

CHAPTER 403

AN ACT concerning the establishment of a financial advisory services program for participants of the New Jersey State Employees Deferred Compensation Plan and supplementing P.L.1978, c.39 (C.52:18A-163 et seq.).

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

C.52:18A-173.1 Financial advisory services program established for participants of the New Jersey State Employees Deferred Compensation Plan.

1. a. Notwithstanding the provisions of any law, rule, or regulation to the contrary, the Department of the Treasury shall establish a program to provide individualized financial advisory services to participants of the New Jersey State Employees Deferred Compensation Plan, established pursuant to P.L.1978, c.39 (C.52:18A-163 et seq.). The financial services provided under the program shall be made available to participants of the plan at a low cost, as determined to be acceptable by the State Treasurer in consultation with the New Jersey State Employees Deferred Compensation Board.

b. The Department of the Treasury shall enter into a contract or agreement with a qualified vendor to develop and administer the provision of individualized financial advisory services required under subsection a. of this section.

Under the contract or agreement, the vendor shall receive a base annual administrative fee to be paid by the department to provide the individualized financial advisory services. In addition to the base annual administrative fee, the vendor shall be entitled to additional administrative fees, as necessary, which shall be paid by the participants of the program. The rate of the additional administrative fees shall be determined through the competitive procurement process, as established by current law, managed by the Department of the Treasury for the engagement of the vendor; provided, however, that such fees shall be based on participant enrollment in the program, shared proportionately by such participants of the program based on the value of each of the participants' assets in the plan, and have a global cap at a reasonable level based on the total value of assets in the plan, or a percentage thereof, or some other objective measure, as determined by the State Treasurer in consultation with the New Jersey State Employees Deferred Compensation Board and the Director of the Division of Investment, selected to ensure that the individualized financial services are provided at a reasonable cost to the participants of the program.

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

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

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

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

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

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

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

g. The State Treasurer shall, in accordance with the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) adopt rules and regulations as necessary to implement the provisions of P.L.2025, c.403 (C.52:18A-173.1).

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

Approved January 20, 2026.