
PENSION CHANGE FACT SHEET

CENTER FOR
RETIREMENT
RESEARCH
AT BOSTON COLLEGE

AUGUST 2007

COMPANY NAME: Center Bancorp, Inc.

EMPLOYEES: 214

TYPE OF PLAN: Traditional Defined Benefit Plan

DATE ANNOUNCED: August 9, 2007

DATE EFFECTIVE: September 30, 2007

DESCRIPTION OF CHANGE: Total Freeze. Closing the plan to all future employees and stopping the accrual of future benefits for all current employees in the Corporation's defined benefit pension plan. All retirement benefits that employees have earned as of September 30, 2007 will be fully preserved.

PLAN SOLVENCY: Center Bancorp Inc 10-K SEC filing reports, as of 3/15/2007, pension assets of \$8.8 million, and projected benefit obligations of \$12.9 million.

REPORTED FINANCIAL IMPLICATION: The Corporation anticipates it will record a one-time pre-tax benefit related to these pension plan changes of approximately \$900,000 in the third quarter of 2007, and a retirement-related expense savings of \$900,000 to \$1.0 million for 2008 as a result of the curtailment of the defined benefit plan.

NEW ARRANGEMENTS FOR EMPLOYEES: Redesigning its 401(k), with plans to double the current company match to dollar-for-dollar on up to six percent of salary deferrals.

BACKGROUND: Center Bancorp, Inc., through its wholly owned subsidiary, Union Center National Bank, currently operates 15 banking locations in New Jersey. Union Center National Bank is the largest commercial bank headquartered in Union County, New Jersey; it was chartered in 1923 and is a full-service banking company.

REFERENCES

Center Bancorp, Inc. 2007. "Center Bancorp, Inc. Reduces Non-Interest Expense." Press Release. (August 9).
Center Bancorp, Inc. 10-K SEC filing. 3/15/07. pg. F-31.