requires a minimum of 35 hours per week for State employees, or 32 hours per week for local government or local education employees.<br><br>No minimum salary requirement.<br><br>Employees who do not work the minimum required hours but who earn base salary of at least \$5,000 are eligible for participation in the DCRP.<br><br>PERS salary limited to Social Security maximum wage \$176,100 for 2025.<br><br>PERS members are eligible for participation in the DCRP for salary over the maximum wage limit. | PERS Tier 5 enrollment requires a minimum of 35 hours per week for State employees, or 32 hours per week for local government or local education employees.<br><br>No minimum salary requirement.<br><br>Employees who do not work the minimum required hours but who earn base salary of at least \$5,000 are eligible for participation in the DCRP.<br><br>PERS salary limited to Social Security maximum wage \$176,100 for 2025.<br><br>PERS members are eligible for participation in the DCRP for salary over the maximum wage limit. |
|                                                                                                                                                                                    | Minimum base salary of \$500 required for TPAF Tier 1 enrollment.<br><br>IRS Annual Compensation Limit on maximum salary generally apply.<br><br>\$350,000 for 2025.   | Minimum base salary of \$500 required for TPAF Tier 2 enrollment.<br><br>TPAF salary limited to Social Security maximum wage \$176,100 for 2025.<br><br>TPAF members are eligible for participation in the DCRP for salary over the maximum wage limit.                                             | Minimum base salary required for TPAF Tier 3 participation: \$9,600.<br><br>Employees with base salary between \$5,000 and current minimum TPAF Tier 3 salary are eligible for participation in the DCRP.<br><br>TPAF salary limited to Social Security maximum wage \$176,100 for 2025.<br><br>TPAF members are eligible for participation in the DCRP for salary over the maximum wage limit.  | TPAF Tier 4 enrollment requires a minimum of 35 hours per week for State employees, or 32 hours per week for local education employees.<br><br>No minimum salary requirement.<br><br>Employees who do not work the minimum required hours but who earn base salary of at least \$5,000 are eligible for participation in the DCRP.<br><br>TPAF salary limited to Social Security maximum wage \$176,100 for 2025.<br><br>TPAF members are eligible for participation in the DCRP for salary over the maximum wage limit.                     | TPAF Tier 5 enrollment requires a minimum of 35 hours per week for State employees, or 32 hours per week for local education employees.<br><br>No minimum salary requirement.<br><br>Employees who do not work the minimum required hours but who earn base salary of at least \$5,000 are eligible for participation in the DCRP.<br><br>TPAF salary limited to Social Security maximum wage \$176,100 for 2025.<br><br>TPAF members are eligible for participation in the DCRP for salary over the maximum wage limit.                     |

*\*For “grandfathered” individuals at employers that adopted P.L. 1997, c. 113, the Tier 1 maximum salary is \$505,000 for 2025.*

**Tier 2** pursuant to P.L. 2007, c. 92 and 103.                      **Tier 3** pursuant to P.L. 2008, c. 89.                      **Tier 4** pursuant to P.L. 2010, c. 1 and 3.                      **Tier 5** pursuant to P.L. 2011, c. 78.

**Tier 1** annual compensation history for PERS and TPAF: 2016 - \$265,000; 2017 - \$270,000; 2018 - \$275,000; 2019 - \$280,000; 2020 - \$285,000; 2021 - \$290,000; 2022 - \$305,000; 2023 - \$330,000; 2024 - \$345,000

**Tier 2, 3, 4, and 5** Social Security maximum wages history for PERS and TPAF: 2017 - \$127,200; 2018 - \$128,400; 2019 - \$132,900; 2020 - \$137,700; 2021 - \$142,800; 2022 - \$147,000; 2023 - \$160,200; 2024 - \$168,600

**Tier 3** minimum base salary history for PERS and TPAF: 2013 - \$8,000; 2014 - \$8,100; 2015 - \$8,200; 2016 - 2018 - \$8,300; 2019 - \$8,400; 2020 - \$8,500; 2021 - \$8,600; 2022 - \$8,700; 2023 - \$9,000; 2024 - \$9,300

**Note:** Members enrolled in the PERS Prosecutors Part, Worker’s Compensation Part, Law Enforcement Officers (LEOs) or the Legislative Retirement System (LRS) are not subject to membership tiers or Social Security maximums.

| PERS AND TPAF RETIREMENT BENEFITS BY MEMBERSHIP TIER |                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                        |
|------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                      | TIER 1<br>(Enrolled before July 1, 2007)                                                                                                                                                                                                                                                                              | TIER 2<br>(Eligible for enrollment on or after July 1, 2007, and before November 2, 2008)                                                                                                                                                                                                                                                                                 | TIER 3<br>(Eligible for enrollment on or after November 2, 2008, and o or before May 21, 2010)                                                                                                                                                                                                                                                                            | TIER 4<br>(Eligible for enrollment after May 21, 2010, and before June 28, 2011)                                                                                                                                                                                                                                                                                          | TIER 5<br>(Eligible for enrollment on or after June 28, 2011)                                                                                                                                                                                                                                                          |
| SERVICE<br>RETIREMENT                                | Minimum age of 60,<br>no minimum service required.<br>Annual Benefit = Years of Service ÷ 55 X Final Average (3 yrs.) Salary                                                                                                                                                                                          | Minimum age of 60,<br>no minimum service required.<br>Annual Benefit = Years of Service ÷ 55 X Final Average (3 yrs.) Salary.                                                                                                                                                                                                                                             | Minimum age of 62,<br>no minimum service required.<br>Annual Benefit = Years of Service ÷ 55 X Final Average (3 yrs.) Salary                                                                                                                                                                                                                                              | Minimum age of 62,<br>no minimum service required.<br>Annual Benefit = Years of Service ÷ 60 X Final Average (5 yrs.) Salary                                                                                                                                                                                                                                              | Minimum age of 65,<br>no minimum service required.<br>Annual Benefit = Years of Service ÷ 60 X Final Average (5 yrs.) Salary.                                                                                                                                                                                          |
| DEFERRED<br>RETIREMENT                               | Collectable at age 60, at least 10 years of service required.<br>Annual Benefit = Years of Service ÷ 55 X Final Average (3 yrs.) Salary.                                                                                                                                                                              | Collectable at age 60, at least 10 years of service required.<br>Annual Benefit =Years of Service ÷ 55 X Final Average (3 yrs.) Salary.                                                                                                                                                                                                                                   | Collectable at age 62, at least 10 years of service required.<br>Annual Benefit = Years of Service ÷ 55 X Final Average (3 yrs.) Salary.                                                                                                                                                                                                                                  | Collectable at age 62,at least 10 years of service required.<br>Annual Benefit = Years of Service ÷ 60 X Final Average (5 yrs.) Salary.                                                                                                                                                                                                                                   | Collectable at age 65, at least 10 years of service required.<br>Annual Benefit = Years of Service ÷ 60 X Final Average (5 yrs.) Salary.                                                                                                                                                                               |
| EARLY<br>RETIREMENT                                  | At least 25 years of service required.<br>Annual Benefit = Years of Service ÷ 55 X Final Average (3 yrs.) Salary.<br><br>No minimum age; however, if under age of 55, the benefit is reduced 3 percent per year (1/4 of 1 percent per month) for each year under age 55.                                              | At least 25 years of service required.<br>Annual Benefit = Years of Service ÷ 55 X Final Average (3 yrs.) Salary.<br><br>No minimum age; however, if under age of 60, the benefit is reduced 1 percent per year (1/12 of 1 percent per month) for each year under age 60 but over age 55; and 3 percent per year (1/4 of 1 percent per month) for each year under age 55. | At least 25 years of service required.<br>Annual Benefit = Years of Service ÷ 55 X Final Average (3 yrs.) Salary.<br><br>No minimum age; however, if under age of 62, the benefit is reduced 1 percent per year (1/12 of 1 percent per month) for each year under age 62 but over age 55; and 3 percent per year (1/4 of 1 percent per month) for each year under age 55. | At least 25 years of service required.<br>Annual Benefit = Years of Service ÷ 60 X Final Average (5 yrs.) Salary.<br><br>No minimum age; however, if under age of 62, the benefit is reduced 1 percent per year (1/12 of 1 percent per month) for each year under age 62 but over age 55; and 3 percent per year (1/4 of 1 percent per month) for each year under age 55. | At least 30 years of service required.<br>Annual Benefit = Years of Service ÷ 60 X Final Average (5 yrs.) Salary.<br><br>No minimum age; however, if under age of 65, the benefit is reduced 3 percent per year (1/4 of 1 percent per month) for each year under age 65.                                               |
| VETERAN<br>RETIREMENT                                | At least 25 years of service at age 55 or older; or at least 20 years of service at age 60 or older.<br><br>Annual Benefit = 54.5 percent X last year or highest 12 months of salary; orAt least 35 years of service at age 55 or older.<br><br>Annual Benefit = Years of Service ÷ 55 X Highest 12 Months of Salary. | At least 25 years of service at age 55 or older; or at least 20 years of service at age 60 or older.<br><br>Annual Benefit = 54.5 percent X last year or highest 12 months of salary; or At least 35 years of service at age 55 or older.<br><br>Annual Benefit = Years of Service ÷ 55 X Highest 12 Months of Salary.                                                    | At least 25 years of service at age 55 or older; or at least 20 years of service at age 60 or older.<br><br>Annual Benefit = 54.5 percent X last year or highest 12 months of salary; or At least 35 years of service at age 55 or older.<br><br>Annual Benefit = Years of Service ÷ 55X Highest 12 Months of Salary.                                                     | At least 25 years of service at age 55 or older; or at least 20 years of service at age 60 or older.<br><br>Annual Benefit = 54.5 percent X last year or highest 12months of salary; or At least 35 years of service at age 55 or older.<br><br>Annual Benefit = Years of Service ÷ 55 X Highest 12 Months of Salary                                                      | At least 25 years of service at age 55 or older; or at least 20 years of service at age 60 or older.<br><br>Annual Benefit = 54.5 percent X last year or highest 12 months of salary; or At least 35 years of service at age 55 or older.<br><br>Annual Benefit = Years of Service ÷ 55 X Highest 12 Months of Salary. |

- Tier 2** pursuant to P.L. 2007, c. 92 and 103.
- Tier 3** pursuant to P.L. 2008, c. 89.
- Tier 4** pursuant to P.L. 2010, c. 1 and 3.
- Tier 5** pursuant to P.L. 2011, c. 78.

| PERS AND TPAF RETIREMENT BENEFITS BY MEMBERSHIP TIER |                                                                                   |                                                                                           |                                                                                                 |                                                                                                  |                                                                                                  |
|------------------------------------------------------|-----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
|                                                      | TIER 1<br>(Enrolled before July 1, 2007)                                          | TIER 2<br>(Eligible for enrollment on or after July 1, 2007, and before November 2, 2008) | TIER 3<br>(Eligible for enrollment on or after November 2, 2008, and on or before May 21, 2010) | TIER 4<br>(Eligible for enrollment after May 21, 2010, and before June 28, 2011)                 | TIER 5<br>(Eligible for enrollment on or after June 28, 2011)                                    |
| ORDINARY DISABILITY RETIREMENT                       | If approved:<br>Annual benefit = 43.6 percent X Final Average (3 yrs.) Salary.    | If approved:<br>Annual benefit = 43.6 percent X Final Average (3 yrs.) Salary.            | If approved:<br>Annual benefit = 43.6 percent X Final Average (3 yrs.) Salary.                  | NOT AVAILABLE:<br>PERS Tier 4 members may be eligible for longterm disability insurance coverage | NOT AVAILABLE:<br>PERS Tier 5 members may be eligible for longterm disability insurance coverage |
| ACCIDENTAL DISABILITY RETIREMENT                     | If approved:<br>Annual Benefit = 72.7 percent X Annual Salary at time of accident | If approved:<br>Annual Benefit = 72.7 percent X Annual Salary at time of accident.        | If approved:<br>Annual Benefit = 72.7 percent X Annual Salary at time of accident.              | NOT AVAILABLE:<br>TPAF Tier 4 members may be eligible for longterm disability insurance coverage | NOT AVAILABLE:<br>TPAF Tier 5 members may be eligible for longterm disability insurance coverage |

**Tier 2** pursuant to P.L. 2007, c. 92 and 103.

**Tier 3** pursuant to P.L. 2008, c. 89.

**Tier 4** pursuant to P.L. 2010, c. 1 and 3.

**Tier 5** pursuant to P.L. 2011, c. 78.

**PFRS ENROLLMENT BY MEMBERSHIP TIER  
PENSIONABLE SALARY LIMITS**

| <b>TIER 1</b><br><b>(Enrolled on or before May 21, 2010)</b>                                                                           | <b>TIER 2</b><br><b>(Enrolled after May 21, 2010, and<br/>on or before June 28, 2011)</b>                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>TIER 3</b><br><b>(Enrolled after June 28, 2011)</b>                                                                                                                                                                                                                                                                                                                                                                                                                      |
|----------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>The PFRS contribution rate for Tier 1 members is applied to the full pensionable salary up to the federal pensionable maximum.*</p> | <p>The PFRS contribution rate for Tier 2 members is applied to the pensionable salary up to a compensation limit based on the annual maximum wage for Social Security deductions \$176,100 for 2025. Tier 2 members who earn in excess of the annual compensation limit will be enrolled in the Defined Contribution Retirement Program (DCRP) in addition to the PFRS. A contribution of 5.5 percent of the salary in excess of the limit (plus three percent from the employer) is forwarded to a DCRP account.</p> | <p>The PFRS contribution rate for Tier 3 members is applied to the pensionable salary up to a compensation limit based on the annual maximum wage for Social Security deductions \$176,100 for 2025. Tier 3 members who earn in excess of the annual compensation limit will be enrolled in the DCRP in addition to the PFRS. A contribution of 5.5 percent of the salary in excess of the limit (plus three percent from the employer) is forwarded to a DCRP account.</p> |

*\*Since the PFRS is a qualified pension plan under the provisions of the Internal Revenue Code, Section 401(a)(17), the current federal ceiling on pensionable compensation \$350,000 for 2025 applies to the base salaries of PFRS members.*

**Tier 2** pursuant to P.L. 2010, c. 1; **Tier 3** pursuant to P.L. 2011, c. 78

## PFRS RETIREMENT BENEFITS BY MEMBERSHIP TIER

|                           | <b>TIER 1</b><br>(Enrolled on or before May 21, 2010)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>TIER 2</b><br>(Enrolled after May 21, 2010, and on or before June 28, 2011)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>TIER 3</b><br>(Enrolled after June 28, 2011)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|---------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>SERVICE RETIREMENT</b> | <p>Service Retirement eligibility requirements fall into two categories:</p> <ul style="list-style-type: none"> <li>A member in service and age 55 or older may retire without any required minimum years of service.</li> <li>A member with at least 20 years of service may retire at any age provided the member was enrolled in the PFRS as of April 19, 2021 (see <b>Note</b> for specific details).</li> </ul> <p>The Tier 1 calculations for a Service Retirement are:</p> <ul style="list-style-type: none"> <li>Less than 20 years of service credit: the Annual Benefit equals two percent of Final Compensation for each year of service.</li> <li>At least 20 years but less than 25 years of service credit: the Annual Benefit equals 50 percent of Final Compensation.</li> <li>If age 65 (mandatory retirement age) with 20 or more years of service credit: the Annual Benefit equals 50 percent of Final Compensation, plus three percent of Final Compensation for each year of service over 20, up to 25 years.</li> <li>At least 30 years of service credit: the Annual Benefit equals two percent per year of average Final Compensation for the first 30 years of service, plus an additional one percent of average Final Compensation for each year of service credit over 30 years.</li> </ul> | <p>Service Retirement eligibility requirements fall into two categories:</p> <ul style="list-style-type: none"> <li>A member in service and age 55 or older may retire without any required minimum years of service.</li> <li>A member with at least 20 years of service may retire at any age provided the member was enrolled in the PFRS as of April 19, 2021 (see <b>Note</b> for specific details).</li> </ul> <p>The Tier 2 calculations for a Service Retirement are:</p> <ul style="list-style-type: none"> <li>Less than 20 years of service credit: the Annual Benefit equals two percent of Final Compensation for each year of service.</li> <li>At least 20 years but less than 25 years of service credit: the Annual Benefit equals 50 percent of your Final Compensation.</li> <li>At least 30 years of service credit: the Annual Benefit equals two percent per year of average Final Compensation for the first 30 years of service, plus an additional one percent of average Final Compensation for each year of service credit over 30 years.</li> </ul> | <p>Service Retirement eligibility requirements fall into two categories:</p> <ul style="list-style-type: none"> <li>A member in service and age 55 or older may retire without any required minimum years of service.</li> <li>A member with at least 20 years of service may retire at any age provided the member was enrolled in the PFRS as of April 19, 2021 (see <b>Note</b> for specific details).</li> </ul> <p>The Tier 3 calculations for a Service Retirement are:</p> <ul style="list-style-type: none"> <li>Less than 20 years of service credit: the Annual Benefit equals two percent of Final Compensation for each year of service.</li> <li>At least 20 years but less than 25 years of service credit: the Annual Benefit equals 50 percent of your Final Compensation.</li> <li>At least 30 years of service credit: the Annual Benefit equals two percent per year of average Final Compensation for the first 30 years of service, plus an additional one percent of average Final Compensation for each year of service credit over 30 years.</li> </ul> |

**Tier 1** — Final Compensation means the salary upon which pension contributions were based in the last 12 months of creditable service preceding retirement.

**Tier 2 and Tier 3** — Final Compensation means the average salary upon which pension contributions were based for the last three years of service or any three fiscal years of membership preceding retirement that provides the largest possible benefit.

**Note:** P.L. 2023, c. 92 (Chapter 92) extends PFRS Service Retirement eligibility at 20 years of service, regardless of age, for those enrolled in the PFRS and who were still a member of the PFRS before April 19, 2021, the effective date of P.L. 2021, c. 52 (Chapter 52), and who retire no later than the first day of the 61st month following the effective date of Chapter 52 (May 1, 2026).

### PFRS RETIREMENT BENEFITS BY MEMBERSHIP TIER

|                            | <b>TIER 1</b><br>(Enrolled on or before May 21, 2010)                                                                                                                                                                                                                                                                                                                      | <b>TIER 2</b><br>(Enrolled after May 21, 2010, and on or before June 28, 2011)                                                                                                                                                                                                                                                                                         | <b>TIER 3</b><br>(Enrolled after June 28, 2011)                                                                                                                                                                                                                                                                                                                            |
|----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>DEFERRED RETIREMENT</b> | <p>Available to members who have at least 10 years of service credit and are not yet 55 years of age when they terminate employment.</p> <p>The Deferred Retirement is effective on the first of the month after attaining age 55.</p> <p>The Annual Benefit for a Deferred Retirement equals two percent of Final Compensation for each year of service.</p>              | <p>Available to members who have at least 10 years of service credit and are not yet 55 years of age when they terminate employment.</p> <p>The Deferred Retirement is effective on the first of the month after attaining age 55.</p> <p>The benefit calculation for a Deferred Retirement equals two percent of Final Compensation for each year of service.</p>     | <p>Available to members who have at least 10 years of service credit and are not yet 55 years of age when they terminate employment.</p> <p>The Deferred Retirement is effective on the first of the month after attaining age 55.</p> <p>The benefit calculation for a Deferred Retirement equals two percent of Final Compensation for each year of service.</p>         |
| <b>SPECIAL RETIREMENT</b>  | <p>Available to Tier 1 members at any age who have at least 25 years of service credit in the PFRS.</p> <p>The Tier 1 Annual Benefit for a Special Retirement equals 65 percent of Final Compensation plus one percent for each year of creditable service over 25 years but not to exceed 30 years.</p> <p>The maximum allowance is 70 percent of Final Compensation.</p> | <p>Available to Tier 2 members at any age who have at least 25 years of service credit in PFRS.</p> <p>The Tier 2 Annual Benefit for a Special Retirement equals 65 percent of Final Compensation plus one percent for each year of creditable service over 25 years but not to exceed 30 years.</p> <p>The maximum allowance is 70 percent of Final Compensation.</p> | <p>Available to Tier 3 members of any age who have at least 25 years of service credit in the PFRS.</p> <p>The Tier 3 Annual Benefit for a Special Retirement equals 60 percent of Final Compensation plus one percent for each year of creditable service over 25 years but not to exceed 30 years.</p> <p>The maximum allowance is 65 percent of Final Compensation.</p> |

**Tier 1** — Final Compensation means the salary upon which pension contributions were based in the last 12 months of creditable service preceding retirement.

**Tier 2 and Tier 3** — Final Compensation means the average salary upon which pension contributions were based for the last three years of service or any three fiscal years of membership preceding retirement that provides the largest possible benefit.

**Tier 2** pursuant to P.L. 2010, c. 1; **Tier 3** pursuant to P.L. 2011, c. 78

| PFRS RETIREMENT BENEFITS BY MEMBERSHIP TIER        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|----------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                    | TIER 1<br>(Enrolled on or before May 21, 2010)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | TIER 2<br>(Enrolled after May 21, 2010, and on or before June 28, 2011)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | TIER 3<br>(Enrolled after June 28, 2011)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>ORDINARY DISABILITY RETIREMENT</b>              | <p>Upon Board approval, the Annual Benefit is equal to 40 percent of your Final Compensation or 1.5 percent of Final Compensation for each year of service credit, whichever is higher.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <p>Upon Board approval, the Annual Benefit is equal to 40 percent of your Final Compensation or 1.5 percent of Final Compensation for each year of service credit, whichever is higher.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <p>Upon Board approval, the Annual Benefit is equal to 40 percent of your Final Compensation or 1.5 percent of Final Compensation for each year of service credit, whichever is higher.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>INVOLUNTARY ORDINARY DISABILITY RETIREMENT*</b> | <p>The employer has the right to apply for an Involuntary Ordinary Disability Retirement on an employee's behalf provided that all qualifications for Ordinary Disability Retirement are met.</p> <ul style="list-style-type: none"> <li>Upon Board approval of an application by the employer — and with at least four years of PFRS service, but less than 20 years — the Ordinary Disability Retirement is 40 percent of Final Compensation, or 1.5 percent of Final Compensation for each year of PFRS service, whichever is higher.</li> <li>Upon Board approval of an application by the employer — and with 20 or more years of service — the Ordinary Disability Retirement is 50 percent of Final Compensation, plus an additional three percent of Final Compensation for every year of PFRS service over 20 up to a maximum of 25 years.</li> </ul> | <p>The employer has the right to apply for an Involuntary Ordinary Disability Retirement on an employee's behalf provided that all qualifications for Ordinary Disability Retirement are met.</p> <ul style="list-style-type: none"> <li>Upon Board approval of an application by the employer — and with at least four years of PFRS service, but less than 20 years — the Ordinary Disability Retirement is 40 percent of Final Compensation, or 1.5 percent of Final Compensation for each year of PFRS service, whichever is higher.</li> <li>Upon Board approval of an application by the employer — and with 20 or more years of service — the Ordinary Disability Retirement is 50 percent of Final Compensation, plus an additional three percent of Final Compensation for every year of PFRS service over 20 up to a maximum of 25 years.</li> </ul> | <p>The employer has the right to apply for an Involuntary Ordinary Disability Retirement on an employee's behalf provided that all qualifications for Ordinary Disability Retirement are met.</p> <ul style="list-style-type: none"> <li>Upon Board approval of an application by the employer — and with at least four years of PFRS service, but less than 20 years — the Ordinary Disability Retirement is 40 percent of Final Compensation, or 1.5 percent of Final Compensation for each year of PFRS service, whichever is higher.</li> <li>Upon Board approval of an application by the employer — and with 20 or more years of service — the Ordinary Disability Retirement is 50 percent of Final Compensation, plus an additional three percent of Final Compensation for every year of PFRS service over 20 up to a maximum of 25 years.</li> </ul> |

*\*The employer must file a Resolution and/or an Official Letter with all Involuntary Disability Retirement applications. See the PFRS Member Handbook for details.*

**Tier 1** — Final Compensation means the salary upon which pension contributions were based in the last 12 months of creditable service preceding retirement.

**Tier 2 and Tier 3** — Final Compensation means the average salary upon which pension contributions were based for the last three years of service or any three fiscal years of membership preceding retirement that provides the largest possible benefit.

**Tier 2** pursuant to P.L. 2010, c. 1; **Tier 3** pursuant to P.L. 2011, c. 78

| PFRS RETIREMENT BENEFITS BY MEMBERSHIP TIER     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                 | TIER 1<br>(Enrolled on or before May 21, 2010)                                                                                                                                                                                                                                                                                                                                                                                                                                                    | TIER 2<br>(Enrolled after May 21, 2010, and on or before June 28, 2011)                                                                                                                                                                                                                                                                                                                                                                                                                      | TIER 3<br>(Enrolled after June 28, 2011)                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>SPECIAL<br/>DISABILITY<br/>RETIREMENT</b>    | <p>To qualify for a Special Disability Retirement you must:</p> <ul style="list-style-type: none"> <li>• Be a PFRS member in service at the time the application is filed with the NJDPB (an official leave of absence is considered in service);</li> <li>• Be under 55 years of age;</li> <li>• Have five or more years of New Jersey service credit; and</li> <li>• Receive a heart transplant.</li> </ul> <p>The annual benefit calculation is equal to 50 percent of Final Compensation.</p> | <p>To qualify for a Special Disability Retirement you must:</p> <ul style="list-style-type: none"> <li>• Be a member in service at the time the application is filed with the NJDPB (an official leave of absence is considered in service);</li> <li>• Be under 55 years of age;</li> <li>• Have five or more years of New Jersey service credit; and</li> <li>• Receive a heart transplant.</li> </ul> <p>The annual benefit calculation is equal to 50 percent of Final Compensation.</p> | <p>To qualify for a Special Disability Retirement you must:</p> <ul style="list-style-type: none"> <li>• Be a member in service at the time the application is filed with the NJDPB (an official leave of absence is considered in service);</li> <li>• Be under 55 years of age;</li> <li>• Have five or more years of New Jersey service credit; and</li> <li>• Receive a heart transplant.</li> </ul> <p>The annual benefit calculation is equal to 50 percent of Final Compensation.</p> |
| <b>ACCIDENTAL<br/>DISABILITY<br/>RETIREMENT</b> | <p>The annual benefit is equal to 2/3 of the Annual Compensation on which pension contributions were being made at the time of retirement or the date of the traumatic event, whichever provides the higher benefit.</p>                                                                                                                                                                                                                                                                          | <p>The annual benefit is equal to 2/3 of the Annual Compensation on which pension contributions were being made at the time of retirement or the date of the traumatic event, whichever provides the higher benefit.</p>                                                                                                                                                                                                                                                                     | <p>The annual benefit is equal to 2/3 of the Annual Compensation on which pension contributions were being made at the time of retirement or the date of the traumatic event, whichever provides the higher benefit.</p>                                                                                                                                                                                                                                                                     |

**Tier 1** — Final Compensation means the salary upon which pension contributions were based in the last 12 months of creditable service preceding retirement.

**Tier 2 and Tier 3** — Final Compensation means the average salary upon which pension contributions were based for the last three years of service or any three fiscal years of membership preceding retirement that provides the largest possible benefit.

**Tier 2** pursuant to P.L. 2010, c. 1; **Tier 3** pursuant to P.L. 2011, c. 78