LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 5032
STATE OF NEW JERSEY
221st LEGISLATURE

DATED: JANUARY 15, 2026

SUMMARY

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

Type of Impact: Annual State expenditure increase.

Agencies Affected: Department of the Treasury.

Office of Legislative Services Estimate

Fiscal Impact	Annual
State Expenditure Increase	Indeterminate

- The OLS estimates that requiring the Department of the Treasury to establish an individualized financial advisory services program for State employees who participate in the State's deferred compensation plan will lead to an indeterminate annual increase in State expenditures.

- The actual annual increase in State expenditures will ultimately depend on the vendor and annual administrative fee chosen during the competitive procurement process, and whether the State Treasurer elects to expand the provision of individualized financial advisory services in the future.

BILL DESCRIPTION

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.

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 services for an annual administrative fee. In addition, the vendor may charge the participants of the plan who choose to utilize the financial advisory services additional administrative fees. The fee rate will be determined through the competitive procurement process managed by the department.

The individualized financial advisory services provided to the 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 the services, the Legislature will be required to appropriate monies from the General Fund, as necessary to effectuate the provisions of the bill that are sufficient to cover the expansion and the annual administrative fee provided to the vendor.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that requiring the Department of the Treasury to establish an individualized financial advisory services program for State employees who participate in the State's deferred compensation plan will lead to an indeterminate annual increase in State expenditures.

The increase in State expenditures will result from the contract or agreement entered into by the department and the selected qualified vendor to provide the individualized financial advisory services, the annual administrative fee given to the vendor by the department in the contract or agreement, and the competitive procurement process managed by the Department of the Treasury for the engagement of the vendor.

The actual annual increase in State expenditures will ultimately depend on the vendor and annual administrative fee chosen during the competitive procurement process, and whether the State Treasurer elects to expand the provision of individualized financial advisory services in the future.

Section:	*State Government*
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This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).