

P.L. 2025, CHAPTER 403, *approved January 20, 2026*
Assembly, No. 6316

1 **AN ACT** concerning the establishment of a financial advisory
2 services program for participants of the New Jersey State
3 Employees Deferred Compensation Plan and supplementing
4 P.L.1978, c.39 (C.52:18A-163 et seq.).
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6 **BE IT ENACTED** *by the Senate and General Assembly of the State*
7 *of New Jersey:*
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9 1. a. Notwithstanding the provisions of any law, rule, or
10 regulation to the contrary, the Department of the Treasury shall
11 establish a program to provide individualized financial advisory
12 services to participants of the New Jersey State Employees Deferred
13 Compensation Plan, established pursuant to P.L.1978, c.39
14 (C.52:18A-163 et seq.). The financial services provided under the
15 program shall be made available to participants of the plan at a low
16 cost, as determined to be acceptable by the State Treasurer in
17 consultation with the New Jersey State Employees Deferred
18 Compensation Board.
19 b. The Department of the Treasury shall enter into a contract or
20 agreement with a qualified vendor to develop and administer the
21 provision of individualized financial advisory services required
22 under subsection a. of this section.
23 Under the contract or agreement, the vendor shall receive a base
24 annual administrative fee to be paid by the department to provide
25 the individualized financial advisory services. In addition to the
26 base annual administrative fee, the vendor shall be entitled to
27 additional administrative fees, as necessary, which shall be paid by
28 the participants of the program. The rate of the additional
29 administrative fees shall be determined through the competitive
30 procurement process, as established by current law, managed by the
31 Department of the Treasury for the engagement of the vendor;
32 provided, however, that such fees shall be based on participant
33 enrollment in the program, shared proportionately by such
34 participants of the program based on the value of each of the
35 participants' assets in the plan, and have a global cap at a
36 reasonable level based on the total value of assets in the plan, or a
37 percentage thereof, or some other objective measure, as determined
38 by the State Treasurer in consultation with the New Jersey State
39 Employees Deferred Compensation Board and the Director of the
40 Division of Investment, selected to ensure that the individualized

1 financial services are provided at a reasonable cost to the
2 participants of the program.

3 The vendor shall not be eligible to receive any commission or
4 any other pecuniary benefit of any kind from any person or entity
5 related to the recommendations or purchases made as a result of
6 providing individualized financial advisory services under the
7 program.

8 c. Any vendor selected by the Department of the Treasury shall
9 have a fiduciary duty towards participants of the plan who elect to
10 utilize the financial advisory services under the program and shall
11 adhere to the prudent person standard in carrying out its
12 responsibilities for the benefit of such participants.

13 d. The individualized financial advisory services provided by
14 the vendor to participants of the program shall include, but need not
15 be limited to:

16 (1) general advice regarding financial and investment products
17 other than those provided by the plan; and

18 (2) the manner in which to achieve a reasonable replacement
19 income after retirement, including the utilization of resources such
20 as pension benefits, Social Security benefits, and investments and
21 savings.

22 e. The State, its employees, the board, and the members of the
23 board shall not be held liable for any financial loss or costs of
24 opportunity incurred by a participant of the program that may result
25 from the vendor's advice or recommended financial or investment
26 products.

27 f. Following the fifth year of the provision of individualized
28 financial advisory services to participants of the program, the
29 Department of the Treasury may elect to expand the provision of
30 such services to all State employees who are eligible to participate
31 in the plan. Should the State Treasurer elect to expand the
32 provision of such services, the Legislature shall appropriate such
33 monies from the General Fund as necessary to effectuate the
34 provisions of this section that are sufficient to cover the expansion
35 and the base annual administrative fee provided to the vendor.

36 g. The State Treasurer shall, in accordance with the
37 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
38 seq.) adopt rules and regulations as necessary to implement the
39 provisions of P.L. ,c. (C.)(pending before the Legislature
40 as this bill).

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42 2. This act shall take effect on the 60th day following the date of
43 enactment, except that the State Treasurer may take any
44 anticipatory administrative action in advance thereof as shall be
45 necessary for the implementation of this act.

STATEMENT

This bill requires the Department of the Treasury to establish an individualized financial advisory services program for State employees who participate in the New Jersey State Employees Deferred Compensation Plan (the plan).

Under the bill, the individualized financial advisory services program would be available to State employees who participate in the plan at a low cost. The department is required to enter into a contract or agreement with a qualified vendor to provide the individualized financial advisory services. Under the contract, the vendor will receive an annual administrative fee from the department. In addition to the annual administrative fee, the vendor will be entitled to additional administrative fees, which will be charged to the participants of the plan who choose to utilize the financial advisory services. The rate of the additional administrative fees will be determined through the competitive procurement process managed by the Department of the Treasury for the engagement of the vendor. Under the bill, the additional fees are required to be shared proportionately by the participants of the program utilizing the financial advisory services based on the value of each of the participants' assets in the plan. The fees are also required to have a global cap at a reasonable level based on the total value of assets in the plan, or a percentage of such assets, or some other objective measure selected to ensure that the individualized financial services are provided at a reasonable cost to the participants. The vendor will not be eligible to receive any commission or any other pecuniary benefit related to the recommendations or purchases made as a result of providing such services.

Under the bill, any vendor selected by the department will have a fiduciary duty towards participants of the program and will be required to adhere to the prudent person standard in carrying out its responsibilities.

The individualized financial advisory services provided by the vendor to participants will include general advice regarding financial and investment products other than those provided by the plan and ways to achieve a reasonable replacement income after retirement.

Under the bill, the State will not be held liable for any financial loss or costs of opportunity incurred by a participant of the plan that may result from the vendor's advice or recommended financial or investment products.

Following the fifth year of providing individualized financial advisory services to participants of the program, the department may choose to expand the provision of such services to all State employees who are eligible to participate in the plan. If the State Treasurer chooses to expand access to such services, the Legislature

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1 will be required to appropriate monies from the General Fund as
2 necessary to effectuate the provisions of this bill that are sufficient
3 to cover the expansion and the base annual administrative fee
4 provided to the vendor.

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9 Requires establishment of financial advisory services program
10 for participants of State's deferred compensation plan.