MEMBER HANDBOOK

State of New Jersey

State Police Retirement System

August 2016

Department of the Treasury
Division of Pensions and Benefits

FOREWORD

The *New Jersey State Police Retirement System (SPRS) Member Handbook* provides a summary description of the benefits of the plan and outlines the rules and regulations governing the plan. The *SPRS Member Handbook* should provide you with all the information you need about your SPRS benefits. However, if there is a conflict with statutes governing the plan or regulations implementing the statutes, the statutes and regulations will take precedence. Complete terms governing any employee benefit program are set forth in the New Jersey Statutes Annotated. Regulations, new or amended, are published in the New Jersey Register by the State Office of Administrative Law supplementing the New Jersey Administrative Code. This handbook, containing current updates, is available for viewing over the Internet at:

www.nj.gov/treasury/pensions/pdf/handbook/sprsbook.pdf

If you are unsure of, or have questions about, any aspect of your SPRS benefits, you should ask your employer representative or a counselor at the Division of Pensions and Benefits about them.

Since this is your handbook, we would appreciate any comments or suggestions for improvement that you might have. Please send them to the address listed below. An evaluation form is available for your use on page 47.

Division of Pensions and Benefits
ATTN: Office of Communications
P.O. Box 295
Trenton, NJ 08625-0295

State of New Jersey State Police Retirement System

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CONTACTING THE DIVISION OF PENSIONS AND BENEFITS

Member Benefits Online System

The Member Benefits Online System (MBOS) allows registered SPRS members access to their pension and, if applicable, State Health Benefits Program account information online. Resources available through MBOS include: member account information; beneficiary designation, online pension loan; purchase of service credit; retirement applications; withdrawal application; and (if applicable), Supplemental Annuity Collective Trust (SACT) plan; and health benefits account information.

Retirees may also use MBOS to view: retirement account information; update an address; change direct deposit information; change a beneficiary designation; or update federal and/or New Jersey State income tax withholding.

Before you can begin using MBOS, you must be registered with MBOS **and** the *MyNewJersey* Web site. Registration is free and can be started at:
www.nj.gov/treasury/pensions/mbosregister.shtml

If you need assistance registering for MBOS, call the MBOS Help Line at (609) 292-7524 or send an e-mail with the subject line "MBOS E-mail" to: ***pensions.nj@treas.nj.gov***

Telephone Numbers

- For computerized information about your individual pension account 24 hours a day, seven days a week, call our Automated Information System at (609) 292-7524. With Interactive Voice Response and added services — including the loan application — all you need is your Social Security number and membership number to hear personalized benefits information on loans, purchases, retirement benefits, and withdrawal.
- To speak with a representative about your State Police Retirement System account or State Health Benefits Program account, call (609) 292-7524 weekdays between 7:30 a.m. and 4:30 p.m. (except State holidays). If you require the services of a relay operator, please dial 711 and provide the operator with the following phone number, (609) 292-6683. You will then be connected to a Client Services phone representative for assistance.
- To speak with a plan representative about the New Jersey State Employees Deferred Compensation Plan, call Prudential at 1-866-NJSEDCP (1-866-657-3327) weekdays between 8:00 a.m. and 9:00 p.m. (except State holidays). A plan representative will answer your questions about the Deferred Compensation Plan and provide enrollment and distribution forms.
- To speak with a plan representative about the Supplemental Annuity Collective Trust (SACT), call (609) 292-7524 weekdays between 7:30 a.m. and 4:30 p.m. (except State holidays). SACT representatives will answer your questions about the SACT and provide enrollment and distribution forms.

Internet, E-Mail, and Mailing Address

General information and most publications of the Division of Pensions and Benefits can be found on the Internet at: ***www.nj.gov/treasury/pensions***

You can e-mail the Division at: ***pensions.nj@treas.nj.gov***

Our postal address is:

Division of Pensions and Benefits
PO Box 295
Trenton, NJ 08625-0295

On all correspondence, be sure to include your membership number or the last four digits of your Social Security number.

Counseling Services

The Division of Pensions and Benefits offers individual counseling services to members of the retirement systems and other benefit programs. **Counselors are available by appointment** Monday through Friday from 8:00 a.m. to 4:00 p.m. To schedule an appointment, click here: ***www.nj.gov/treasury/pensions/interview-intro.shtml***

DIRECTIONS TO THE DIVISION OF PENSIONS AND BENEFITS

The Division of Pensions and Benefits is located at 50 West State Street (One State Street Square), Trenton, NJ, which is a half-block east of the State House. Visitors must use the front entrance of the building (on West State Street). Check in with the guard in the main lobby where you will be directed to the Office of Client Services.

Parking: Metered, on-street parking is available in the blocks surrounding our building. Pay parking lots are also available throughout downtown Trenton.

From Northeast New Jersey via the NJ Turnpike

Take the NJ Turnpike South to Exit 7A. Follow I-195 West until it ends, then follow signs for Route 29. After passing through a tunnel and two traffic lights, take the Calhoun Street exit. At the first traffic light, turn right onto West State Street. Pass the State House and proceed through the next traffic light. Our offices will be on the left at 50 West State Street (One State Street Square).

From Northeast New Jersey via Route 1

Take Route 1 South toward Trenton. Just north of Trenton, Route 1 splits into two roads. Stay to the left (do not use Route 1 Alternate). From Route 1 take the Perry Street exit. At the end of the exit ramp, turn left onto Perry Street. At the fourth traffic light, turn left onto Warren Street. At the second light, turn right onto West State Street. Our offices are located on the right, just before the next traffic light, at 50 West State Street (One State Street Square).

From Northwest New Jersey

Take Route 31 South to I-95 South to Exit 1 (Route 29). Follow Route 29 South for five miles to the Calhoun Street exit. At the first traffic light, turn right onto West State Street. Pass the State House and proceed through the next traffic light. Our offices will be on the left at 50 West State Street (One State Street Square).

From Southern New Jersey

If using the Turnpike, take Exit 7A and follow the directions from Northeast New Jersey via the NJ Turnpike.

If using I-295 North, take Exit 60 to Route 29 and follow the directions for using Route 206 North (below) beginning with Route 29.

If using Route 206 North, about four miles before reaching center-city Trenton take the I-295 exit but, once on the interstate highway, follow the signs for Route 29, not I-295. After passing through a tunnel and two traffic lights, take the Calhoun Street exit. At the first traffic light, turn right onto West State Street. Pass the State House and proceed through the next traffic light. Our offices will be on the left at 50 West State Street (One State Street Square).

From the New Jersey Shore

Take I-195 West, then follow the directions from Northeast New Jersey via the NJ Turnpike.

PLAN INFORMATION

Name of Plan

The State Police Retirement System (SPRS) of New Jersey.

Administration

The SPRS is a defined benefit plan administered by the:

New Jersey Division of Pensions and Benefits
PO Box 295
Trenton, New Jersey 08625-0295

(609) 292-7524

Provisions of Law

The SPRS was established by New Jersey Statutes and can be found in the New Jersey Statutes Annotated, Title 53, Chapter 5A. Changes in the law can only be made by an act of the State Legislature. Rules governing the operation and administration of the system may be found in Title 17, Chapter 5 of the New Jersey Administrative Code.

Funding

The funds used to pay benefits come from three sources: employer contributions, employee contributions, and investment income from those contributions. All contributions not required for current operations are invested by the State Division of Investment.

Plan Year

For record keeping purposes the plan year is July 1 through June 30.

Service of Legal Process

Legal process must be served on the Attorney General of New Jersey pursuant to New Jersey Court Rules, R. 4:4-4(7).

Employment Rights Not Implied

Membership in the SPRS does not give you the right to be retained in the employ of the New Jersey State Police, nor does it give you a right of claim to any benefit you have not accrued under terms of the system.

Benefits and provisions of the SPRS are subject to changes by the legislature, courts, and other officials. While this booklet outlines the benefit and contribution schedules of the State Police Retirement System, it is not a final statement. Complete terms governing any employee benefit program are set forth in the New Jersey Statutes Annotated. Regulations, new or amended, are published in the New Jersey Register by the State Office of Administrative Law supplementing the New Jersey Administrative Code.

STATE POLICE RETIREMENT SYSTEM (SPRS)

THE RETIREMENT SYSTEM

The State Police Retirement System was established in 1965 as the successor to the State Police Retirement and Benevolent Fund. The Division of Pensions and Benefits is assigned all administrative functions of the retirement system except for investment.

The SPRS Board of Trustees has the responsibility for the proper operation of the retirement system. The Board consists of two active or retired members appointed by the Superintendent of the State Police, the State Treasurer, and two members appointed by the Governor with the advice and consent of the Senate. The Board meets every other month.

The purpose of this handbook is to provide you with information about the retirement system to assist you in making decisions concerning you and your family's future. If you have questions concerning your retirement system benefits, please see **page iii** for information on contacting the Division of Pensions and Benefits.

This handbook is available for viewing on the Division of Pensions and Benefits Web site at ***www.nj.gov/treasury/pensions*** While at the Division's home page, be sure to check for SPRS related forms, fact sheets, and news affecting the SPRS.

MEMBERSHIP

Eligibility Criteria

All individuals who become full-time troopers or commissioned or noncommissioned officers of the Division of State Police must enroll in the SPRS.

SPRS Membership Tiers

N.J.S.A. 53:5A-3 changed compensation and retirement criteria for SPRS members enrolled as of certain dates. These differences in SPRS membership — referred to as "membership tiers" — are defined as follows:

- **Membership Tier 1** — SPRS Members who were enrolled *on or before* May 21, 2010.
- **Membership Tier 2** — SPRS Members who were enrolled *after* May 21, 2010.

Unless otherwise indicated by membership tier, the benefits listed in this handbook are the same for all SPRS members.

ENROLLMENT

Enrollment/Certification of Payroll Deductions

Your employer must complete a *SPRS Enrollment Application* to enroll you in the retirement system.

Note: *If you are currently active in another New Jersey State-administered retirement system and wish to transfer your service credit to the SPRS, see "Transfers" on page 4 and "Service Credit" on page 5.*

When enrollment processing is complete, you and your employer will receive a *Certification of Payroll Deductions* showing the date deductions will begin, your rate of contribution, and any back deductions due.

You may wish to keep the *Certification of Payroll Deductions* on file with your other important papers as a record of your enrollment in the retirement system.

Proof of Age

All members of the SPRS must provide documentation that proves their age.

Acceptable evidence of your age includes a photocopy of:

- Birth certificate — with visible seal;
- Passport;
- A U.S. Passport card;
- A current digital New Jersey Driver License or Digital Non-driver ID Card issued by the N.J. Motor Vehicle Commission;
- A current digital Pennsylvania or New York Driver License.
- Naturalization or immigration papers;

You should submit evidence of your proof of age when you enroll.

Unacceptable documentation includes expired documentation, out-of-state driver licenses (except PA and NY), hospital birth certificates, marriage certificates, census records, baptismal records, affidavits from older family members, or military records indicating your age.

Designating a Beneficiary

When the *Enrollment Application* is submitted, the new member should also submit a *Designation of Beneficiary* to the Division of Pensions and Benefits.

- **Members must complete the *Designation of Beneficiary* online through the Member Benefits Online System (MBOS).** Your SPRS membership number is required and is included in the confirmation of your online enrollment.

Note: *The new member's estate is the beneficiary on record until the Division of Pensions and Benefits receives a properly completed designation.*

For your protection, beneficiary designations cannot be accepted or confirmed over the telephone or by e-mail. Members can verify beneficiary designations on MBOS. Otherwise, the Division will only accept a written request from the member.

Public Information and Restrictions

Most of the information maintained by the retirement system, including member salary and/or pension benefit information, is considered a public record under N.J.S.A. 47:1A-1 et seq., the Open Public Records Act. However, certain personal information, such as a member's address, telephone number, Social Security number, pension membership numbers, beneficiary information while member is living, and medical information is restricted from public access.

Further restrictions to "personal health information" exist under the privacy provisions of the federal Health Insurance Portability and Accountability Act (HIPAA). Members may be required to provide specific written authorization for the release of medical information to a third party who is not a doctor, hospital, or business partner of the Division or the health benefit programs. Information about HIPAA is available on the health benefits programs' Web site: ***www.nj.gov/treasury/pensions/health-benefits.shtml***

The Division has implemented additional protection for members in accordance with the New Jersey Identity Theft Prevention Act, N.J.S.A. 56:11-28 et seq. "Security Freeze" procedures are available to restrict access to the accounts of members who are, or have a serious risk of becoming, victims of identity theft. Additional information is available in Fact Sheet #72, *Identity Theft and Your Benefits.*

Member Contribution Rate

The SPRS member contribution rate is 9% of base salary.

The SPRS contribution rate also determines the minimum repayment amount for pension loans or for the cost of a purchase of service credit if it is certified after the date of the rate change.

Pensionable Salary — Your contribution rate is applied to your base salary to determine your pension deductions. Base salary means the annual compensation of the member in accordance with the established salary policies of the New Jersey State Police.

Base salary for contribution purposes does not include overtime, bonuses, maintenance, clothing allowance, or large increases in compensation paid primarily in anticipation of retirement (see also "Final Compensation" on page 17). Your pension contributions are deducted from your salary and reported to the Division by your employer.

- The SPRS contribution rate for **Tier 1** members enrolled *on or before* May 21, 2010, is applied to the full pensionable salary (up to the "federal pensionable maximum" described later in this section).
- The SPRS contribution rate for **Tier 2** members enrolled *after* May 21, 2010, is applied to the pensionable salary up to a compensation limit based on the annual maximum wage for Social Security deductions. Tier 2 members who earn in excess of the annual compensation limit will be enrolled in the Defined Contribution Retirement Program (DCRP) in addition to the SPRS. A contribution of 5.5% of the salary in excess of the limit (plus 3% from the employer) will be forwarded to a DCRP account (see page 16).

Federal Pensionable Maximum — Since the SPRS is a "qualified" pension plan under the provisions of the Internal Revenue Code, Section 401(a)(17), the current federal ceiling on pensionable compensation applies to the base salaries of SPRS members.

Tax Deferral — Since January 1987, all mandatory pension contributions to the SPRS have been federally tax deferred. Under the 414(h) provisions of the Internal Revenue Code this reduces your gross wages subject to federal income tax. Purchases of service credit are voluntary pension contributions and are not tax deferred unless funded by a rollover from another tax-deferred plan (see "Rollover for Purchase Payment" on page 11).

TRANSFERS

Interfund Transfer

An Interfund Transfer is the transfer of your account from a SPRS employer to employment covered by a different New Jersey State-administered retirement system (or vice versa).

If you are transferring your membership account from another New Jersey State-administered retirement system, an *Enrollment Application* and an *Application for Interfund Transfer* should be submitted by your employer to the Division of Pensions and Benefits. Applications must be received within 30 days of the date you meet the eligibility requirements of the new retirement system.

Note: *Only service rendered as a member of the State Police may be used to satisfy the minimum creditable service requirements for retirement. See "Service under Other Pension Systems" on page 17 for other uses of service credit transferred from other retirement systems.*

If you terminate your current SPRS covered position and accept a position covered by a different New Jersey State-administered retirement system, you may transfer your contributions and service credit to the new retirement system provided:

- You have not withdrawn your membership (see "Withdrawal from the Retirement System" on page 42) or retired from the SPRS; and
- It has not been more than two consecutive years since your last pension contribution; and
- You meet the eligibility requirements of the new retirement system; and
- You apply for the Interfund Transfer within 30 days of the date you meet the eligibility requirements of the new retirement system.

If eligible, in order to transfer your membership account, an *Enrollment Application* for the new retirement system **and** an *Application for Interfund Transfer* should be submitted by your employer to the Division of Pensions and Benefits. Applications must be received within 30 days of the date you meet the eligibility requirements of the new retirement system.

If you are vested in the SPRS (see "Vesting" on page 5), you should determine if it is more advantageous to select a Deferred Retirement from the SPRS or transfer your pension contributions and service credit to the other retirement fund.

If there has been a break in service of more than two consecutive years since your last pension contribution — or if you have withdrawn your account — you cannot transfer your prior SPRS contributions and service credit to the new retirement system. You will be enrolled in a new account with the new retirement system. Your new employer should file an *Enrollment Application* for the new retirement system with the Division of Pensions and Benefits.

SERVICE CREDIT

Since your retirement benefits are based in part on accumulated service credit, it is important that you receive the correct amount of credit for the amount of time you work. You receive one pay period of service credit for each pay period a full pension contribution is made.

Service credit established under another State-administered retirement system (such as the Police and Firemen's Retirement System or the Public Employees' Retirement System) may be purchased or transferred for credit in the SPRS. This service, however, is not equivalent to regular SPRS service. It cannot be used to qualify for a Service or Special Retirement. It can be used, however, in the computation of a retirement allowance on the basis of 1% of Final Compensation for each year of such service credit.

Note: *Only service rendered as a member of the State Police may be used to satisfy the minimum creditable service requirements for retirement.*

See "Service under Other Pension Systems" on page 17 for other uses of service credit purchased from other retirement systems.

VESTING

You are vested in the SPRS after you have attained 10 years of service credit.

Being vested in the SPRS means that you are guaranteed* the right to receive a retirement benefit when you reach age 55.

- If you are vested and terminate your employment, you must file a retirement application prior to receipt of any benefits for which you may qualify (see page 17 for the types of retirement including Deferred Retirement) or you may voluntarily withdraw from the retirement system (see page 42).
- If you are vested, terminate your employment without retiring or withdrawing, and return to covered employment within two consecutive years of the last pension contribution, you may continue to make contributions to — and accrue service in — the existing pension account.
- If you are vested, terminate your employment without retiring or withdrawing, and return to covered employment two or more years *after* the last pension contribution, you cannot resume contributions to the vested account. Instead — if eligible — you would be enrolled in a new SPRS account.

**Vesting provisions may not apply to SPRS members who are terminated for cause on charges of misconduct or delinquency (see page 31).*

- If you are not vested and you terminate employment before retiring, your options vary depending on the nature of your termination and/or your age at the time of your termination (see "Terminating Employment" on page 42).

CREDIT FOR MILITARY SERVICE AFTER ENROLLMENT

The federal Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) provides that a member who leaves employment to serve on active duty is entitled to certain pension rights upon return to employment with the same employer. If upon return — and within the time frames specified under USERRA — the member makes the pension contributions that would have been normally required, the military service will count for vesting, retirement *eligibility*, the *calculation* of the retirement benefit, and — if applicable — health benefits eligibility, as though the employee had not left.

When an employee returns from uniformed military service to SPRS covered employment, the employer should notify the Division of Pensions and Benefits **no later than 30 days after the employee's return by submitting a *Request for USERRA-Eligible* Service form.** Once notified, the Division will provide the employee with a quotation for the cost for purchasing the service credit.

There is a time sensitive element to the USERRA purchase which differs from the other purchase of service credit provisions available to SPRS members. For additional information, see Fact Sheet #36, *Military Service after Enrollment and USERRA.*

PURCHASING SERVICE CREDIT

Since your retirement allowance is based in part on the amount of service credit posted to your account at the time of retirement, it may help you to purchase additional service credit if you are eligible to do so. Only active members of the retirement systems are permitted to purchase service credit. An active member is one who has not retired or withdrawn, and who has made a contribution to the retirement system within two consecutive years of the purchase request. In no case can you receive more than one year of service credit for any calendar or fiscal year.

TYPES OF SERVICE ELIGIBLE FOR PURCHASE

If a type of service is not listed below; it is not eligible for purchase.

Former Membership Service in the State Police Retirement System

This includes all service credited under a previous membership in the SPRS which has been terminated after two consecutive years of inactivity in accordance with statute or withdrawal by the member of the contributions made under such membership.

Former Membership Service

This includes all service credited under a previous membership in another New Jersey public retirement system (i.e., Public Employees' Retirement System, Teachers' Pension and Annuity Fund, Police and Firemen's Retirement System), which has been terminated after two consecutive years of inactivity in accordance with statute or by withdrawal by the

member of the contributions made under such membership. This service cannot be used to qualify for a Service or Special Retirement. It can be used, however, in the computation of a retirement allowance on the basis of 1% of Final Compensation for each year of such service credit or to meet the 25-year requirement for State-paid health benefits coverage in retirement.

In addition, the purchase factors used to calculate the cost of purchasing former membership service under a State-administered retirement system other than the SPRS are different than those used for purchasing SPRS service.

Note: *The receipt of a public pension or retirement benefit is expressly conditioned upon the rendering of honorable service by a public officer or employee. Therefore, the Board of Trustees shall disallow the purchase of all or a portion of former service it deems to be dishonorable in accordance with N.J.S.A. 43:1-3.*

Leave of Absence Without Pay

Members may be eligible to purchase credit for time spent on official, authorized leaves of absence without pay (up to two years for personal illness; up to three months for personal reasons).

- Maternity leave is considered personal illness.*
- Child care leave is eligible for purchase as a leave for personal reasons.
- A leave of absence without pay under a former membership in a New Jersey State-administered retirement system may be eligible for purchase.

**A certification from a physician that a member was disabled due to pregnancy and a resulting disability for the period in excess of three months is required. Otherwise, three months is the maximum period of purchase for maternity.*

Military Service before Enrollment

Members may be eligible to purchase service credit for up to 10 years of active service rendered prior to enrollment provided the member is not receiving nor eligible to receive a military pension or a pension from any other state or local source for such military service.

Active military service eligible for purchase means full-time duty in the active military service of the United States and includes full-time training duty, annual training duty, and attendance, while in the active military service, at a school designated as a service school by law or by the Secretary of the military department concerned. It cannot include periods of service of less than 30 days. It does not include weekend drills or annual summer training of a national guard or reserve unit **or** time spent as a cadet or midshipman at one of the military academies.

Active military service that has been combined with reserve component service to qualify for a military pension as a reserve component member may be eligible for purchase.

If you qualify as a veteran, you may be eligible to purchase an additional five years of military service (see Fact Sheet #17, *Veteran Status*).

Military Service after Enrollment

Under the requirements of the federal Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA), members may receive credit for military service rendered after October 13, 1994 (see page 6). However, under N.J.A.C. 17:1-3.10, USERRA eligible service will only be used toward vesting, retirement *eligibility,* the *calculation* of the retirement benefit, and — if applicable — health benefits eligibility, if the employee pays the required pension contributions that would have been required if the employee had not left.

***Note:**. There is a time sensitive element to this purchase (see page 6 and Fact Sheet #36, Military Service after Enrollment and USERRA).*

COST AND PROCEDURES FOR PURCHASING SERVICE CREDIT

The cost of a purchase is based on four factors:

- A purchase factor based on your nearest age at the time the Division receives your purchase application (see chart on page 9);
- The higher of either your current annual salary or highest fiscal year salary (July - June) posted to your membership account;
- The years and months of service being purchased; and
- The type of service purchased.

The cost of the purchase will rise as you get older and/or your salary increases.

The cost of purchasing service is borne by both you and your employer with the important exception of Military Service before Enrollment where statute specifically provides that the employer shall not be liable for any costs of the purchase. If you purchase Military Service before Enrollment, you, as the member, are responsible for the full cost; therefore, the cost quoted to you for purchasing this type of service will be twice the cost for other types of purchase.

Purchases of service credit are voluntary pension contributions and are not tax deferred unless funded by a rollover from another tax-deferred plan (see “Rollover for Purchase Payment” on page 11).

Partial Purchases

You may purchase all or part of any eligible service. If you make a partial purchase, you may purchase any remaining eligible service at a later date. The cost of any later purchase will be based upon your age and the annual salary or highest fiscal year salary at the time of your subsequent request to purchase.

Estimating the Cost of a Purchase

To estimate the cost of a purchase, multiply the higher of your current annual salary or highest fiscal year salary times the purchase factor (see chart) corresponding to your nearest age. The result is the cost of one year of service. Multiply this cost by the appropriate number of years being purchased.

To calculate the purchase cost of Military Service before Enrollment the same procedure is used except the resulting cost is doubled.

Age	SPRS Former Membership; Leave of Absence	Former Membership under another State System; Military Service after SPRS Enrollment	Military Service prior to SPRS Enrollment	Age	SPRS Former Membership; Leave of Absence	Former Membership under another State System; Military Service after SPRS Enrollment	Military Service prior to SPRS Enrollment
21	.075000	.034000	.150000	39	.084973	.041892	.169946
22	.075000	.034000	.150000	40	.087450	.043189	.174900
23	.075000	.034000	.150000	41	.090109	.044591	.180218
24	.075000	.034000	.150000	42	.092926	.046096	.185852
25	.075000	.034000	.150000	43	.095880	.047705	.191760
26	.075000	.034000	.150000	44	.098957	.049419	.197914
27	.075000	.034428	.150000	45	.102150	.052781	.204300
28	.075000	.034478	.150000	46	.105461	.052348	.210922
29	.075000	.034633	.150000	47	.108902	.051896	.217804
30	.075000	.034891	.150000	48	.112501	.051424	.225002
31	.075000	.035253	.150000	49	.116298	.050934	.232596
32	.075000	.035719	.150000	50	.120350	.050422	.240700
33	.075000	.036289	.150000	51	.120798	.049890	.241596
34	.076016	.036963	.152032	52	.121323	.049339	.242646
35	.077350	.037741	.154700	53	.121923	.048769	.243846
36	.078913	.038623	.157826	54	.122600	.048180	.245200
37	.080704	.039609	.161408	55	.123353	.047571	.246706
38	.082724	.040698	.165448				

Note: *The cost of purchasing Military Service after Enrollment under USERRA (see page 6) is based on the required pension contributions for the period of military service.*

EXAMPLE: *Member, age 36, earning $60,000 a year, wishes to purchase 18 months Leave of Absence Service: Purchase Factor = 0.078913 (see chart).*

Purchase Factor	*X*	*Annual Salary*	*X*	*Time Being Purchased*	*=*	*Purchase Cost*
0.078913	*X*	*$60,000*	*X*	*1.5 years*	*=*	*$7,102.17*

Applying to Purchase Service Credit

All purchase requests must be submitted using the *Purchase Application* on MBOS.

See **page iii** for more information about registering for MBOS.

- Exception to the MBOS Purchase Application — While SPRS members are required to submit purchase requests through MBOS, members are not able to use MBOS when applying for the purchase of **Military Service after Enrollment** under the provisions of USERRA. To purchase this service the employer must submit the *Request for USERRA Eligible Service* form within the time frames required under the law (see page 6).

Upon receipt of your MBOS *Purchase Application* — and any required supporting documentation — a quotation of cost will be calculated provided that all purchase eligibility criteria are met. Processing times vary and a request cannot be completed until the Division receives all required verification of eligibility.

After the Division of Pensions and Benefits verifies employment, you will receive a *Purchase Quotation Letter* indicating the cost of any service approved for purchase. You must respond to the quotation letter within the specified time period.

When you agree to purchase a certain amount of service credit, the Division of Pensions and Benefits assumes that you will complete the purchase and credits your account with the entire amount of service, even if you are paying the cost through payroll deductions. Any estimates of retirement allowance you receive are based on the full amount of credit you agreed to purchase.

You may pay the cost of purchasing service credit:

- In one lump-sum payment;
- By having extra payroll deductions withheld from your pay. The minimum deduction is equal to one-half of your normal rate of contribution to the retirement system over a maximum period of 10 years and includes interest at the assumed rate of return of the retirement system;
- With a direct rollover or trustee-to-trustee transfer of tax deferred funds from a qualified retirement plan (see page 11); or
- By paying a single down payment and having the remainder paid through payroll deductions.

If you retire before completing a purchase, you may choose to receive prorated credit for the amount of service you have paid for, or you can pay the balance at the time of retirement to receive full credit (see Unsatisfied Balances, page 26).

A member who authorizes a purchase of service credit through payroll deductions may cancel those deductions at any time. No refunds will be made of any lump-sum payments, partial payments, or installment payments. The member will receive prorated service credit for the service purchased to the date installment payments cease. Any subsequent requests to purchase the remaining service credit shall be based on the laws and rules in effect on the date that the subsequent request is received.

If you have an outstanding arrears obligation for the purchase of additional service credit, interest may be assessed if there is a lapse of two years or more in payments toward the purchase.

If you have not made installment payments for the purchase of additional service credit in two years, your purchase will be canceled. You will receive pro rata credit for the service purchased to the date that the installment payments ceased. Any subsequent requests to purchase the remaining service credit shall be based on the laws and rules in effect on the date the subsequent request is received in the Division.

If you return from an approved leave of absence after two years, you may request that the original purchase be resumed. The purchase will be recalculated to include additional regular interest accrued between two years after the date of the last installment payment and the date the purchase is resumed.

Rollover for Purchase Payment

Members may pay for all or part of a purchase by transferring or rolling over tax-deferred funds from an eligible or qualified retirement savings plan.

The types of plans from which a transfer or rollover can be made are:

- 401(a) qualified plan (including 401(k) plan) and 403(a) qualified annuity
- 403(b) - Tax-Sheltered Annuity Plan
- 457(b) - State and Local Government Deferred Compensation Plan
- IRA - With tax-deferred funds
  - Traditional IRA
  - Simple IRA (must have been open for two or more years)
  - Simplified Employee Pension Plan (SEP)
  - Conduit IRA
  - Rollover IRA

Note: *The Division cannot accept rollovers from a Roth IRA or a Coverdell Education Savings Account (formerly known as an Education IRA).*

Additional information on requesting a transfer or rollover of tax-deferred funds for the purchase of service credit is included in the purchase cost quotation letter you receive upon the Division's determination of your eligibility to purchase service.

LOANS

If you are an active contributing member of the SPRS, you may be eligible to borrow from your account twice per calendar year. You may borrow up to one-half of your posted pension contributions or a maximum loan balance of $50,000, whichever is less.

Loans are governed by the following conditions:

- **Service Credit** — You must have three years of pension service credit **posted** to your retirement system account. Pension contributions are posted to your account on a quarterly basis. It normally takes 45 days after the end of a quarter for your contributions to be posted to your account. For example, if you enrolled in the retirement system on January 1, 2015, you would not have three years posted to your account until March 2018.
- **Number of Loans Per Year** — You may borrow twice in any calendar year. This is determined by the date of the check, not the date of the request. For example, if you make a request for a loan on December 24th but the check is dated January 5th, the loan is considered your first for the new year.
- **Loan Amount** — The minimum amount you may borrow is $50, and loan amounts then increase in increments of $10.

  The maximum you may borrow is one-half of your contributions that are posted to your account, up to a maximum loan balance of $50,000, whichever is less, when added to the highest balance of any loan in the last 12 months.

  You may learn the amount you may borrow — and see different loan amount and repayment combinations — by using the online *Loan Application* on the Member Benefits Online System (MBOS), or by calling the Automated Information System at (609) 292-7524.
- **Interest Rate** — Interest is charged on the declining balance of the loan at a commercially reasonable rate set annually by the New Jersey State Treasurer. The current interest rate is posted on the Division of Pensions and Benefits Web site at: ***www.nj.gov/treasury/pensions***

  When you borrow, you will have the same interest rate for the life of your loan unless you borrow again in a different calendar year when the interest rate is different. Every time you borrow, the *entire* outstanding balance is re-certified at the current year's interest rate.

  The interest rate is determined using the Prime Rate as of December 1st of the previous year **plus** two percent.
- **Administrative Fee** — An administrative processing fee applies to all pension loans. The administrative processing fee is set annually and is based on the actual costs associated with administering the pension loan program. The current administrative processing fee is posted on the Division of Pensions and Benefits Web site at: ***www.nj.gov/treasury/pensions***

- **Loan Repayment — Loans must be repaid within five years.** The minimum deduction toward the repayment of a loan is equal to the pension contribution rate (see page 3). The maximum allowable deduction at the time of application toward the repayment of your loan is 25 percent of your base salary.

  Provided that the minimum loan repayment amount will repay the loan balance within five years, the repayment amount of a loan will be similar whether you borrow $500 or $5,000; however, the repayment of a larger loan will continue for a longer period of time than for a smaller loan.

  Loan repayments will increase to more than the minimum deduction if the entire loan balance cannot be paid within the five-year requirement (or if you have an outstanding loan and take another loan — see below).

  If you have an outstanding loan balance and take another loan, the Internal Revenue Service requires that **the new combined loan balance must be repaid within five years of the date of the *first* loan.** This means that the repayment amount may be substantially higher to ensure full repayment of the total loan balance within five years of the issuance of the original loan. Furthermore, the requested loan amount may be reduced, or the loan request may be rejected, if the payroll deductions required to repay the loan within this five-year period would exceed the 25% of salary restriction in State law (see "Internal Revenue Service Requirements" on page 15).

  You may learn the minimum deduction toward the repayment of a loan by using the online Loan Application on the Member Benefits Online System (MBOS), or by calling the Automated Information System at (609) 292-7524.

Applying for a Loan

All pension loan requests must be submitted using either:

- The *Loan Application* available by calling the Automated Information System at (609) 292-7524; or
- The *Loan Application* on the Member Benefits Online System (MBOS).

Both the Automated Information System and MBOS provide fast, efficient processing of pension loan requests. You receive immediate confirmation that your loan application has been received. See **page iii** for more information about registering for MBOS.

Exceptions to the MBOS Loan Application — While members are required to process loan requests through MBOS or the Automated Information System, some members may not be able to access the *Loan Application* for one of the following reasons:

- Employees applying for a loan within 6 months of returning from a leave of absence;
- Employees applying for a loan within 6 months of transferring to a new employer within the same retirement system, or between different retirement systems; or
- State employees paid on a supplemental payroll schedule.

In these cases your employer must complete a *Certified Loan Request Form* to verify your salary and/or certify that you are actively employed.

- If your employer was late in submitting the *Report of Contributions* for the quarterly posting, you may still be able to borrow, however, your employer must complete a *Certified Loan Request Form* to verify your salary, active pay status, and you may only borrow based on the prior quarter's posted pension contributions.
- If you have established a security freeze on your pension account due to identity theft you cannot access MBOS and must contact the Division's Identity Theft Coordinator to request a loan (for more information see Fact Sheet #72, *Identity Theft and Your Benefits*).

Canceling a Loan

If you are not satisfied with a loan amount or the repayment schedule when you receive your loan check, you may cancel the loan by **returning the original, uncashed and *unmarked* loan check.** When a loan check is returned, the funds are deposited back into your retirement system account and will be available with the next quarterly posting.

Note: *By cashing the loan check you are agreeing to the loan amount and the terms and conditions of the repayment schedule.*

Early Loan Repayment

You may request a repayment figure for your full loan balance any time prior to the end of your regular repayment schedule. Only a lump-sum payoff of your full loan balance is permitted — partial payments are not allowed.

To request a lump-sum payoff, call the Automated Information System at (609) 292-7524, or request the payoff amount through MBOS by using the *Letters and Statements* application and selecting the Loan Payoff option. The *Loan Payoff Letter* will indicate the lump-sum payoff amount, the date by which the payment must be received, and the date on which scheduled loan repayments from payroll will end.

Loans at Retirement, Death, or Termination of Employment

You may apply for a loan regardless of your age. If you retire before repaying the outstanding balance of your loan, your loan payments will be carried into retirement. That is, your retirement allowance will be reduced by the same monthly amount you were paying towards your loan just prior to retirement.

You may also repay your outstanding loan balance in one lump sum prior to retirement.

If you die before repaying your loan (either before or after retirement), the outstanding balance will be deducted from the proceeds of any benefits to be paid to your beneficiaries.

If you terminate employment and withdraw your contributions before repaying your loan, all your contributions *less* the loan balance will be returned to you (see "Internal Revenue Service Requirements" on page 15).

Internal Revenue Service (IRS) Requirements

Internal Revenue Code Section 72(p) requires that loan balances cannot exceed $50,000 and must be repaid within five years. Furthermore, if you take a subsequent loan (or loans) and your original loan balance is not completely paid off, the repayment period will remain **five years from the date of the first loan.** The repayment rules on subsequent loans may result in either a substantial increase in your repayment amount — or may even limit the amount that you can borrow if the payroll deductions to repay the loan exceeds the 25% of base salary restriction on loan repayments.

The IRS regulations also require members to make timely payments toward outstanding loan balances. While it is your employer's responsibility to withhold loan deductions from your salary, if you are out of work without pay, your employer has no salary from which to take deductions. Members who leave payroll with an outstanding loan balance will be notified after three months of nonpayment and offered the option of paying off the entire loan balance or making loan repayments through a monthly personal billing. You will be required to pay your balance plus interest if you go off payroll. Again, the loan balance must be paid within five(5) years of the original loan. It is the member's responsibility to ensure that the loan balance is paid in full.

Failure to repay the loan as scheduled (through either lump-sum payment, personal billing, or return to payroll) will result in the unpaid loan balance being declared in default. If a loan is in default, the loan balance is declared a taxable or "deemed distribution" and will be reported to the IRS. For the tax year in which the default occurs, the Division of Pensions and Benefits will send you a *Form 1099-R* for tax filing purposes in January of the following year. You will be required to include the portion of the loan representing before-tax contribution as income on your federal return. In addition, if you are under age 59½, you will be required to pay an additional 10% tax for taking an early pension distribution.

If you default on your loan, it will be your responsibility to make an estimated tax payment to the IRS to cover your tax liability on the deemed distribution; no withholding will be deducted from your account by the Division.

Paying taxes on a defaulted loan balance does not negate the balance. You are still responsible for paying the loan balance and any interest that accrues on it. Any repayments will be returned to your account as after-tax contributions.

You may not take another loan until the deemed distribution is paid off. A deemed distribution cannot be canceled by resuming your loan payments or repaying the loan in full prior to the end of the tax year in which the default occurs. If you resume your loan repayments after the default, the payments received will be posted to your account as already-taxed contributions that will increase the nontaxable portion of your pension at retirement.

Unlike a normal pension distribution, a loan treated as a distribution cannot be rolled over to an IRA or other qualified retirement plan.

SUPPLEMENTING YOUR PENSION

In addition to your regular pension contributions, there are other opportunities to supplement your retirement income and possibly set aside money on a tax-deferred basis.

New Jersey State Employees Deferred Compensation Plan

If you are an employee of the State, you may be eligible for the New Jersey State Employees Deferred Compensation Plan (IRC Section 457). Contributions to the plan are not subject to federal income tax until you take a distribution from the plan, either at retirement or termination before retirement. The main benefits of the plan are to help you save on federal income tax now and to supplement your retirement income through investments.

For plan and investment information, visit the State Employees Deferred Compensation Plan Web site at: ***www.prudential.com/njsedcp*** or call 1-866-NJSEDCP (1-866-657-3327).

Other information about the plan is available by writing to: *Division of Pensions and Benefits, New Jersey State Employees Deferred Compensation Plan, PO Box 295, Trenton, NJ 08625-0295.*

Supplemental Annuity Collective Trust (SACT)

The Supplemental Annuity Collective Trust (SACT) is a voluntary investment program that provides retirement income separate from, and in addition to, your basic pension plan. Your contributions are invested conservatively in the stock market. The SACT-Regular Plan is available to all actively contributing members of a New Jersey State-administered retirement system. Contributions to this plan are made after deductions for federal income tax.

SACT brochures and enrollment packets are available on the Division of Pensions and Benefits Web site at: ***www.nj.gov/treasury/pensions/sact.shtml***

You can also contact the SACT office by calling (609) 292-7524 or by writing to: *Division of Pensions and Benefits, Supplemental Annuity Collective Trust, PO Box 295, Trenton, NJ 08625-0295.*

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program (DCRP) was expanded to include the SPRS under the provisions of N.J.S.A. 53:5A-3. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage.

Individuals eligible for membership in the DCRP include employees enrolled *after* May 21, 2010, in membership **Tier 2** of the SPRS who earn salary in excess of established "maximum compensation" limits, see Fact Sheet #79, *Defined Contribution Retirement Program (DCRP).*

The DCRP is administered for the Division of Pensions and Benefits by Prudential Financial. Prudential provides DCRP information, including information about investment and distribution options, on its New Jersey Defined Contribution Program Web site: ***www.prudential.com/njdcrp***

Employers and members can contact Prudential Financial by telephone through Prudential's toll-free number 1-866-653-2771.

In certain circumstances an eligible employee can *voluntarily* waive participation in the DCRP by submitting a *DCRP Waiver Form* to the Division of Pensions and Benefits.

Additional information about DCRP enrollment, contribution rates, plan benefits, and waiver can be found in Fact Sheet #79, *Defined Contribution Retirement Program (DCRP)*, which is available by contacting the Division of Pensions and Benefits or on the Division's Web site at: ***www.nj.gov/treasury/pensions***

RETIREMENT

Mandatory Retirement

Retirement from the State Police is mandatory upon reaching age 55. If you do not file an application for retirement before your mandatory retirement date, you will be automatically retired by the Board of Trustees on a Service Retirement, effective the first day of the month immediately following your 55th birthday. Even though the Board of Trustees has retired you, you cannot begin receiving benefits until you have filed a retirement application with the Division of Pensions and Benefits through MBOS.

Types of Retirement

The following types of retirement benefits are calculated using your "Years of Service" and "Final Compensation."

- **Years of Service** — means the years and months of membership service you have credited to your SPRS account
- **Final Compensation** — for a SPRS **Tier 1 member** enrolled *on or before* May 21, 2010, Final Compensation means the salary upon which pension contributions were based in the last 12 months of creditable service preceding retirement.

  For a SPRS **Tier 2** member enrolled *after* May 21, 2010, Final Compensation means the *average* salary upon which pension contributions were based for any ***three*** *fiscal years* (July-June) of membership that provides the largest possible benefit.

  For **all** SPRS members Final Compensation includes the value of the maintenance allowance for the same period.
- **Service under other Retirement Systems** — Generally, only service rendered as a member of the State Police may be used to satisfy the minimum creditable service requirements of the retirement types described below. This includes the creditable service of members appointed to the Division of State Police under N.J.S.A. 53:5A-5(c-d). If you transferred or purchased service credit from another New Jersey State-administered retirement system, there are limited circumstances which you can use to satisfy the minimum creditable service requirement. Alternatively, such service credit may be applied to your retirement allowance as an additional 1% of Final Compensation for each year of service credit up to the limits specified or to meet the 25-year requirement for State-paid health benefits coverage in retirement.

There are several types of retirement for which you may qualify.

Service Retirement

This type of retirement is available at any age when you complete 20 years of creditable service as a member of the SPRS. The amount of your annual retirement allowance is equal to 50% of your Final Compensation.

Special Retirement

This type of retirement is available at any age to members who have 25 years or more of service credit in the SPRS. The amount of your annual retirement allowance is equal to 65% of your Final Compensation **plus** 1% for each year of creditable service over 25 years but not to exceed 30 years. The maximum allowance is, therefore, 70% of your Final Compensation.

Deferred Retirement

This type of retirement is available to SPRS members with at least ten years of service credit and who are not yet 55 years of age when they terminate employment. The annual retirement allowance is 2% of Final Compensation for each year of service up to 25 years.

The effective date of a Deferred Retirement is the first of the month after you attain age 55. You must file a retirement application to receive a Deferred Retirement, and you should file the application when you terminate covered employment. If you are terminated for cause, you may not be eligible to receive Deferred Retirement benefits. The SPRS Board of Trustees will make that determination at the time you file your application.

At any time before your Deferred Retirement becomes effective, you may change your mind and apply for a lump-sum withdrawal of all your pension contributions instead. However, once you cancel your Deferred Retirement and withdraw your contributions, all the rights and privileges of membership in the retirement system end.

You must either apply for retirement or withdraw your contributions by April 1 following the calendar year in which you turn age 70½. If you do not take distribution by this date, you will be assessed a 50% IRS excise tax penalty on the account.

Please note the following important information about your life insurance, health care coverage, loans, and purchase arrears if you are considering a Deferred Retirement:

- **Life Insurance** — Your group life insurance coverage is not in effect between the time you terminate employment and when your Deferred Retirement becomes effective. If you die before your Deferred Retirement becomes effective, the beneficiary on your retirement application will receive a return of your contributions, unless a subsequent *Designation of Beneficiary* form is filed. There is no other death benefit under these circumstances. For information about converting your group life insurance to an individual policy at termination, see page 40 or Fact Sheet #13, *Conversion of Group Life Insurance*, which is available on the Division of Pensions and Benefits' Web site: ***www.nj.gov/treasury/pensions***

- **Health Benefits** — You will not be able to continue coverage under the State Health Benefits Program (SHBP) retired group if you apply for Deferred Retirement. However, you are entitled to continue coverage in the SHBP employee group for up to 18 months after termination of employment in accordance with federal COBRA (*The Consolidated Omnibus Budget Reconciliation Act of 1985)* laws. If your retirement allowance becomes due and payable during the 18 months of extended COBRA coverage, you would qualify for coverage in the SHBP retired group. In this case, you must contact the Division of Pensions and Benefits and request a health benefits offering letter within 60 days of your eligibility for the SHBP retired group coverage.
- **Loans** — If you terminate employment, failure to repay a pension loan as scheduled may result in the unpaid loan balance being declared a taxable distribution that will be reported to the IRS. See page 15 for more information about the IRS regulations regarding the repayment of pension loans.
- **Purchase Arrears** — If you have not made installment payments for the purchase of additional service credit in two years, your purchase will be canceled. You will receive pro rata credit for the service purchased to the date that the installment payments ceased. Any subsequent requests to purchase the remaining service credit shall be based on the laws and rules in effect on the date the subsequent request is received in the Division.

  If you return from an approved leave of absence after two years, you may request that the original purchase be resumed. The purchase will be recalculated to include additional regular interest accrued between two years after the date of the last installment payment and the date the purchase is resumed.
- **Supplemental Compensation on Retirement (SCOR)** — State employees who retire on a Deferred Retirement are not eligible for payment for unused sick days under the SCOR program. See your payroll administrator for more information.

Ordinary Disability Retirement

The processing of Ordinary Disability retirement benefits normally takes three to five months. To qualify for Ordinary Disability retirement benefits you must:

- Be a member in service at the time the application is filed with the Division of Pensions and Benefits. “Member in service” means that the member or employer was making pension contributions to the retirement system at the time of filing an application for disability retirement. It may also mean that the member was on an approved leave of absence, paid or unpaid, or suspension, paid or unpaid, at the time of filing the application. If the member had pending litigation for wrongful termination filed against the employer, the member has 30 days from the date the litigation is resolved to file for disability retirement in order to be considered a “member in service;”
- Be under age 55 and have four or more years of service credit as a State Trooper;
- Be considered totally and permanently disabled (you must prove that you are physically or mentally incapacitated from performing your normal or assigned job duties or any other position your employer may assign);

- Be disabled at the time you separated from service as a result of the alleged disability that renders you totally disabled; and
- **Submit any and all medical reports or corroborating evidence on file that supports your disability within six months or your application will be canceled and you must refile.**

  Note: *If the medical documentation supplied by you is not sufficient to support your claim of disability, the Division of Pensions and Benefits may also require you to be examined by physicians selected by the retirement system. The examination will be scheduled at no cost to you by the Division of Pensions and Benefits. Failure to appear at the initial examination will result in future exams being at the member's expense.* ***All medical information is confidential and only for use by the SPRS Board of Trustees in evaluating your application.***

If you qualify and are approved for an Ordinary Disability Retirement, the annual benefit calculation is equal to 40% of your Final Compensation or 1.5% of your Final Compensation for each year of service credit, whichever is higher.

The application process begins by filing an application for disability retirement with the Division of Pensions and Benefits (see "Disability Retirement Applications" on page 24).

Note: *Your employer also has the right to apply for an Ordinary Disability Retirement on your behalf — either with your consent or on an "involuntary" basis (see "Involuntary Ordinary Disability Retirement")*

The application review process requires information from your physicians and a release of health information related to your disability. The process also requires corroboration of your condition by at least two medical sources. The more complete the application and supporting information, the faster it can be evaluated, although the process may take six months or more.

It is the applicant's responsibility to arrange for all physicians' statements, hospital records, and other health information to be sent to the Division of Pensions and Benefits.

Once the Board of Trustees approves a member for a disability retirement allowance, the member's retirement application cannot be withdrawn, canceled, or amended.

Approval for Workers' Compensation or Social Security disability benefits has no bearing on your application for an Ordinary Disability Retirement. However, if you are approved for Ordinary Disability Retirement benefits and receive a Workers' Compensation award, your Workers' Compensation award may be reduced by the amount of your Ordinary Disability Retirement benefit. If you have any questions concerning this issue, please contact the Division of Workers' Compensation at (609) 292-2515 or send e-mail to: ***dwc@dol.nj.gov***

Involuntary Ordinary Disability Retirement

Your employer has the right to apply for an Involuntary Ordinary Disability Retirement on your behalf provided that you meet the qualifications for Ordinary Disability Retirement (see page 19).

- If you are required to retire upon application by the employer* and have at least four years of SPRS service, but less than 20 years, you will receive an Ordinary Disability retirement allowance of 40% of Final Compensation, or 1.5% of Final Compensation for each year of SPRS service, whichever is higher.
- If you are required to retire upon application by the employer* and have 20 or more years of SPRS service, you will receive an allowance equal to 50% of Final Compensation plus an additional 3% of Final Compensation for every year of SPRS service over 20 up to a maximum of 25 years.

Note: *The member cannot change the date of retirement under an Involuntary Ordinary Disability Retirement.*

Accidental Disability Retirement

The processing of Accidental Disability retirement benefits normally takes six to eight months. To qualify for Accidental Disability retirement benefits you must:

- Be a member in service at the time the application is filed with the Division of Pensions and Benefits. "Member in service" means that the member or employer was making pension contributions to the retirement system at the time of filing an application for disability retirement. It may also mean that the member was on an approved leave of absence, paid or unpaid, or suspension, paid or unpaid, at the time of filing the application. If the member had pending litigation for wrongful termination filed against the employer, the member has 30 days from the date the litigation is resolved to file for disability retirement in order to be considered a "member in service;"
- Be considered permanently and totally disabled (you must prove that you are physically or mentally incapacitated from performing your normal or assigned job duties or any other position your employer may assign) as a "direct result of a traumatic event" (see definition), that happened during and as a direct result of carrying out your regular or assigned job duties;
- Be an active member of the SPRS on the date of the "traumatic event;"
- File an application for disability retirement within five years of the date of the "traumatic event;"
- Submit any and all accident reports, witness reports, and corroborating evidence on file for any and all accidents for which you are filing within six months;
- Be examined by physicians selected by the retirement system. The examination will be scheduled at no cost to you by the Division of Pensions and Benefits. Failure to appear at the initial examination will result in future exams being at the member's expense. **All medical information is kept confidential and used only by the SPRS Board of Trustees in reviewing your claim; and**
- Be disabled at the time you separated from service as a result of a disability that renders you totally disabled.

**All involuntary disability applications require an official letter from the Colonel of the New Jersey State Police indicating the intent to involuntarily retire the employee.*

If you qualify and are approved for Accidental Disability Retirement, your annual retirement allowance will be 2/3 of your salary at the time of the "traumatic event" or at the time of retirement, whichever is higher.

'Direct Result of a Traumatic Event' has been defined by the courts as an occurrence that is:

- Identifiable as to time and place;
- Undesigned and unexpected;
- Caused by a circumstance external to the member (not the result of preexisting disease that is aggravated or accelerated by the work);
- Occurred during and as a result of the member's regular or assigned duties;
- Was not the result of the member's willful negligence; and
- Results in the member's permanent and total incapacitation from performing his or her usual or any other duty.

  Note: *When there is an issue of mental incapacity, the member must also establish that the event that forms the basis for an accidental disability was objectively capable of causing a reasonable person in similar circumstances to suffer a disabling mental injury, based on a finding that the disability resulted from "direct personal experience of a terrifying or horror-inducing event that involves actual or threatened death or serious injury, or a similarly serious threat to the physical integrity of the member or another person."*

The application process begins by filing an application for disability retirement with the Division of Pensions and Benefits (see "Disability Retirement Applications" on page 24).

Note: *Your employer has the right to apply for an Accidental Disability Retirement on your behalf.*

The application review process requires information from your physicians, information from your employer with questions regarding the "traumatic event", and a release of health information related to your disability. The more complete the application and supporting information, the faster it can be evaluated, although the process may take six months or more.

It is the applicant's responsibility to arrange for all physicians' statements and hospital records to be sent to the Division of Pensions and Benefits.

Once the Board of Trustees approves a member for a disability retirement allowance, the member's retirement application cannot be withdrawn, canceled, or amended.

Approval for Workers' Compensation or Social Security disability benefits has no bearing on your application for Accidental Disability Retirement. However, if you receive periodic Workers' Compensation benefits while receiving an Accidental Disability Retirement, the pension portion of your retirement allowance will be reduced dollar-for-dollar by the amount of the periodic benefits.

If you apply for Accidental Disability Retirement and are found by the Board of Trustees to be totally and permanently disabled but not as a result of a "traumatic event", you may be retired on an Ordinary Disability Retirement if you have at least four years of SPRS service.

THE RETIREMENT PROCESS

The time frames in this section serve as a guide to help you understand the retirement process. Actual processing times, however, may vary and cannot begin until the Division of Pensions and Benefits receives all the necessary information and forms from both you and your employer.

6-8 Months before Retirement

When planning for a successful retirement, it is important to give yourself enough time to review your benefits. **You should inquire about retirement at least six months before your retirement date.**

4-6 Months before Retirement

Retirement Applications — It is your responsibility to file a retirement application with the Division of Pensions and Benefits.

Note: *If you are applying for a disability retirement, see "Disability Retirement Applications" on page 24.*

All retirement applications must be submitted online using the Member Benefits Online System (MBOS). Using MBOS provides fast, efficient processing of your retirement application. See **page iii** for more information about registering for MBOS.

All retirements are effective on the first of a month. You can submit your retirement application no more than one year before your retirement date — and as late as the last business day prior to your retirement date — but four to six months advance filing is recommended. Under no circumstances can a retirement become effective prior to the date the application is received by the Division of Pensions and Benefits. Processing times vary and cannot begin until the Division has received all the necessary information and forms from both you and your employer.

- If you have not furnished proof of your age to the Division of Pensions and Benefits, you must do so when applying for retirement (see page 2 for acceptable proofs of age). If any proof of age documents are given under a maiden name, please identify them as such. Send photocopies of any proof of age documents, as we cannot guarantee that original documents will be returned. Please also be sure to write your pension membership number or Social Security number on all documentation that you submit. **Your retirement application will not be processed until the Division receives copies of birth date evidence.**
- Ask your employer to submit a *Certification of Service and Final Salary* to the Division of Pensions and Benefits.
- **It is the applicant's responsibility to ensure that all required forms — except for the employer certification — are submitted to the Division within 90 days of the Division's receipt of your retirement application.** Otherwise, the retirement application will be canceled and you will need to submit another application for a future retirement date.

When your application is received by the Division of Pensions and Benefits, **you will receive e-mail confirmation of its receipt.** You will also be sent a letter acknowledging receipt of your retirement application.

Disability Retirement Applications — An application for disability retirement must be submitted online using the Member Benefits Online System (MBOS). See **page iii** for more information about registering for MBOS.

The application review process requires information from your physicians and a release of health information related to your disability. **It is the applicant's responsibility to arrange for all physicians' statements and hospital records, to be sent to the Division of Pensions and Benefits.** You must provide any and all medical reports or corroborating evidence on file that supports your disability. The required documentation must be received within six months of the date of filing the disability application. If the documentation is not received, the retirement will be canceled and the member will need to complete a new disability application for a future date. You may only file for one type of disability retirement, meaning only Ordinary Disability or Accidental Disability, but not both.

The more complete the information, the faster it can be evaluated, although the process may take six months or more.

Supporting information for your application should be sent to:

Division of Pensions and Benefits
Disability Review Unit
PO Box 295
Trenton, NJ 08625-0295

See pages 19-22 for additional information about disability retirement benefits.

Life Insurance — The amount of your life insurance coverage through the SPRS decreases at retirement or terminates if you have less than 10 years of service credit. You may convert the dollar difference between the group coverage you had before retirement and the group coverage you will have after retirement to a non-group life insurance policy.

To protect your conversion privilege it is suggested that you apply for conversion of your insurance at the time you file your retirement application with the Division of Pensions and Benefits (however, you cannot file to convert your life insurance any earlier than six months prior to your retirement date).

See "Conversion of Group Life Insurance" on page 40 and Fact Sheet #13, *Conversion of Group Life Insurance,* for details.

Other Retirement Plans — If you participate in the following retirement savings plans, you must inform them separately of your retirement:

- Contact the **State Employees Deferred Compensation Plan** at 1-866-NJSEDCP if you participate in the plan.
- Contact the **Supplemental Annuity Collective Trust (SACT)** at (609) 292-7524 if you participate in SACT.
- Contact the **Defined Contribution Retirement Program (DCRP)** at 1-866-653-2771 if you participate in the DCRP.

Approximately 3 Months before Retirement

Health Benefits Coverage at Retirement — SPRS members will receive a letter offering enrollment in the State Health Benefits Program in retirement.

As a SPRS retiree, the State may pay for all or a portion of the SHBP premiums for you and any eligible dependents, during your lifetime, if you:

- Retire with at least 25 years of service credit in the retirement system; or
- Retire on a SPRS disability retirement; or
- Retire on a SPRS mandatory retirement at age 55 with at least 20 years of service — under the provisions of N.J.S.A. 53:5A-8(d).

The union contract in effect when you attain 25 years of service credit, retire on a disability, or reach mandatory retirement age will determine the State's payment of any premiums.

If you are not eligible for State-paid coverage, you may continue SHBP coverage into retirement by paying the appropriate premium *(deferred retirees should see page 18).*

Note: *Enrollment for coverage as a retiree in the SHBP is automatic.* ***You do not need to submit a health benefits Retired Coverage Enrollment Application to enroll.***

Members and dependents eligible for Parts A and B of Medicare must be covered by **both** parts of Medicare to be eligible to enroll in the SHBP at retirement. If a SPRS retiree must pay for Part A of Medicare, the SHBP will reimburse those premiums in accordance with N.J.S.A. 53:5A-44.1.

See Fact Sheet #11, *Enrolling in Health Benefits Coverage When You Retire*, for more information.

Approximately 1 Month before Retirement

Board Approval — Your retirement will be presented to the SPRS Board of Trustees for approval.

- You will receive a *Board Approval Letter.* You have 30 days from the Board approval date or your effective retirement date (whichever is later) to request a change to your retirement date (see "note" below). If you wish to make a change after Board approval, your new selection must again be approved by the Board of Trustees. This may delay your first retirement check.
- You may choose to cancel your retirement within 30 days of your retirement date or Board approval date — whichever is later (see "note" on page 27). This request must be in writing to the Division of Pensions and Benefits. **Canceling your retirement does not guarantee continued employment with your employer.**

  Note: *Members who are approved for Disability Retirement cannot cancel their retirement or change their date of retirement.*

Approximately 2-4 Weeks before Retirement

You will receive a *Quotation of Retirement Benefits* letter which shows your monthly retirement allowance with:

- Any benefits payable to an eligible survivor;
- A quote of any outstanding loan balance with repayment options; and
- A notice of any unsatisfied balance on your account (see next section).

Unsatisfied Balances

Loans — If you retire with an outstanding loan balance, you may:

- Pay the loan in full prior to receiving any retirement benefits; or
- Continue your monthly loan repayment schedule, plus interest, into retirement.

Purchase Arrears — When you apply for a purchase of service credit, the Division of Pensions and Benefits assumes that the obligation will be paid before your retirement. Therefore, your account is credited with the full amount of service you have agreed to purchase. If this obligation has not been fully paid when you retire, your *Quotation of Retirement Benefits* will state the balance of your arrears (purchase) as of your retirement date.

At that time, you must pay the balance of your arrears. If you do not pay off the balance, the service credit which has not been paid for will be subtracted from your total years and months of service. This will reduce the amount of your retirement allowance and **may even affect your eligibility to retire.**

For Deferred Retirees who have an outstanding arrears obligation for the purchase of additional service credit, interest may be assessed if there was a lapse in payments of two years or more.

Shortages — A shortage in your pension account occurs when your employer does not deduct the proper pension contribution from your salary. You will be notified by the Division of Pensions and Benefits of the amount of any shortage. You are responsible for payment of any shortages at retirement.

No retirement will be paid until purchase arrears and shortage obligations have been satisfied.

AFTER YOUR RETIREMENT DATE

Statement of Retirement Allowance — You will receive a letter confirming your retirement and death benefits. The letter will also supply figures needed in filing your income tax return. Keep this with your important papers.

Due and Payable — Your retirement becomes “due and payable” after there has been a break in employment without pay of at least 30 days following your retirement date, or 30 days following approval of your retirement by the SPRS Board of Trustees, whichever is later.

Once your retirement becomes “due and payable” you cannot change your retirement date.

Note: *If you return to a SPRS eligible position before the 30 days have elapsed, on either a paid or voluntary basis, your retirement may be considered invalid and you could be required to reimburse the retirement system and reenroll in the SPRS (see Fact Sheet #86, Post-Retirement Employment and Restrictions).*

Retirement Checks — Your first retirement check cannot be issued earlier than 30 days following your retirement date. If processing of your retirement is delayed, your first check will be retroactive to the date of your retirement.

Regular retirement checks are dated on the first of the month to cover the allowance for the previous month. For example, if you retire on July 1st, your first retirement check would be "due and payable" on August 1st and is payment for the month of July.

Change of Address — It is important that you inform the Division of Pensions and Benefits of a change of address.

- You can change your address by using the Retiree Change of Address function in the **Member Benefits Online System (MBOS)** for retirees. See **page iii** for more information about registering for MBOS.
- Change your address by calling the **Automated Information System** at **(609) 292-7524**.
- If notifying the Division of a change of address in writing, be sure to include both your old and new address and your retirement number or the last 4 digits of your Social Security number.

Direct Deposit/Electronic Funds Transfer (EFT) — **Direct deposit of retirement checks is *mandatory*** (except for foreign mailing addresses). Direct deposit will prevent your retirement checks from being lost, stolen, or delayed in the mail.

You can sign up for direct deposit up to two months prior to your retirement date using the Direct Deposit/Electronic Funds Transfer application available to pending retirees through MBOS.

- Registered retirees can also start or change direct deposit online, at any time, using MBOS.

See **page iii** for more information about registering for MBOS.

You may also use the *Authorization of Direct Deposit* form which can be printed from the Division of Pensions and Benefits Web site.

Please allow approximately 60 days for a new direct deposit, or changes to an existing direct deposit, to begin.

Withholding Federal and NJ State Income Tax — The Division of Pensions and Benefits will provide for the withholding of federal and New Jersey State income tax from your retirement check.

The default withholding status for federal income tax is "married" with "three dependents" regardless of your actual marital status or number of dependents. The Division is obligated to withhold federal income tax unless you file a *Form W-4P* with instructions not to do so.

New Jersey income tax withholding is voluntary, and none will be withheld unless you give instructions to do so. Please keep in mind that if you live outside New Jersey your retirement benefits are not subject to New Jersey State income tax, but may be subject to state or local taxes in the jurisdiction in which you reside. There is no provision for withholding any local or out-of-state taxes.

New retirees will automatically receive a federal *Form W-4P* and New Jersey *Form NJ W-4P* for withholding income tax. After that, you may obtain a federal or New Jersey State Withholding form by calling or writing the Division of Pensions and Benefits, or printing the forms from the Division's Web site at: ***www.nj.gov/treasury/pensions***

Retirees can increase or decrease existing withholding amounts by calling the **Automated Information System at (609) 292-7524.**

Online federal and New Jersey W-4P applications are also available to retirees who are registered users of the **Member Benefits Online System (MBOS).** See **page iii** for more information about registering for MBOS.

The Division of Pensions and Benefits cannot provide tax advice.

- Questions about your federal income tax should be directed to the Internal Revenue Service at 1-800-TAX-1040.
- Questions about New Jersey income tax should be directed to the New Jersey Division of Taxation at 1-800-323-4400.

Federal Income Tax after Retirement — Every January, the Division of Pensions and Benefits issues each retiree an annual *Form 1099-R* reflecting the taxable retirement allowance paid during the preceding tax year. The degree to which your pension is taxed, other than Accidental Disability Retirement, depends on whether or not the payments you receive have been previously taxed. Employee contributions made prior to 1987 were made with after-tax dollars. That is, they were federally taxed prior to being made. Contributions for the purchase of service credit are also made with after-tax dollars unless funded by a rollover from another tax-deferred plan.

If you began contributing to the pension plan in 1987 or after, and you have not made a purchase of service credit, your entire pension is subject to federal income tax because your contributions have never been taxed.

If you contributed to the pension plan before 1987, or if you have made a purchase of service credit since 1987, your pension is immediately taxable based on the "expected return rule." Part of your retirement allowance comes from your own pension contributions that were already taxed, and the Internal Revenue Service (IRS) allows you to recover these contributions tax-free. This recovery is spread out over your expected lifetime or the combined lifetime of you and your beneficiary, according to IRS life expectancy tables. This means that a small "tax-exclusion amount" of each monthly retirement check is tax-free. The remainder of the monthly benefit is subject to federal income tax.

If you retired on an Accidental Disability Retirement — or if you are a surviving spouse receiving Accidental Disability or Accidental Death benefits — the Division of Pensions and Benefits currently reports your benefit as exempt from federal income tax.

Ordinary Disability Retirement benefits are subject to federal tax to the same extent as other pensions.

Any federal tax questions should be referred to the IRS at 1-800-TAX-1040.

NJ State Income Tax after Retirement — If you live in New Jersey, you will be subject to New Jersey State income tax when you have recovered in pension checks the amount of pension contributions you made to the retirement system while working. However, if you will not recover your total contributions within three years of retirement, contact the New Jersey Division of Taxation at 1-800-323-4400, or see the *NJ Gross Income Tax Return Form 1040* instructions to determine how your pension is taxed.

If you are receiving an Ordinary Disability or Accidental Disability retirement allowance, your pension is exempt from New Jersey income tax if you are under age 65. When you reach age 65, your disability pension is treated as a regular pension and is considered taxable for New Jersey income tax.

Cost-of-Living Adjustment — N.J.S.A. 43:3B-2 **suspended Cost-of-Living Adjustments (COLA) for retirees of all retirement systems.** Please note, however, that there is no reduction to any COLA increases that were *already* added to retiree benefits prior to June 28, 2011, the effective date of the law.

Prior to the suspension of COLA, the Pension Adjustment Program provided an annual Cost-of-Living Adjustment to eligible retirees and their survivors who received a monthly retirement allowance from the SPRS.

For additional information about COLA — including calculation examples — see Fact Sheet #18, *Cost-of-Living Adjustments*.

Prior Cost-of-Living Adjustments are shown under the Current Earnings section of the retirement benefit *Statement of Allowances and Deductions* (check or EFT stub). Retirees can also verify current allowance and deduction information *at any time* using the retiree account information available through the **Member Benefits Online System (MBOS)** or by calling the **Automated Information System at (609) 292-7524.**

REDUCTION OR SUSPENSION OF YOUR BENEFITS

Normally, you will receive retirement benefits as long as you live. Your benefits, however, could be reduced or suspended if:

- You return to a position covered by the SPRS and are required to reenroll (see Fact Sheet #86, *Post-Retirement Employment Restrictions*).
- You return to employment with your former employer within 180 days (even in a voluntary capacity).
- You have an outstanding purchase arrears balance or a shortage in your account at the time of your retirement.
- You receive salary from your employer for service rendered after your date of retirement.

- You waive your right to a portion of any pension to which you are entitled.
- As an Accidental Disability retiree, you receive periodic Workers' Compensation benefits after your retirement date.
- You fail to file a *Certificate of Eligibility* when you are asked to do so. This certificate is necessary, for example, if you or one of your beneficiaries has a change in marital status.
- You are incarcerated (although the Board of Trustees may permit the continuance of your benefits to your dependents).
- An accounting error is made and the SPRS must be repaid.

Your pension is normally exempt from any liens against it. Exceptions are: tax liens imposed by the federal Internal Revenue Service and court orders for child support, alimony, or equitable distribution.

A court order is effective only when you withdraw your funds or when you begin to receive monthly retirement payments. **It is the responsibility of the member** to be certain that the Division is provided with copies of all court orders, and to comply with them.

Divorce or Dissolution of a Civil Union/Domestic Partnership

The retirement system will implement matrimonial/civil union dissolution court orders granting alimony, child support, or equitable distribution.

Matrimonial/civil union dissolution orders regarding your withdrawal from the retirement system will take effect if you voluntarily apply to withdraw your SPRS account (see page 42).

Matrimonial/civil union dissolution orders regarding your retirement will not take effect until you retire and begin receiving a monthly retirement allowance. The court order can designate a specific dollar amount or percentage, or a percentage based on the number of years of pensionable service you accrued during the marriage/civil union, to be withheld from your retirement allowance.

The amount withheld is sent directly from the Division of Pensions to your former spouse/partner unless the order specifies another payee (i.e. a probation department). Any court ordered withholding paid to your former spouse/partner from your retirement allowance will terminate upon your death or the death of the former spouse/partner.

Group Life Insurance — In cases of divorce or dissolution, N.J.S.A. 3B:3.14 states that even if your *Designation of Beneficiary* form indicates a former spouse/partner and/or relatives of the former spouse/partner as beneficiaries for life insurance, they cannot receive the benefit. Therefore, the life insurance proceeds become payable to your remaining primary beneficiaries, if any; contingent beneficiaries, if any; or your estate. However, the following exceptions will be honored and considered valid:

- Court orders are filed that specifically designate your former spouse/partner to receive a life insurance benefit; or
- You file a *Designation of Beneficiary* after the final date of judgment that names your former spouse/partner and/or relatives of your former spouse/partner as the life insurance beneficiary.

Misconduct

The receipt of retirement benefits is expressly conditioned upon the rendering of honorable service by a public officer or employee. Your benefits may be reduced or forfeited if you are convicted of a crime in any way related to your employment, or if you are suspended or dismissed from your employment.

In accordance with N.J.S.A. 43:1-3.1, the court may order the forfeiture of all or part of the retirement allowance in certain cases.

Also, in accordance with N.J.S.A. 43:1-3, the Board of Trustees is required to order the forfeiture of all or part of the retirement allowance of a member for misconduct during public service, which renders the service, in whole or in part, dishonorable***.** The Board evaluates the member's disciplinary and/or criminal charges using the following 11 factors to determine whether the member's public service is considered honorable.

1. The employee's length of service;
2. The basis for retirement, i.e., age, service, disability, etc. (includes the effective date of retirement);
3. The extent to which the employee's pension has vested;
4. The duties of the particular employment;
5. The employee's public employment and service (includes the date of last pension contribution);
6. The employee's other public employment and service;
7. The nature of the misconduct or crime, including the gravity or substantiality of the offense, whether it was a single or multiple offense and whether it was continuing or isolated;
8. The relationship between the misconduct and the employee's public duties;
9. The quality or moral turpitude or the degree of guilt and culpability, including the employee's motives and reasons, personal gain and the like;
10. The availability and adequacy of other penal sanctions; and
11. Other personal circumstances relating to the employee bearing upon the justness of the forfeiture.

The Division of Criminal Justice in the Department of Law and Public Safety, the County and Municipal Prosecutor's Offices, and the Civil Service Commission are required to inform the Division of Pensions and Benefits whenever a public official or employee is prosecuted or convicted. State and Local public employers are also required to notify the Division of Pensions and Benefits whenever a public employer takes formal disciplinary action to remove a member from public office or employment for cause on charges of misconduct or

**Except for Deferred Retirement when removed for cause on charges of misconduct or delinquency — N.J.S.A. 53:5A-28.*

delinquency. In these cases, the Board of Trustees will consider all relevant documentation to render a determination on any appropriate action.

The Division may suspend processing of a member's application for retirement pending the receipt of the final disposition of charges against the member. All claims for retirement, death benefits, or the return of the member's contributions cannot be processed until the criminal or administrative matter has been resolved to the satisfaction of the Board of Trustees. The Division will postpone action on all claims where there is pending litigation against the member's employment. In this case, the Division will hold all applications or requests in abeyance until such time as the matter is fully resolved. Once all the required information is provided to the Division, the Board of Trustees will consider each case on its own merits.

New Jersey law stipulates that a retired member is not eligible to collect retirement benefits if the retiree is confined in a penal institution as a result of a conviction of a crime involving moral turpitude. The law provides that an eligible dependent may continue to collect a retirement benefit if they can prove to the satisfaction of the Board of Trustees that they rely on the retiree's benefits for their maintenance.

The member should contact the Division's Board and Trustee Administration Office, in writing, if any of the conditions listed above should occur in order to obtain more specific instruction on how to proceed.

For additional information, see Fact Sheet #76, *Honorable Service,* which is available on the Division of Pensions and Benefits Web site **at: *www.nj.gov/treasury/pensions***

EMPLOYMENT AFTER RETIREMENT

For most SPRS retirees, working for a private industry, the federal government, or a government agency in another state will not affect your retirement benefits. (Disability retirees are subject to an annual earnings test, see Fact Sheet #15, *Disability Retirement Benefits*.)

For SPRS retirees who resume public employment in New Jersey after retirement, there are several areas of concern. To learn about the rules and regulations regarding post-retirement employment, please see Fact Sheet #86, *Post-Retirement Employment Restrictions*, at: ***www.nj.gov/treasury/pensions/fact-sheets.shtml***

ACTIVE AND RETIRED DEATH BENEFITS

Upon the death of an active or retired SPRS member, two benefits are payable:

- A **monthly survivor's pension** paid to a specific family member (or return of contributions to a beneficiary); and
- **Group life insurance**

The monthly survivor's pension to a family member is explained below. An explanation of group life insurance begins on page 36.

Payment of Pension to a Family Member

Upon the death of an employed or retired member, the spouse, civil union partner, eligible domestic partner, child(ren), or dependent parents of the member may be entitled to a monthly pension. The benefits vary according to the status of the member at the time of the death. The terms used in the explanations of benefits are explained here.

'Spouse' — A person to whom you were married before the date of death and to whom you continued to be married until the date of your death. A photocopy of the *Marriage Certificate* is required for verification.

'Civil Union Partner' — A person of the same sex as defined by N.J.S.A. 37:1-29, with whom you were partnered in a civil union until the date of your death. A photocopy of the *New Jersey Civil Union Certificate,* or a valid certification from another jurisdiction that recognizes same-sex civil unions, is required for verification (see Fact Sheet #75, *Civil Unions,* for details).

'Domestic Partner' — A person of the same sex as defined by N.J.S.A. 26: 8A-3, with whom you are partnered into a domestic partnership until the date of your death. A photocopy of the *New Jersey Certificate of Domestic Partnership* dated prior to February 19, 2007, or a valid certification from another jurisdiction that recognizes same-sex domestic partners, is required for verification (see Fact Sheet #71, *Benefits Under the Domestic Partnership Act*, for details).

'Child' — Your unmarried child:

- Under the age of 18;
- 18 years of age or older and enrolled in high school;
- Any age, who at the time of your death, is disabled because of mental or physical incapacity and is incapable of substantial gainful employment because of the impairment. This incapacity must last or be expected to last for a continuous period of not less than 12 months as determined by the Medical Review Board.
- For an Accidental Death Benefit (see page 35), a "child" may also mean an unmarried child under the age of 24 who is enrolled in college in a degree program for at least 12 hours per semester.

'Parent' — Your parent who was receiving at least one-half support from you in the 12 months immediately preceding your death (or the accident which led to your death in cases of an Accidental Death Benefit). The dependency of the parent will be considered terminated if he or she remarries after the death of the member.

Active Members

Upon your death as an active member your surviving spouse/partner is eligible to receive a pension benefit equal to 50% of your Final Compensation.

- **Final Compensation** — for a SPRS **Tier 1 member** enrolled *on or before* May 21, 2010, Final Compensation means the salary upon which pension contributions were based in the last 12 months of creditable service preceding your death as an active member.

  For a SPRS **Tier 2 member** enrolled *after* May 21, 2010, Final Compensation means the *average* salary upon which pension contributions were based for any ***three*** *fiscal years* (July-June) of membership preceding your death as an active member that provides the largest possible benefit.

  For **all** SPRS members Final Compensation includes the value of the maintenance allowance for the same period.

If there is no surviving spouse/partner, the following benefit is payable to eligible children:

- 50% of Final Compensation to three or more eligible children;
- 35% of Final Compensation to two eligible children; or
- 20% of Final Compensation to one eligible child.

If there is no surviving spouse/partner or children, a pension is paid to your eligible parents as follows:

- 40% of Final Compensation to two parents; or
- 25% of Final Compensation to one parent.

If there is no surviving spouse/partner, children, or parents, the employee's contributions to the retirement system are paid to the named beneficiary. In the event that a specific beneficiary is not named, the funds will be paid to the member's estate.

Retired Members

Upon your death as a retiree your surviving spouse/partner is eligible to receive a pension benefit equal to 50% of your Final Compensation.

- **Final Compensation** — for a SPRS **Tier 1 member** enrolled *on or before* May 21, 2010, Final Compensation means the salary upon which pension contributions were based in the last 12 months of creditable service preceding retirement.

  For a SPRS **Tier 2 member** enrolled *after* May 21, 2010, Final Compensation means the *average* salary upon which pension contributions were based for any ***three*** *fiscal years* (July-June) of membership preceding retirement that provides the largest possible benefit.

  For **all** SPRS members Final Compensation includes the value of the maintenance allowance for the same period.

If there is no surviving spouse/partner, the following benefit is payable to eligible children:

- 50% of Final Compensation to three or more eligible children;
- 35% of Final Compensation to two eligible children; or
- 20% of Final Compensation to one eligible child.

ACCIDENTAL DEATH BENEFIT

If you die as a result of an accident during the performance of your regular or assigned duties, and your death is not a result of willful negligence, your family may be entitled to an Accidental Death Benefit. A report of an accident must be filed with the retirement system within 60 days of the accident. An *Application for Accidental Death Benefits* must be filed within five years of the date of death.

In cases resulting in an Accidental Death Benefit, your eligible surviving spouse, civil union partner, or eligible same-sex domestic partner (as defined on page 33) is paid an annual pension of 70% of your Final Compensation (or, if appropriate, Adjusted Final Compensation in accordance with N.J.S.A. 53:5A-14). This benefit is a lifetime benefit to your surviving spouse or partner.

- **Final Compensation** — for a SPRS **Tier 1** member enrolled *on or before* May 21, 2010, Final Compensation means the salary upon which pension contributions were based in the last 12 months of creditable service preceding your death.

  For a SPRS **Tier 2** member enrolled *after* May 21, 2010, Final Compensation means the *average* salary upon which pension contributions were based for any ***three*** *fiscal years* (July-June) of membership preceding your death that provides the largest possible benefit.

  For **all** SPRS members Final Compensation includes the value of the maintenance allowance for the same period.

If there is no eligible surviving spouse/partner, or if the surviving spouse/partner dies, a pension is paid to your eligible children (as defined on page 33), in equal shares, in the amount of 70 percent of your Final Compensation (or Adjusted Final Compensation, if appropriate).

If there is no eligible surviving spouse/partner or children, a pension will be paid to your eligible dependent parents (as defined on page 33) in these amounts:

- 40% of Final Compensation to two eligible parents; or
- 25% of Final Compensation to one eligible parent.

If there is no surviving spouse, child, or parent, your pension contributions will be paid to your named beneficiary. In the event that a specific beneficiary is not named, the funds will be paid to the member's estate.

GROUP LIFE INSURANCE

Your employer pays the cost of your group life insurance. This Noncontributory Group Life Insurance is provided through policies issued by the insurance carrier (Prudential Financial).

The group policy number for the SPRS is **G-14800**.

- **Final Compensation** — for a SPRS **Tier 1 member** enrolled *on or before* May 21, 2010, Final Compensation means the salary upon which pension contributions were based in the last 12 months of creditable service preceding your death or retirement.

  For a SPRS **Tier 2 member** enrolled *after* May 21, 2010, Final Compensation means the *average* salary upon which pension contributions were based for any ***three*** *fiscal years* (July-June) of membership preceding your death or retirement that provides the largest possible benefit.

  For **all** SPRS members Final Compensation includes the value of the maintenance allowance for the same period.

Coverage for Active Members

If your death occurs in active service before retirement, your named beneficiary (or estate where there is no named beneficiary) receives a group life insurance benefit equal to 3½ times your Final Compensation. If you die during the first year of creditable service, the benefit is 3½ times your creditable base salary upon which pension contributions were paid.

Coverage for Retired Members

If you die after retirement, your named beneficiary (or estate where there is no named beneficiary) receives a group life insurance benefit equal to ½ of your Final Compensation. However, if you retired on a Disability Retirement, the amount is equal to 3½ times your Final Compensation until age 55 when it is reduced to ½ of Final Compensation.

Group life insurance for retired members of the SPRS who were enrolled on or after July 1, 1971, is payable only if the member retired with 10 or more years of pension membership credit or retired on a disability retirement.

Choosing a Beneficiary

When a member is enrolled in the SPRS, the new member's estate is the group life insurance beneficiary on record until the Division of Pensions and Benefits receives a properly completed *Designation of Beneficiary*.

Active members must complete the *Designation of Beneficiary* online using the Member Benefits Online System (MBOS). See **page iii** for more information about registering for MBOS.

When you submit the *Designation of Beneficiary*, you name beneficiaries for your group life insurance benefits (and, if applicable, the return of your pension contributions). You may name any person, organization, your estate, or trust as beneficiary. You may change your designation at any time during your active membership by submitting a new and properly completed *Designation of Beneficiary*.

- **At retirement,** you are asked on your retirement application to name a beneficiary(ies) for group life insurance benefits. You may name any person, organization, your estate, or trust as beneficiary for group life insurance benefits.
- The designation of a beneficiary on a retirement application that is filed with and accepted by the Division of Pensions and Benefits supersedes *any* older designation of beneficiary on file. The designation is effective upon acceptance by the Division, even if the retirement date on the application is in the future *or* the member later cancels the retirement application.

Retirees may also change group life insurance designations at any time during retirement by filing a new and properly completed Designation of Beneficiary.

- Retirees can complete the Designation of Beneficiary online using the Member Benefits Online System (MBOS). See **page iii** for more information about registering for MBOS.
- Retirees may also mail a *Retiree Designation of Beneficiary* form to the Division of Pensions and Benefits. The form is available under "Forms and Publications" on the Division's Web site at: ***www.nj.gov/treasury/pensions***

If you have additional questions regarding designations, please see Fact Sheet #68, *Designating a Beneficiary.*

For your protection, beneficiary designations cannot be accepted or confirmed over the telephone or by e-mail. Members can verify beneficiary designation on MBOS. Otherwise, the Division will only accept a written request from the member.

Payment of Group Life Insurance

Group life insurance benefits for active members can be paid in one of several ways (group life insurance for retirees must be paid in a lump sum).

The options are:

- **Lump Sum** — A single payment to your beneficiary.
- **Annuity Certain** — Equal installments over a selected period of years.
- **Life Annuity** — Paid monthly to your beneficiary for life.

Death benefits cannot be paid until all the necessary information and claim forms have been received from your beneficiary by the Division of Pensions and Benefits.

To report a death, contact the Office of Client Services at (609) 292-7524. A certified death certificate, obituary, or the employer's *P-29* form, is required to open the claim.

Taxation of Group Life Insurance Payments

Information regarding death claim payments are supplied to the New Jersey Division of Taxation, in accordance with their requirements. A beneficiary or beneficiaries may be considered by the Division of Taxation to be personally liable for any and all inheritance and/or estate taxes until paid.

Group Life Insurance and Leave Of Absence

Your group life insurance coverage will continue in full force for an official leave of absence without pay under the following conditions:

- Up to two years while on an official leave of absence for personal illness.
- Up to one year while on an official leave to fulfill a residency requirement for an advanced degree or as a full-time student at an institution of higher education.
- Up to 93 days while on official leave for personal reasons (also family leave).

An official leave of absence requires documentation that establishes the nature of the leave and the continuing relationship between the employer and the member.

Note: *A member who has been suspended without pay is covered for group life insurance for up to 93 days.*

Taxation of Group Life Insurance Benefits

The Internal Revenue Service classifies all employer-provided life insurance coverage over $50,000 as a fringe benefit subject to taxation. The amount of life insurance coverage is not taxable but rather the premium required to pay for the life insurance coverage is taxable.

To determine the taxable amount, if any, subtract $50,000 from that total value of your Noncontributory Group Life Insurance coverage. The premium rates are then applied to the remaining life insurance amount. The premium costs for the life insurance are determined by the IRS based on your age (see chart on page 39) and the life insurance in excess of $50,000. The remaining premium cost (if any) is the taxable amount and is added to your income on the *Form W-2* for that year.

EXAMPLE: *A SPRS member is age 52 and has noncontributory life insurance coverage.*

The member's annual base salary is $60,000. The member's life insurance coverage totals $210,000 (3.5 x $60,000).

The fringe benefit amount is determined by subtracting $50,000 from the total benefit amount, $210,000. That equals $160,000.

According to the IRS, the premium cost for an individual 52 years of age is $2.76 per $1,000 of coverage. The premium cost in this example is $441.60 (160 x $2.76) and this amount would be added to your taxable income.

IRS Premium Rate*

(Annual cost per $1,000 of coverage)

Age	Premium
Under age 25	$0.60
25-29	0.72
30-34	0.96
35-39	1.08
40-44	1.20
45-49	1.80
50-54	2.76
55	5.16

**These rates are subject to change by the IRS.*

Waiving Noncontributory Group Life Insurance over $50,000

SPRS members are permitted to waive their Noncontributory Group Life Insurance over $50,000 to avoid a possible federal and State tax liability on that benefit.

Waivers of partial amounts are not permitted. Any member who waives Noncontributory Group Life Insurance, must waive the total amount of noncontributory coverage in excess of $50,000.

In the example above, the member's noncontributory life insurance coverage equals $210,000 (3.5 x $60,000). In this example the member could waive $160,000 of coverage because members are only permitted to waive noncontributory coverage over $50,000. The net taxable value would be reduced to $0.00.

You may waive your Noncontributory Group Life Insurance coverage in excess of $50,000 by completing a *Waiver of Group Life Insurance in Excess of $50,000* form and submitting it to the Division of Pensions and Benefits. The form is available from the Division of Pensions and Benefits or your employer. The waiver form must be received by the Division before December 31 in order to be effective January 1 of the next calendar year. Once a waiver form has become effective it shall be irrevocable for the entire calendar year. The waiver will remain in effect until you submit a reinstatement form to the Division. The reinstatement will become effective the following January 1.

If a waiver is in effect at the time of termination of employment or retirement, you will not be permitted to convert any amount of your coverage over $50,000.

Before completing the waiver, you should completely understand the ramifications of waiving your noncontributory life insurance. For more information, refer to Internal Revenue Service *Publication 525, Taxable and Nontaxable Income.*

CONVERSION OF GROUP LIFE INSURANCE

If you are covered by group life insurance while employed, the coverage ends 31 days after you cease employment (whether for reasons of retirement, termination of employment, or leave of absence without pay).

You are eligible to convert your group life insurance coverage to an individual policy with Prudential Financial, without medical examination and at your own expense, when you retire, terminate employment, or lose coverage while on a leave of absence without pay.

This conversion to a Prudential policy is guaranteed (you cannot be denied coverage for health or other reasons), but it may be more expensive or less suitable to your needs than other policies for which you may qualify from Prudential or other insurance carriers. You should consider contacting other insurance carriers and compare the available policies and costs before you decide to purchase the conversion policy. (Other carriers may accept or reject your application based on their evaluation of the status of your health and other factors.)

If you wish to purchase a conversion policy, you have a one-time option to do so prior to the 31st day after you cease employment. After that date, you will not be eligible to purchase a conversion policy.

You may convert your life insurance to any individual, non-group policy customarily offered by Prudential. You cannot convert to term insurance or a policy containing disability benefits. Under a guaranteed conversion, the premiums you would pay would be at Prudential's "standard" rates for the type of policy to which you would be converting rather than the "preferred" rates that would be used for applicants in good health. The individual policy will be effective at the end of the 31-day conversion grace period. If you do not convert to an individual policy by the end of the 31-day period, your coverage will end.

To initiate the purchase of a conversion policy, you must contact Prudential Financial through any of its local offices, or by calling 1-855-364-7783 (do not contact the Division of Pensions and Benefits about conversion).

You will need to provide your SPRS group insurance policy number: **G-14800.**

The conversion policy can be for any amount of insurance up to the amount that you had while employed. In the case of a retirement, the maximum amount that you can purchase will be reduced by the amount of any life insurance that you will automatically receive in retirement under your retirement plan.

To protect your conversion privilege it is suggested that you send your application for conversion to Prudential with at least one month's premium, at the time you file your retirement application with the Division of Pensions and Benefits (however, you cannot file to convert your life insurance any earlier than six months prior to your retirement date).

The following sections provide more detailed information about conversion policies for the specific situations of retirement, termination of employment and leave of absence.

Conversion: At Retirement

Service or Special Retirement — If you retire with 10 or more years of service credit in the retirement system, the amount of your group life insurance will be substantially reduced when you retire. The amount of your coverage will be listed on the *Quotation of Retirement Benefits* that you will receive prior to your retirement. It will be identified as the "Lump Sum Death Benefit." You will automatically be covered by this insurance and do not need to do anything to qualify.

If you retire on a service retirement with **less than 10 years** of service credit in the retirement system, you will not be entitled to any group life insurance in retirement.

The reduction (or elimination) of your life insurance coverage will be effective 31 days after your termination of employment or date of retirement, whichever is earlier. If you wish to supplement this coverage with either a conversion policy from Prudential or another type of policy from either Prudential or another insurance carrier, it is best to begin exploring your options at least four months prior to your retirement.

EXAMPLE: *If you had group life insurance of $175,000 through the retirement system while employed, and that life insurance coverage drops to $25,000 at retirement, you can purchase up to $150,000 in life insurance coverage under an individual non-group policy by contacting a Prudential agent within 31 days following your termination of employment.*

Deferred Retirement — If you retire with a Deferred Retirement, your life insurance coverage will end 31 days after termination of employment. Any life insurance coverage to which you are entitled upon retirement will not take effect until you reach age 55 and begin to receive retirement benefits.

You have the one-time option to purchase a conversion policy prior to the 31st day after termination of employment (not at the time that you reach normal retirement age). The maximum amount of coverage that you may purchase will be the difference between the amount of coverage you had while employed and the amount of coverage that you will automatically receive when you begin to receive retirement benefits.

Disability Retirement — Your life insurance coverage will continue while your disability retirement benefits are being processed provided that the retirement application was filed within 30 days of ending your employment.

If you are approved for a disability retirement you will automatically be covered by life insurance in the amount of 3½ times your Final Compensation until you reach age 55. At age 55, your life insurance coverage reduces to ½ of your Final Compensation.

You will have the option to purchase a conversion policy up until the day you reach age 55. The maximum amount of coverage that you may purchase will be the difference between the amount of noncontributory coverage you had while employed and the amount of coverage that you will automatically receive when you reach the normal retirement age of 55.

Conversion: Termination of Employment or Leave of Absence

If you terminate employment without applying for retirement or your insured period during a leave of absence expires, you will continue to be covered for the next 31 days. Up until the end of that 31-day period, you may convert your group life insurance, without medical examination, to any individual policy customarily offered by Prudential except term insurance or a policy containing disability benefits.

EXAMPLE: *If you had group life insurance of $96,000 through the retirement system while employed, that life insurance coverage is eliminated at termination of employment. You can purchase up to $96,000 in life insurance coverage under an individual non-group policy by contacting a Prudential agent before 31 days following your termination of employment.*

Group Life Insurance Coverage While Receiving Workers' Compensation Without Pay

If you are disabled due to an illness or injury that is a direct result of your regular job duties, you may be out of work on an official leave of absence for illness. If so, your group life insurance will automatically continue for the duration of the leave of absence, up to two years.

During the interval between the time you are without pay and the actual receipt of the Workers' Compensation award, you must be on an official leave of absence granted by your employer.

WITHDRAWAL FROM THE RETIREMENT SYSTEM

When Membership Ends

Your active membership in the SPRS ends 30 days after your retirement date or 30 days after the approval of your retirement by the SPRS Board of Trustees, whichever is later; or if:

- You die;
- You end your employment and withdraw your contributions from the SPRS; or
- You have not been contributing to the retirement system for two consecutive years.
  - If you have *less than* 10 years of SPRS service credit, two consecutive years is the limit for inactive membership before a SPRS account expires (see "Expired Accounts").
  - If you have *10 years or more* of SPRS service credit, your SPRS account is vested. This means that you are guaranteed* the right to receive a retirement benefit based on that service and salary (see "Vesting" on page 5). However, two consecutive years remains the limit for inactive membership.

Terminating Employment

If you terminate employment before you are eligible to retire, your options regarding your SPRS account vary depending on your vesting status at the time of your termination (see "Vesting" on page 5).

**Except if terminated for cause on charges of misconduct or delinquency.*

If you are vested when you terminate employment, you can apply for a Deferred Retirement, with payments to begin at age 55 (see "Deferred Retirement" on page 18).

If you are not vested before you terminate employment, you will not be eligible to receive a monthly retirement benefit before your account expires — unless you are age 53 or older, or eligible for an Ordinary or Accidental Disability Retirement benefit.

If you terminate employment *before* vesting, you can choose to:

- Make an immediate withdrawal of your contributions; or
- Leave your contributions on deposit with the SPRS and retain all the service credit you have earned, in the event you return to covered employment and resume membership. As a general rule (see "Exceptions" listed below), if you do not resume active membership within two years, your account will automatically expire and you will be requested to withdraw your contributions.

If your account expires or you elect to voluntarily withdraw your personal contributions, all service credit represented by the withdrawal is canceled. If you later return to SPRS covered employment, you may then be eligible to purchase the service (see "Purchasing Service Credit" on page 6) to have it credited to your new account.

Expired Accounts

If your membership has been inactive for 18 consecutive months, you are not vested, and you have not filed for and received a withdrawal of contributions, the Division of Pensions and Benefits will send an *Expiration Notice* to your last known address (and a copy to your last employer in case they have a more current address) to remind you that your money is still being held in the retirement system. When notified, you should submit an *Application for Withdrawal* to obtain your contributions in the retirement system.

After two years has passed your account will expire.

Should you return to covered employment *before* the two-year period ends, you have the option of an Interfund Transfer if you otherwise qualify (see "Transfers" on page 4).

Should you return to covered employment *after* your account has expired or you have withdrawn your account, you will be treated as a new member in all respects. Service credit from a former membership may be purchased by members returning to the system after the withdrawal of money from a former account.

Exceptions

Your SPRS membership will not end two years after your last contribution if:

- You are granted an official leave of absence (your two-year inactive period will not begin until your leave of absence ends);
- You lose your job through no fault of your own, either laid off or your position is abolished. Your inactive membership can be extended up to 5 years for the purpose of return to employment.

For an extension to be granted in these cases, you must submit documentation from your employer showing that your leave of absence was officially extended **or** that your employment was not terminated voluntarily or for cause.

This extension **only** gives you the right to retain your contributions and service credit in the retirement system should you again obtain public employment. It gives you no other right to benefits. Therefore, you cannot qualify for a retirement benefit unless you return to SPRS employment during the period of extended inactive membership in order for your account to be reactivated. You would then be eligible to apply for a retirement allowance provided that you meet all other qualifications for retirement.

EXAMPLE: *If you were age 50 with five years of membership credit at the time of layoff, your account could remain inactive until you reach age 55; however, you would not be able to qualify for retirement benefits at age 55 unless you returned to active employment before filing for retirement.*

Withdrawing Contributions

If you terminate covered employment before retirement, you may withdraw all your contributions to the fund, less any outstanding loan or other obligations. You may withdraw only the money you have contributed and partial withdrawals are not permitted. **Upon your withdrawal, all rights and privileges of membership end.**

Since the employer/employee relationship must be severed, no withdrawal will be paid if there are unresolved legal matters concerning your termination of employment.

All withdrawal requests must be submitted using the *Application for Withdrawal* on the Member Benefits Online System (MBOS).

See **page iii** for more information about registering for MBOS.

In accordance with federal law, income tax must be withheld on certain pension distributions that produce an annual taxable income of $200 or more unless the taxable amount is directly rolled over into an individual retirement arrangement (IRA) or a new employer's retirement plan (if applicable). To qualify, this direct rollover must occur within 60 days of the withdrawal check date. If payment is made directly to you, the taxable portion is subject to 20% federal income tax withholding. In addition, if you receive payment before you reach age 59½ and you do not roll over the taxable amount, you may have to pay an extra tax equal to 10% of the taxable portion of any payment. If you have any questions concerning this federal law, call the Internal Revenue Service at 1-800-829-1040.

You may call the Division of Pensions and Benefits Automated Information System at (609) 292-7524 for general information concerning withdrawals or information pertaining to your particular withdrawal claim. If you are age 55 or older or have 10 years or more of service credit when you file for withdrawal, you must waive any rights you have to any retirement or death benefit. At the time you apply for withdrawal, the Division will indicate how to obtain an estimated amount of any retirement benefit and will require a signed waiver of such benefits, should you still wish to withdraw. You must take a distribution by no later than April 1 following the calendar year in which you turn 70½.

No withdrawal application can be processed until all the necessary information has been received from you and your former employer.

WORKERS' COMPENSATION

As long as you are receiving Workers' Compensation benefits (either temporary or permanent), you retain the same status as an active member. You cannot withdraw from the SPRS while you are receiving Workers' Compensation, have a claim pending, or are involved in litigation regarding Workers' Compensation unless the employer/employee relationship is severed and you complete a waiver of retirement benefits.

Your employer is obligated by statute to pay your pension contribution based on the full salary you were receiving immediately before you start receiving Workers' Compensation benefits, even if the total compensation you receive is less than 100% of your full salary.

Your employer is not obligated, however, to make voluntary contributions, such as loans or purchase arrears payments. However, as the employee, you must continue to make contributions, or the balances may be deemed as distributions.

The employer's obligation to make pension contributions for members receiving Workers' Compensation ceases when:

- The employee voluntarily files for a retirement allowance that is subsequently approved;
- The employer files an Involuntary Disability Retirement application for the employee that is subsequently approved (see page 20);
- The employee voluntarily resigns from employment for reasons other than the inability to perform the job's functions due to the incident that was the basis for the Workers' Compensation claim; or
- The employee is terminated by the employer for reasons unrelated to a Workers' Compensation award.

If you are approved for Ordinary Disability Retirement benefits and receive a Workers' Compensation award, your Workers' Compensation award may be reduced by the amount of your Ordinary Disability Retirement benefit.

If you are approved for Accidental Disability Retirement benefits and receive periodic Workers' Compensation benefits, the pension portion of your retirement allowance will be reduced dollar-for-dollar by the amount of the periodic benefits.

For additional information, see Fact Sheet #45, *Workers' Compensation.*

APPEALS

If you wish to appeal any administrative decision of the Division of Pensions and Benefits, address your appeal to:

Secretary to the Board of Trustees
State Police Retirement System
Division of Pensions and Benefits
PO Box 295
Trenton, New Jersey 08625-0295

Your appeal to the Board of Trustees must include a copy of the administrative decision, a detailed explanation of your basis for disagreement with the decision, and all supporting documentation that you wish to be considered by the Board.

The Board of Trustees will address your appeal and issue a written determination.

If you disagree with the determination of the Board of Trustees, you may request a formal hearing before an Administrative Law Judge within the Office of Administrative Law (OAL), by sending a written statement to the Board of Trustees within 45 days from the date of the Board's decision. State in detail the reasons for your disagreement with the Board's determination and submit any and all supporting documentation if you have not already done so. If no such written statement is received within the 45-day period, the determination shall be considered final.

If your request for a formal hearing is approved by the Board of Trustees, the Board will submit the matter to the OAL. Upon completion of this hearing, the Administrative Law Judge will submit to the Board an initial decision which the Board may adopt, reject, or modify. If the Board rejects or modifies the initial decision, it shall issue a detailed findings of fact and conclusions of law which will become the Board's final administrative determination and may then be appealed to the Superior Court, Appellate Division.

When the Board of Trustees reviews your request for a hearing in the OAL, it determines whether the matter involves contested facts or is solely a question of law. If the appeal involves solely a question of law, an OAL hearing is not likely to be approved. In that case, the Board shall reject your hearing request and issue detailed findings of fact and conclusions of law. These findings and conclusions will become the Board's final administrative determination and may be appealed to the Superior Court, Appellate Division.

Benefits and provisions of the State Police Retirement System are subject to changes by the legislature, courts, and other officials. While this booklet outlines the benefits and contribution schedules of the State Police Retirement System, it is not a final statement. Complete terms governing any employee benefits program are set forth in the New Jersey Statutes Annotated. Regulations, new or amended, are published in the New Jersey Register by the state Office of Administrative Law supplementing the New Jersey Administrative Code.

STATE POLICE RETIREMENT SYSTEM

HANDBOOK EVALUATION FORM

Please rate the following aspects of this handbook:

1. Explanation of the provisions of the State Police Retirement System.

☐	☐	☐	☐	☐
Excellent	Above Average	Average	Below Average	Poor

2. Ease of use (readability, ease in finding needed information, etc.).

☐	☐	☐	☐	☐
Excellent	Above Average	Average	Below Average	Poor

3. Usefulness as a future reference.

☐	☐	☐	☐	☐
Excellent	Above Average	Average	Below Average	Poor

4. I found the following section(s) or subject(s) helpful:

_____

_____

5. I found the following section(s) or subject(s) confusing:

_____

_____

6. Questions or comments:

_____

_____

If you need an answer to a question, be sure to include your full name, last four digits of your Social Security number or SPRS membership number, a daytime telephone number, and return address:

Name: _____

SSN or Member Number: _____ Phone: _____

Address: _____

Please mail your completed evaluation form to:

Division of Pensions and Benefits
ATTN:Office of Communications
PO Box 295
Trenton, NJ 08625-0295
pensions.nj@treas.nj.gov

Thank you for your time and consideration in completing and returning this evaluation.