BEFORE YOU RETIRE
You should inquire about retirement at least six months before your retirement date. This will give you enough time to review your benefits and options. You may also obtain an Estimate of Retirement Benefits, which estimates your monthly retirement allowance, the benefits payable to your beneficiary upon your death under the various retirement options, and your life insurance benefits.

Obtain a Retirement Estimate
Members within two years of retirement can obtain an estimate of retirement benefits using the Member Benefits Online System (MBOS). Estimates obtained through MBOS provide the most accurate information available by using the service and salary information currently posted to your account. You can register with MBOS on our website at: www.nj.gov/treasury/pensions
You can also hear an estimate of retirement benefits over the phone by calling the New Jersey Division of Pensions and Benefits (NJDPB) Automated Information System at (609) 292-7524.

YOU MUST FILE FOR RETIREMENT ONLINE
You must meet all of the eligibility requirements for retirement and cannot submit your online application more than one year prior to your retirement date (members eligible for a Deferred Retirement may file more than one year in advance upon termination of employment).

MBOS Registration is Required
Your retirement application must be submitted online using MBOS. Paper applications are not accepted. MBOS is an easy, secure, and accurate way to apply for retirement. Be sure to carefully read the instructions and the fact sheets about retirement prior to submission. To begin the registration process, go to our website.

Submitting your Application
All retirements are effective the first of a month. Your application must be submitted to the NJDPB before your retirement date. Under no circumstances can a retirement become effective prior to the date the online application is received by the NJDPB.

It is your responsibility to file for retirement. Four to six months advance filing is recommended. Processing times vary and cannot begin until we have received all the necessary information from both you and your employer. Your employer will be notified that you have filed an application for retirement.
If you have not furnished proof of your age to the NJDPB, you must do so when applying for retirement. 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 indicate your pension membership number or last four digits of your Social Security number on all documentation that you submit. Your retirement application will not be processed until the NJDPB receives copies of birth date evidence. Proof of age documents include a copy of any of the following:

• Birth certificate — with visible seal;
• Passport;
• A U.S. Passport Card;
• A current digital New Jersey driver’s license or identification card (for non-drivers) issued by the N.J. Motor Vehicle Commission;
• A current digital Pennsylvania or New York driver’s license; or
• Naturalization or immigration papers.
Unacceptable documentation includes military records indicating your age, expired documentation, out-of-state drivers’ licenses (except P.A. and N.Y.), hospital birth certificates, marriage certificates, census records, baptismal records, or affidavits from older family members.
You should submit your proof of age document using the Online Document Submission application available on MBOS. Or, if you are unable to submit online, you should mail photocopies of the proof of age documentation at the time you submit your online application to the New Jersey Division of Pensions & Benefits, Retirement Bureau, P.O. Box 295, Trenton, NJ 08625-0295.
Payment options are available that provide a portion
of your pension benefit for a surviving spouse/partner, child, or other beneficiary. Proof of age for your beneficiary is required under Options A, B, C, D, 2, 3, and 4. For an explanation of your options at retirement see the Retirement – PERS and TPAF Pension Options Fact Sheet.

Note: Members should allow additional processing time for Option 4 retirements with multiple beneficiaries.

It is your responsibility to ensure that all forms you are required to submit are received by the NJDPB within 90 days of filing your application. Otherwise, your retirement application may be canceled and you will need to submit another application for a future retirement date.

If you retire with an outstanding loan balance, you must decide how you wish to repay your loan. You may:

• pay the loan in its entirety prior to receiving any benefits; or
• pay through deductions from your retirement allowance until the loan balance plus interest has been repaid. The monthly loan payment will be calculated to have the loan plus interest satisfied by your five-year end date.

TYPES OF RETIREMENT

Retirement criteria for PERS and TPAF members is based on membership tier, defined as follows:

• **Membership Tier 1** — Members enrolled prior to July 1, 2007.
• **Membership Tier 2** — Members enrolled on or after July 1, 2007, and prior to November 2, 2008.
• **Membership Tier 3** — Members enrolled on or after November 2, 2008, and on or before May 21, 2010, and who meet or exceed a pensionable minimum salary set for the current year, subject to future adjustment.
• **Membership Tier 4** — Members enrolled after May 21, 2010, and before June 28, 2011, and who work the minimum number of hours per week, with no minimum pensionable salary requirement (for PERS members, fixed hours of 35 hours for State employees or 32 hours for local government, local education, or State education employees. For TPAF members, fixed hours of 32 or more).
• **Membership Tier 5** — Members enrolled on or after June 28, 2011, and who work the minimum number of hours per week, with no minimum pensionable salary requirement (for PERS members, fixed hours of 35 hours for State employees or 32 hours for local government, local education, or State education employees. For TPAF members, fixed hours of 32 or more).

Note: Age requirements and benefit formulas for certain types of retirement vary by membership tier. Members with multiple tier accounts within the same retirement system must terminate all positions in order to collect a retirement allowance.

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

**Service Retirement**

Available to Tier 1 and Tier 2 members upon reaching age 60 or older; or to Tier 3 and Tier 4 members upon reaching age 62 or older; or to Tier 5 members upon reaching age 65. No minimum amount of pension service credit is required.

The formula to calculate the maximum annual pension allowance for Tier 1, Tier 2, and Tier 3 is:

\[
\text{Years of Service} \times \text{Final Average} = \text{Maximum Annual Allowance}
\]

**Example:** A Tier 1 member with 22 years of service would receive 22/55, or 40 percent, of Final Average Salary. You receive a slightly higher percentage for each additional month of service.

Years of Service means the amount of membership credit you have accumulated in your account.

Salary means the base salary on which your pension contributions are based. It does not include extra pay for overtime or money given in anticipation of your retirement.

Final Average Salary for a PERS or TPAF member enrolled under Tier 1, Tier 2, or Tier 3, is the average salary for the 36 months (30 months for employees with 10-month contracts) immediately preceding your retirement. If your last three years are not your highest years of salary, your allowance will be calculated using your three highest fiscal years (July - June) of salary.

For a PERS or TPAF member enrolled under Tier 4 or Tier 5, Final Average Salary is the average of your salary for the last 60 months (50 months for employees with 10-month contracts) immediately preceding your retirement. If your last five years are not your highest years of salary, your allowance will be calculated using your five highest fiscal years (July - June) of salary.

Note: If your last years of salary are not your highest years, you must indicate it when filing your online retirement application.
Retirement — How to Apply

Early Retirement
Available to members who have 25 years or more of pension membership service credit before reaching age 60 for Tier 1 and Tier 2 members, or before age 62 for Tier 3 and Tier 4 members; or have 30 years or more of pension membership service credit before age 65 for Tier 5 members. The benefit is calculated using the Service Retirement formula that applies to the membership tier.

- For Tier 1 members who retire before age 55, your allowance is reduced 1/4 of one percent (three percent per year) for each month under age 55.

Example: If you retire at age 54, you will receive 97 percent of your maximum annual allowance. If you retire between the ages of 55 and 60, there is no reduction.

- For Tier 2 members who retire before age 60, your allowance is reduced 1/12 of one percent (one percent per year) for each month under age 60 through age 55, and 1/4 of one percent (three percent per year) for each month under age 55.

Example: If you retire at age 54, you will receive 92 percent of your maximum annual allowance. If you retire at age 57 you will receive 97 percent of your maximum annual allowance.

- For Tier 3 and Tier 4 members who retire before age 62, your allowance is reduced 1/12 of one percent (one percent per year) for each month under age 62 through age 55, and 1/4 of one percent (three percent per year) for each month under age 55.

Note: While the age reduction amount for Tier 3 and Tier 4 is the same, the retirement calculation formulas are different. See the “Service Retirement” section.

Example: If you retire at age 54, you will receive 90 percent of your full retirement allowance. If you retire at age 57 you will receive 95 percent of your maximum annual allowance.

- For Tier 5 members who retire before age 65, with at least 30 years of service, your allowance is reduced three percent per year (1/4 of one percent per month) for each year under age 65.

Example: If you retire at age 60, you will receive 85 percent of your maximum annual allowance. If you retire at age 62, you will receive 91 percent of your maximum annual allowance.

Veteran Retirement
Available to qualified military veterans. If you are not already listed as a veteran with the NJDPB’s records, you must submit a copy of your DD Form 214 or discharge papers showing both your induction and discharge dates to:

New Jersey Department of Military and Veterans Affairs
ATTN: DVP-VBB
P.O. Box 340
Trenton, NJ 08625-0340

Attach a note to the discharge papers indicating that you want to obtain veteran status for pension purposes and include your address on the note.

For additional information see the Veteran Status Fact Sheet.

Qualified veterans must be in active employment until the effective date of retirement or must have met the requirements for a Veteran Retirement as of their termination date. The age requirements for calculating a Veteran Retirement are the same for all membership tiers. A qualified veteran may retire with:

- 20 years of service credit at age 60 or older;
- 25 years of service credit at age 55 or older; or
- 35 years of service credit at age 55 or older.

Veterans meeting the age requirement with between 20 and 34 years of service credit will retire with an annual benefit equal to 54.5 percent of the salary upon which pension contributions were based during the last year of employment, or highest 12 consecutive months of base salary.

Veterans with 35 or more years of service credit at age 55 or older are entitled to an annual allowance based on the following formula:

Years of Service \( \times \) Highest 12 = Maximum Consecutive Annual Months of Salary Allowance

Example: If you retire at age 54, you will receive 97 percent of your maximum annual allowance. If you retire at age 60, you will receive 85 percent of your maximum annual allowance. If you retire at age 62, you will receive 91 percent of your maximum annual allowance.

Deferred Retirement
Available to members who have at least 10 years of pension membership service credit (but less than 25 years) and who are not yet 60 years of age for Tier 1 or Tier 2 members; or 62 years of age for Tier 3 or Tier 4 members; or 65 years of age for Tier 5 members, when they terminate employment.

You must file your retirement application before the Deferred Retirement can become effective and payments can begin. After filing and upon reaching the normal age for the tier in which you are enrolled, you will begin to receive a retirement allowance based on the Service Retirement formula. If you do not file before you attain normal retirement age, your only payment option at retirement is the maximum allowance with no payment to a beneficiary, and your retirement will be effective on the first of the month after the NJDPB receives your retirement application.

If you return to PERS- or TPAF-covered employment before your Deferred Retirement becomes effective, you may cancel your retirement and are eligible to maintain your original membership tier status provided you have not withdrawn your membership and it has not been more than two consecutive years since your last pension contribution. If, however, 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 will be enrolled in a new PERS or TPAF account under the membership tier in effect at the time you return to employment.

Your group life insurance coverage is not in effect between the time you terminate employment and your Deferred Retirement becomes effective. If you die between the time you terminate employment and your retirement becomes effective, the beneficiary named on your retirement application will receive the return of your pension contributions with interest. If you have terminated employment and not filed for Deferred Retirement, the last named beneficiary on your account will receive the return of your pension contributions with interest. There is no other death benefit under these circumstances. At any time before your Deferred Retirement becomes effective, you may change your mind and apply for withdrawal of your contributions instead. Once you cancel your Deferred Retirement and withdraw your contributions, all rights and privileges of pension membership end.

If a member is removed from employment for cause on charges of misconduct or delinquency, the member will be ineligible for Deferred Retirement benefits.

**Disability Retirement**

Disability Retirement benefits are only available for Tier 1, Tier 2, and Tier 3 members. See the Disability Retirement Benefits Fact Sheet for PERS and TPAF members for additional information.

Tier 4 and Tier 5 members may be eligible for disability insurance coverage. See your employer or the Long-Term Disability for PERS and TPAF Tiers 4 and 5 Fact Sheet for more information.

**GROUP LIFE INSURANCE**

Group life insurance for retired members of the PERS or TPAF who enrolled on or after July 1, 1971, is payable only if the member retired with 10 or more years of pension membership credit or on a Disability Retirement.

**PERS Insurance Coverage While Retired**

<table>
<thead>
<tr>
<th>Type of Retirement</th>
<th>Death Before Age 60</th>
<th>Death After Age 60</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disability</td>
<td>1 1/2</td>
<td>3/16</td>
</tr>
<tr>
<td>Early &amp; Veteran</td>
<td>3/16</td>
<td>3/16</td>
</tr>
<tr>
<td>Deferred</td>
<td>None</td>
<td>3/16</td>
</tr>
<tr>
<td>Service</td>
<td>N/A</td>
<td>3/16</td>
</tr>
</tbody>
</table>

**TPAF Insurance Coverage While Retired**

<table>
<thead>
<tr>
<th>Type of Retirement</th>
<th>Member with Noncontributory Insurance Only</th>
<th>Member with Both Noncontributory &amp; Contributory Insurance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Death Before Age 60</td>
<td>Death After Age 60</td>
</tr>
<tr>
<td>Disability</td>
<td>1 1/2</td>
<td>1 3/4</td>
</tr>
<tr>
<td>Early &amp; Veteran</td>
<td>3/16</td>
<td>7/16</td>
</tr>
<tr>
<td>Deferred</td>
<td>None</td>
<td>3/16</td>
</tr>
<tr>
<td>Service</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

**Note:** The fractions shown above apply to the total base salary upon which pension contributions were based during the year preceding retirement (or, for TPAF members only, the highest contractual year).

**Designating a Beneficiary**

When filing for retirement, you are asked to name a beneficiary(ies) for pension benefits and separately name beneficiaries for group life insurance benefits. Some restrictions apply to who may be named for pension benefits; however, you may name any person, organization, your estate, or trust as beneficiary for group life insurance benefits. When a retired member dies, the named beneficiaries are entitled to the payment of any group life insurance benefits (certain restrictions apply in cases of divorce; see the Divorce, Dissolution of a Civil Union, and Your Retirement Benefits Fact Sheet for details).

**Note:** The beneficiary designation indicated on your retirement application will supersede all prior designations, even if your retirement is not yet effective or if you cancel your retirement. The NJDPB will honor this as your most recent beneficiary designation on file, unless another Designation of Beneficiary is submitted through MBOS after the online retirement application is submitted.

You may change your group life insurance designation at any time during your retirement through your MBOS account.

If you have additional questions regarding designations, please see the Beneficiary Designation Fact Sheet.

For your protection, beneficiary designations cannot be accepted or confirmed over the telephone or by email. Members and retirees can verify their beneficiaries using MBOS. Otherwise the NJDPB will only accept a written request for verification from the member.

**Conversion**

Your group life insurance benefit is reduced at retirement. You have 31 days after termination of employment to convert the amount of insurance that was reduced to private, individual insurance coverage. If you wish to supplement this coverage with either a conversion policy from the Prudential Life Insurance...
Company, or a policy from another insurance carrier, it is best to begin exploring your options at least four to six months prior to your retirement. However, you cannot file to convert your life insurance any earlier than six months prior to your retirement date.

To estimate the cost of conversion to a private policy with Prudential, contact a Prudential agent or use the conversion calculator on the NJDPB website. For additional information see the Conversion of Group Life Insurance Fact Sheet.

HEALTH BENEFITS

Employees who are covered by the State Health Benefits Program (SHBP) or School Employees’ Health Benefits Program (SEHBP) through their employer will be offered retired group SHBP or SEHBP coverage when they retire. In addition, some employers have agreed to pay for some or all the cost of SHBP or SEHBP coverage for retirees with 25 or more years of service credit (and, in some cases, retirees on Disability Retirements).

If eligible for SHBP or SEHBP Retired Group coverage, you will receive a letter approximately three months before your retirement date offering you enrollment in the SHBP or SEHBP.

Note: Some employees are automatically enrolled in SHBP or SEHBP Retired Group coverage with their current medical plan and need only submit an application if they wish to change medical and/or dental plans.

For employees not enrolled in SHBP/SEHBP coverage at the time of retirement, retired enrollment is not automatic and you must submit a health benefits Retiree Health Benefit Enrollment and/or Change Form to enroll. Your offering letter from the health benefits program will indicate whether or not you are required to submit an application.

The Health Benefits Coverage – Enrolling as a Retiree Fact Sheet provides information about continuing your SHBP or SEHBP coverage in retirement.

If you are not eligible for retired coverage by the SHBP or the SEHBP, contact your employer about your options for continuing your health benefits coverage.

CHANGING OR CANCELING YOUR RETIREMENT DATE

The following are some important points to remember if you consider changing your retirement to a later date or canceling your retirement:

• You may change or cancel your retirement up to 30 days immediately following your retirement date, or 30 days after the approval of your retirement by the Board of Trustees, whichever is later.

Note: You cannot change or cancel the date for a Disability Retirement once it has been approved by the Board of Trustees.

• If you change or cancel your retirement date, it is your responsibility to notify your employer to ensure that any active health benefits are not canceled and your employment remains uninterrupted.

• Changing or canceling your retirement date does not guarantee continued employment with your employer.

This fact sheet has been produced and distributed by:

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