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UPDATED PFRSNJ MEMBERSHIP FAQ
ONE-TIME BENEFIT ENHANCEMENT TO ELIGIBLE RETIREES

When will eligible retirees receive this one-time benefit enhancement payment?
We have been advised that eligible retirees that typically receive their regular pension payment through direct deposit are scheduled to receive their one-time benefit enhancement payment on November 13th.

Will eligible retirees get a check, or will it be deposited directly into their bank account?
Eligible retirees will receive the one-time benefit enhancement in the same manner in which they receive their monthly pension payments.

Will the one-time benefit enhancement payment be paid separately from my regular monthly pension payment?
Yes. If you are eligible to receive the one-time benefit enhancement, it will be issued separately from your regular monthly pension check.

If I typically receive my pension payment by paper check, when can I expect to receive my one-time benefit enhancement payment?
Eligible retirees that typically receive their regular pension payment by paper check will receive their one-time benefit enhancement in the same manner. Checks are scheduled to be mailed on or before November 13th, please allow for additional days for your check to arrive by mail.

What is a "one-time benefit enhancement"?
Through robust management of our portfolio in combination of very favorable market conditions, the Police and Firemen's Retirement System of New Jersey (PFRSNJ) experienced exceptionally strong investment returns. As a result, the PFRSNJ is in a position to responsibly distribute a one-time payment to eligible retirees without impacting the long-term health of the retirement system.

Why did the Board vote to approve it?
The Board is keenly aware of the economic pressures facing our retired members. Even in this time of strong investment returns, daily living costs have significantly increased, and we recognize the impact that it has on our retirees. Because of this, the Board voted to provide a benefit enhancement in the form of a one-time payment.

Who is eligible to receive the one-time benefit enhancement?
In order to be eligible to receive this one-time benefit enhancement, eligible retirees must have an effective retirement date of no later than June 1, 2024.

How much is the one-time benefit enhancement?
The one-time benefit enhancement will be $3,700.00 per eligible retiree.

Why was July 1, 2026, picked as the date to determine eligibility?
The PFRSNJ financial reports are prepared on a fiscal year basis. The most recent reports provided investment returns up through June 30, 2026. Additionally, prior to Chapter 78, retirees were eligible to receive an adjustment to their pension payment beginning in the 25th month, which we have relied upon to establish the framework for eligibility of this one-time benefit enhancement.

If I am a surviving spouse or surviving dependent, am I eligible to receive the one-time benefit enhancement?
Yes, as long as the retiree and/or you have been receiving retirement/survivorship benefits for at least 24 months as of July 1, 2026. The 24 months can be made up of monthly pension payments received by the eligible retiree or a qualified surviving beneficiary.

Will the one-time benefit enhancement have a material impact on the strength of the PFRS retirement funds?
No. The PFRSNJ actuary, who analyzes the financial strength of the retirement system, concluded that the one-time distribution would not adversely impact the long-term health of the retirement fund.

Is the one-time benefit enhancement taxable income that must be declared on state and federal tax returns?
This one-time benefit enhancement should be subject to the applicable taxes in the same manner as your pension payment is currently taxed.*****

What happens if I have a QDRO?
If you have a divorce decree and/or QDRO in place, please be mindful that your payment may be subject to equitable distribution pursuant to your Court Order.

Is this the same as a COLA payment?
No. A COLA is a recurrent enhancement of the amount of the monthly payment. While this one-time benefit enhancement materially conformed to the statutory framework required to issue a COLA payment, this payment is different because it is a single, non-recurring payment.

Will I receive this payment every year?
No. This is a one-time benefit enhancement being provided based on exceptionally strong investment performance and favorable market conditions that contributed positively to the current financial position of the PFRSNJ.

***Tax Disclaimer**: These FAQs are provided for general informational purposes only and do not constitute tax advice. Tax treatment depends on individual circumstances and applicable law. You should not rely on these FAQs to determine your tax obligations. Consult a qualified tax professional regarding your specific situation.