



**STATE OF NEW JERSEY  
STATE POLICE RETIREMENT SYSTEM**

Schedule of Pension Amounts

June 30, 2025

(With Independent Auditors' Report Thereon)

**STATE OF NEW JERSEY  
STATE POLICE RETIREMENT SYSTEM**

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## **Independent Auditors' Report**

The Treasurer  
State of New Jersey:

### *Opinions*

We have audited the columns titled net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense (specified column totals) included in the accompanying schedule of pension amounts of the State of New Jersey State Police Retirement System as of and for the year ended June 30, 2025, and the related notes.

In our opinion, the accompanying schedule referred to above presents fairly, in all material respects, the net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense for the State of New Jersey State Police Retirement System as of and for the year ended June 30, 2025, in accordance with U.S. generally accepted accounting principles.

### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Schedule section of our report. We are required to be independent of the State of New Jersey State Police Retirement System and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Responsibilities of Management for the Schedule*

Management is responsible for the preparation and fair presentation of the schedule in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedule that is free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibilities for the Audit of the Schedule*

Our objectives are to obtain reasonable assurance about whether the specified column totals included in the schedule of pension amounts are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the specified column totals included in the schedule of pension amounts.



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the specified column totals included in the schedule of pension amounts, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts in the specified column totals included in the schedule of pension amounts and the related disclosures.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the State of New Jersey State Police Retirement System's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the specified column totals included in the schedule of pension amounts.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Other Matter*

We have audited, in accordance with GAAS, the financial statements of the State of New Jersey, Division of Pensions and Benefits, which includes the State Police Retirement System, as of and for the year ended June 30, 2025 and our report thereon, dated March 27, 2026, expressed an unmodified opinion on those financial statements.

*Restriction on Use*

Our report is intended solely for the information and use of the State of New Jersey, Division of Pensions and Benefits management, the Treasurer of the State of New Jersey, the State of New Jersey and its auditors, and is not intended to be and should not be used by anyone other than these specified parties.

*KPMG LLP*

Short Hills, New Jersey  
June 15, 2026

**STATE OF NEW JERSEY  
STATE POLICE RETIREMENT SYSTEM**

Schedule of Pension Amounts

As of and for the year ended June 30, 2025

<u>Net pension liability</u>	<u>Deferred outflows of resources</u>			<u>Deferred inflows of resources</u>			<u>Total pension expense</u>	
	Differences between expected and actual experience	Changes of assumptions	Total deferred outflows of resources	Differences between expected and actual experience	Changes of assumptions	Total deferred inflows of resources		
\$ 2,178,742,245	85,639,647	30,377,902	116,017,549	—	107,108,166	72,498,378	179,606,544	32,211,523

See accompanying notes to schedule of pension amounts.

**STATE OF NEW JERSEY  
STATE POLICE RETIREMENT SYSTEM**

Notes to Schedule of Pension Amounts

June 30, 2025

**(1) Plan Description**

The State of New Jersey State Police Retirement System (SPRS) is a single-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about SPRS, please refer to the Division's annual financial statements, which can be found at <https://www.nj.gov/treasury/pensions/annual-reports.shtml>.

The vesting and benefit provisions are set by N.J.S.A. 53:5A. SPRS provides retirement benefits as well as death and disability benefits. All benefits vest after ten years of service, and members are always fully vested in their contributions. Mandatory retirement is at age 55. Voluntary retirement is prior to age 55 with 20 years of credited service. The benefit is an annual retirement allowance equal to the greater of (a), (b), or (c), as follows: (a) 50% of final compensation; (b) for members retiring with 25 years or more of service, 65% of final compensation, plus 1% for each year of service in excess of 25 years, to a maximum of 70% of final compensation; or (c) for members as of August 29, 1985 who would not have 20 years of service by age 55, benefit as defined in (a) above. For members as of August 29, 1985, who would have 20 years of service, but would not have 25 years of service at age 55, benefit is as defined in (a) above plus 3% for each year of service.

**(2) Basis of Presentation**

The schedule of pension amounts (the Schedule) presents amounts that are considered elements of the financial statements of SPRS and the State of New Jersey (the State) as the employer. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of SPRS or the State. The accompanying Schedule was prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of SPRS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**(3) Contributions**

The contribution policy for SPRS is set by N.J.S.A. 53:5A and requires contributions by active members and the State. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined amount which includes the normal cost and unfunded accrued liability. For fiscal year 2025, the State's pension contribution approximates the actuarial determined amount.

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Notes to Schedule of Pension Amounts

June 30, 2025

**(4) Net Pension Liability and Actuarial Information**

***Components of Net Pension Liability***

The components of the net pension liability of the State for SPRS as of June 30, 2025 are as follows:

Total pension liability	\$	4,743,447,972
Plan fiduciary net position		<u>2,564,705,727</u>
Net pension liability	\$	<u><u>2,178,742,245</u></u>

The total pension liability for the June 30, 2025 measurement date was determined by an actuarial valuation as of July 1, 2024, which was rolled forward to June 30, 2025. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary increases:	3.25 - 7.25% based on years of service
Investment rate of return	7.00%

Pre-retirement mortality rates were based on the Pub-2016 Public Safety Above-Median Income Employee mortality table, unadjusted, and with future improvement from the base year of 2016 on a generational basis. Post-retirement mortality rates were based on the Pub-2016 Public Safety Above-Median Income Healthy Retiree mortality table, unadjusted, for healthy retirees (healthy annuitants) and Pub-2016 General Above-Median Income Healthy Retiree mortality table, unadjusted, for beneficiaries (contingent annuitants), with future improvement from the base year of 2016 on a generational basis. Disability mortality rates were based on the Pub-2016 Public Safety Disabled Retiree mortality table, unadjusted, with future improvement from the base year of 2016 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2021 to June 30, 2024.

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Notes to Schedule of Pension Amounts

June 30, 2025

***Long-Term Expected Rate of Return***

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2025) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in SPRS's target asset allocation as of June 30, 2025 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
U.S. Equity	28.00%	8.55%
Non-U.S. Developed Markets Equity	12.75%	8.77%
International Small Cap Equity	1.25%	8.77%
Emerging Markets Equity	5.50%	10.30%
Private Equity	13.00%	12.00%
Real Estate	8.00%	10.78%
Real Assets	3.00%	7.90%
High Yield	4.50%	6.63%
Private Credit	8.00%	9.00%
Investment Grade Credit	7.00%	5.47%
Cash Equivalents	2.00%	3.61%
U.S. Treasuries	4.00%	3.61%
Risk Mitigation Strategies	3.00%	7.26%

***Discount Rate***

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2025. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

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June 30, 2025

***Sensitivity of Net Pension Liability***

The following presents the net pension liability of SPRS as of June 30, 2025, calculated using the discount rate as disclosed above as well as what SPRS's net pension liability would be if it was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<b>At 1% decrease (6.00%)</b>	<b>At current discount rate (7.00%)</b>	<b>At 1% increase (8.00%)</b>
\$	2,758,548,342	2,178,742,245	1,698,391,016

**(5) Deferred Outflows of Resources and Deferred Inflows of Resources**

The following presents a summary of changes in the deferred outflows of resources and deferred inflows of resources for the year ended June 30, 2025:

	<b>Year of deferral</b>	<b>Amortization period</b>	<b>Beginning of year balance</b>	<b>Additions</b>	<b>Deductions</b>	<b>End of year balance</b>
<b>Deferred Outflows of Resources:</b>						
Differences between expected and actual experience	2020	5.58 years	\$ 685,543	—	685,543	—
	2021	5.49 years	1,039,192	—	697,444	341,748
	2022	5.94 years	42,236,276	—	14,366,080	27,870,196
	2023	5.94 years	17,028,708	—	4,322,007	12,706,701
	2024	6.19 years	22,894,496	—	4,411,271	18,483,225
	2025	6.14 years	—	31,342,403	5,104,626	26,237,777
Subtotal			83,884,215	31,342,403	29,586,971	85,639,647
Changes of assumptions	2020	5.58 years	31,533,951	—	31,533,951	—
	2025	6.14 years	—	36,288,000	5,910,098	30,377,902
Subtotal			31,533,951	36,288,000	37,444,049	30,377,902
Total Deferred Outflows of Resources			\$ 115,418,166	67,630,403	67,031,020	116,017,549

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June 30, 2025

	Year of deferral	Amortization period	Beginning of year balance	Additions	Deductions	End of year balance
<b>Deferred Inflows of Resources:</b>						
Changes of assumptions	2021	5.49 years	\$ 301,102,155	—	202,081,983	99,020,172
	2022	5.94 years	12,257,062	—	4,169,068	8,087,994
Subtotal			313,359,217	—	206,251,051	107,108,166
Differences between projected and actual investment earnings on pension plan investments	2021	5 years	72,048,104	—	72,048,104	—
	2022	5 years	(130,576,171)	—	(65,288,086)	(65,288,085)
	2023	5 years	26,669,537	—	8,889,846	17,779,691
	2024	5 years	59,698,493	—	14,924,623	44,773,870
	2025	5 years	—	94,041,128	18,808,226	75,232,902
Subtotal			27,839,963	94,041,128	49,382,713	72,498,378
Total Deferred Inflows of Resources			\$ 341,199,180	94,041,128	255,633,764	179,606,544

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	
2026	\$ (46,068,020)
2027	(13,289,502)
2028	(14,244,168)
2029	(3,382,229)
2030	11,852,865
Thereafter	1,542,059
Total	\$ (63,588,995)

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**(6) Pension Expense**

The components of total pension expense for the year ended June 30, 2025 are as follows:

Service cost	\$	95,916,723
Interest on total pension liability		314,867,293
Member contributions		(31,375,096)
Administrative expense		1,498,484
Expected investment return net of investment expenses		(160,093,137)
Current period recognition (amortization) of deferred inflows/outflows of resources:		
Differences between expected and actual experience		29,586,971
Changes of assumptions		(168,807,002)
Difference between projected and actual investment earnings on pension plan investments		<u>(49,382,713)</u>
Total pension expense	\$	<u><u>32,211,523</u></u>