NEW JERSEY RESOURCES CORP
Form 11-K
June 14, 2018

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 11-K

FOR ANNUAL REPORTS OF EMPLOYEE STOCK PURCHASE,
SAVINGS AND SIMILAR PLANS PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

(Mark One)

[X] ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2017

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ______ to _______

COMMISSION FILE NUMBER 001-8359

NEW JERSEY RESOURCES CORPORATION
EMPLOYEES' RETIREMENT SAVINGS PLAN

NEW JERSEY RESOURCES CORPORATION

1415 Wyckoff Road
Wall, New Jersey 07719

NEW JERSEY RESOURCES CORPORATION EMPLOYEES' RETIREMENT SAVINGS PLAN

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All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Trustee and Participants of
New Jersey Resources Corporation
Employees' Retirement Savings Plan

Opinion on the Financial Statements

We have audited the accompanying statements of net assets available for benefits of New Jersey Resources Corporation Employees' Retirement Savings Plan (the "Plan") as of December 31, 2017 and 2016, and the related statements of changes in net assets available for benefits for the years then ended and the related notes (collectively, the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2017 and 2016, and the changes in net assets available for benefits for the years then ended in the conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Plan in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Supplemental Information

The supplemental information in the accompanying schedule of assets (held at end of year) as of December 31, 2017 has been subjected to audit procedures performed in conjunction with the audit of the Plan's financial statements. The supplemental information is the responsibility of the Plan's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

/s/Baker Tilly Virchow Krause, LLP

Iselin, New Jersey

We have served as the Plan’s auditors since 2006

June 14, 2018

NEW JERSEY RESOURCES CORPORATION
EMPLOYEES' RETIREMENT SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF DECEMBER 31, 2017 AND 2016

	2017	2016
ASSETS		
Investments, at Fair Value	$224,261,746	$190,360,541
Receivables:		
Employer contributions	958,624	780,812
Participant contributions	4,905	—
Notes receivable from participants	4,159,788	4,232,060
Total receivables	5,123,317	5,012,872
Total Assets	229,385,063	195,373,413
LIABILITIES	—	—
NET ASSETS AVAILABLE FOR BENEFITS	$229,385,063	$195,373,413

The accompanying notes are an integral part of these financial statements.

NEW JERSEY RESOURCES CORPORATION
EMPLOYEES' RETIREMENT SAVINGS PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
ADDITIONS TO NET ASSETS ATTRIBUTED TO:		
Investment income:		
Dividends	$7,978,131	$6,451,969
Net appreciation in fair value of investments	23,315,335	9,339,706
Net investment income	31,293,466	15,791,675
Interest income from notes receivable from participants	188,877	176,218
Contributions:		
Employer	3,993,390	3,614,293
Participants	8,236,705	7,606,377
Participant rollovers	246,830	440,526
Total contributions	12,476,925	11,661,196
Total additions	43,959,268	27,629,089
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:		
Benefits paid to participants	9,826,831	8,872,411
Administrative fees	120,787	22,213
Total deductions	9,947,618	8,894,624
INCREASE IN NET ASSETS	34,011,650	18,734,465
NET ASSETS AVAILABLE FOR BENEFITS:		
BEGINNING OF YEAR	195,373,413	176,638,948
END OF YEAR	$229,385,063	$195,373,413

The accompanying notes are an integral part of these financial statements.

NEW JERSEY RESOURCES CORPORATION
EMPLOYEES' RETIREMENT SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

1. PLAN DESCRIPTION

The New Jersey Resources Corporation Employees' Retirement Savings Plan (the Plan) is administered through a Benefits Administration Committee (the Plan Administrator) appointed by New Jersey Resources Corporation's (the Company, NJR or the Sponsor) Board of Directors and is administered in accordance with the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

The following description of the Plan is provided for general information only. Participants should refer to the Plan document for more complete information.

The Plan is a defined contribution plan. The Plan provides a savings component and had provided an employee stock ownership plan component, as described below.

Savings Component

General

The savings component provides for deferred pre-tax contributions, after-tax contributions, catch-up contributions, an employer special contribution and Company matching contributions.

All permanent employees of the Company and its subsidiaries who have completed 30 days of service are eligible to participate on a voluntary basis. Eligible employees are automatically enrolled in the plan and their pre-tax contributions are automatically escalated each year up to 6 percent. Payroll deductions begin with the first available pay period following the completion of 30 days of service, unless the employee elects not to participate.

Contributions and Vesting

As directed by the Plan Administrator, contributions by employees and the Company are transferred to T. Rowe Price (the Trustee) and held in the Plan's trust fund for investment and allocation to participants' accounts.

Employee Contributions

Under the savings component, eligible employees may make contributions of between 1 percent and 50 percent of base compensation, as defined by the Plan, which shall be permitted as either pre-tax or after-tax contributions provided that they are within the calendar year elective deferral limit in effect for 401(k) contributions in accordance with the Internal Revenue Code (IRC). The elective deferral limit for pre-tax contributions was $18,000 for both 2017 and 2016. In addition, employees who have both reached the minimum age of 50 and the elective deferral limit by the end of the plan year, may elect to make pre-tax non-matchable catch-up contributions. During the plan years ended December 31, 2017 and 2016, the Internal Revenue Service allowed catch-up contributions of up to $6,000. The total contribution by any participant may not exceed $54,000 for 2017 and $53,000 for 2016, except for those who have attained age 50, and then the total contribution by participant may not exceed $60,000 and $59,000, respectively. Contributions by employees are made primarily through payroll deductions. The Plan also accepts qualified roll-over contributions from eligible employees. The participants' contributions, plus actual earnings thereon, are fully vested at all times.

Employer Matching Contributions

For 2017 and 2016, the Company contributed an amount equal to 65 percent of the first 6 percent of the pre-tax and/or after-tax participant contributions, subject to certain exceptions as described in the Plan. The Company's contribution related to those employees was approximately $3 million and $2.8 million for 2017 and 2016, respectively.

Employer Special Contributions

Non-transition union employees of NJR Home Services, an affiliated company, all union employees hired on or after January 1, 2012, and all non-represented employees hired on or after October 1, 2009, are not covered by the Company's defined benefit plans. For these employees, the Company contributes an amount equal to 3 percent of base compensation for employees with less than five years but more than one year of service and 4 percent of base compensation for employees with five or more years of service. Eligibility begins after one year of employment, and the contribution is made by March 31 of the year following the completion of one year of employment. The Company contributed $385,560 and $331,068 related to the represented employees and $573,064 and $449,744 related to the non-represented employees for 2017 and 2016, respectively.

The employer special contribution for the represented employees stated herein is invested automatically into the Plan's Stable Value Fund, and may subsequently be directed by the participant into the Plan's qualified default investment. The annual contribution for the non-represented employees stated herein is invested automatically into the Plan's default investment and may subsequently be directed by the participant into any of the other investment options available under the Plan. Effective March 28, 2016, the Plan's default investment was changed from the T. Rowe Price Balanced Fund to various T. Rowe Price Retirement Year Funds, which are based on the participants' year of birth.

Employer special contributions are not eligible for loans or in-service withdrawals and may only be distributed upon termination, retirement or death.

Vesting

Employer matching and special contributions vest on the basis of service as follows: 25 percent after two years, 50 percent after three years, 75 percent after four years, and 100 percent after five years. Contributions are subject to limitations. Employee contributions vest at 100 percent when made.

Payment of Benefits

Prior to retirement or termination of service with the Company, participants may withdraw their contributions from the Plan subject to certain limitations. Participants may not withdraw the Company's contributions until they become vested. Withdrawal of participants' pre-tax funds may generally be made only upon disability, hardship or the attainment of age 59-1/2.

Distributions made upon retirement or death may be made either in a lump sum or in equal installments over a period not to exceed five years. All other distributions are made in a lump sum payment.

Notes Receivable from Participants

The Plan may loan to a participant an amount that shall not exceed the lesser of 50 percent of the value of the vested portion of such participant's account, or $50,000. The minimum participant loan must be for $1,000 and no participant may have more than two loans outstanding at any time. No loan shall be for a term of more than five years except for loans used to acquire the participant's principal residence, which term shall not exceed ten years. The loans are secured by the balance in the participant's account. Notes receivable from participants are valued at their principal balance plus accrued unpaid interest.

Principal and interest are paid ratably through payroll deductions. A participant may repay any such loan in full by check at any time in accordance with such rules as may be prescribed by the Plan Administrator. Payments of principal and interest on loans shall be credited to the participant's account(s) from which the loan was funded and shall be reinvested in investment funds in accordance with the participant's then current investment selection.

The interest rate for loans will be 1 percent above the prime rate reported in the Wall Street Journal or such other rate as is prescribed by the Plan Administrator based on periodic re-evaluations of the adequacy of such rate. The fixed rate of interest shall apply to the term of each loan. Interest rates ranged from 4.25 percent to 5.25 percent at December 31, 2017.

Participant Accounts

Individual accounts are maintained for each plan participant. Each participant's account is credited with the participant's contribution, Company's matching contribution, employer special contributions, loan repayments, if applicable, and plan earnings, and charged with withdrawals and an allocation of plan losses and administrative expenses that are paid by the Plan. Allocations are based on participant earnings or account balances, or specific participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Investments