



Explore Your Benefits

# Considerations for Choosing Between PERS and ABP

Public Employees' Retirement System • Alternate Benefits Program

**PERS/ABP**

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## INTRODUCTION

The purpose of this booklet is to assist newly eligible employees currently participating in the Public Employees' Retirement System (PERS), Teachers' Pension and Annuity Fund (TPAF), or Police and Firemen's Retirement System (PFRS) in determining whether the PERS or the Alternate Benefit Program (ABP) is the better system for them. The information contained in this booklet is intended to serve as a general reference outlining the major provisions of the PERS and the ABP. While this ABP booklet is intended to be as accurate as possible, all information provided is subject to the detailed provisions of New Jersey law and regulations, as well as applicable contracts or provisions of the following listed carriers. If you are fully vested, you may allocate premium payments with any or all of the authorized carriers\* listed below.

- Equitable (formerly AXA)
- Empower (formerly MassMutual)
- MetLife/Brighthouse
- Empower (formerly Prudential)
- TIAA
- Corebridge Financial (formerly AIG)
- VOYA Financial Services

The explanation of the programs in this booklet cannot alter, modify, or otherwise change the controlling statutes or legal documents in any way, nor can any right accrue by reason of any statement or omission of any statement in this booklet.

If you are currently in the PERS, you can continue that participation or transfer to the ABP. If you are currently in the TPAF or PFRS, you must transfer to either the

PERS or ABP. These are one-time decisions which are irrevocable and permanent for the balance of your employment with your current employer or for any future ABP-eligible position. Accordingly, you are urged to consider this choice carefully and to discuss it with your financial advisor.

## CONTRIBUTION RATES

### PERS

N.J.S.A. 43:15A-25, the Pension and Health Benefit Reform Law, increased the PERS member contribution rate over seven years to bring the total contribution rate to 7.5 percent of base salary as of July 1, 2018. Your contributions are generally deducted on a before-tax basis. Employer contributions to the PERS are actuarially determined each year to insure adequate funding for future liability of the system.

### ABP

Your contributions to the Alternate Benefit Program are set by law at 5 percent of base contractual salary. Your mandatory biweekly contributions are made on a before-tax basis. Pre-tax contributions are not taxed until retirement.

- The 5 percent mandatory pension contribution will be calculated on the actual base salary paid as long as you earn 50 percent or more of your base salary.
- If you earn less than 50 percent of your full base salary, no deductions will be made and your status will be the same as that of a member who is on leave of absence without pay.

- Employer contributions are fixed at 8 percent of base salary, and limited to a maximum salary established under P.L. 2010, c. 31 (Chapter 31). See the *Alternate Benefits Program (ABP) Fact Sheet* available on the New Jersey Division of Pensions & Benefits (NJDPB) website at: [www.nj.gov/treasury/pensions](http://www.nj.gov/treasury/pensions) for current maximum salary information. If you are fully vested, you may allocate premium payments with any or all of the authorized carriers listed within the "Introduction" section.

## VESTING

### PERS

Vesting is granted in the PERS after 10 years of participation. For example, if you are leaving an educational institution after 10 years of participation, you would be entitled to a Deferred Retirement benefit commencing at age 60 for Tier 1 and Tier 2, age 62 for Tier 3 and Tier 4, or age 65 for Tier 5. The amount received is determined by the retirement formula described in "Retirement Benefits" on page 7.

If death occurs any time prior to receiving retirement benefits, your beneficiary receives no part of your employer's contributions; only your contributions with interest are returned.

### ABP

You are immediately vested if you are:

- an active employee transferring directly from the PERS or TPAF;

\*For more information concerning the ABP, the authorized Designated Service Provider (DSP) available, their portfolios and information numbers, please consult the New Jersey Division of Pensions & Benefits (NJDPB) DSP Comparison Guide Alternate Benefit Program (ABP) - Additional Contribution Tax Sheltered Program (ACTS) which is available for viewing on our website.

- an employee who owns a retirement contract that contains both employer and employee contributions based upon employment in a field of higher education. The retirement contract must be in force, that is, the employee is entitled to receive benefits at a future date; or
- an active or vested member of a state-administered retirement system of any state in the United States. The retirement contract must be in force and you must be entitled to receive benefits at a future date.

Currently, if you die prior to retirement, the total value of the account will be payable to your beneficiary.

**First-Year Participants (Delayed Vesting)**

If you do not meet the above criteria, employee and employer contributions required during the first year of ABP participation are held in a delayed-vesting status. If you do not continue eligible employment in the second year, you may apply for a refund of employee contributions. Employer contributions revert back to the employer. If you die during the delayed-vesting period, a refund of your contributions will be paid to your beneficiary. While in the delayed-vesting period, loans and transfers between designated service providers are not permitted.

**ABILITY TO TRANSFER MEMBERSHIP**

**PERS**

You may transfer active membership in the PERS to any public employer in New Jersey and continue participation. You may also transfer among other retirement systems administered by the State of New Jersey provided you meet the eligibility requirements.

**ABP**

Your retirement account is transferable between approved DSP(s). You do not lose your employer and employee contributions if you are vested. You may not transfer back to a New Jersey State-administered retirement system.

**SERVICE CREDIT**

**PERS**

The PERS is a defined benefit plan and your retirement benefit is based on your years of service and salary. You may purchase additional service credit (if eligible), but you must be actively employed and contributing regularly to the retirement system. Public law specifies the criteria and eligibility requirements that must be met to qualify for a purchase.

**ABP**

The ABP is a defined contribution plan and your retirement benefit is based on your contributions, your employer's contributions, and your investment income. As a member you are not eligible to purchase additional service credit.

**RETIREMENT AGE**

**PERS**

In the PERS, retirement is permitted at age 60 for Tier 1 and Tier 2, at age 62 for Tier 3 and Tier 4, at age 65 for Tier 5, or after the completion of the number of years of membership service required to qualify for a PERS Early Retirement. (Please see the "Retirement Benefits" section for further information on retirement from the PERS.)

**ABP**

There is no minimum age or service requirement for retirement eligibility. Benefits are determined by the retirement age of the annuitant in relation to the funds accumulated and the distribution option selected.

**HEALTH BENEFIT COVERAGE AFTER RETIREMENT**

**PERS and ABP**

If you are a State employee and had 25 or more years of service credit in either the PERS or ABP before July 1, 1997, you will have the State Health Benefits Program premiums paid in full by the State regardless of when you retire. Employees who attained 25 years of service credit after July 1, 1997 (August 1, 1997, for those who retired with a Disability Retirement), will share in the cost of health benefits coverage when retired as determined by the employee labor contracts in force at the time the employee attains 25 years or is approved for a Disability Retirement.

If you had 25 or more years of service in either the PERS or ABP before July 1, 1997, and are eligible, you will have the prevailing Part B Medicare premium reimbursed by the State when you continue State Health Benefits Program coverage in retirement, regardless of your retirement date. Those who attain 25 years of service credit after July 1, 1997 (August 1, 1997, for those who retired with a Disability Retirement), will be reimbursed as determined by the employee labor contracts in force at the time the employee attains 25 years or is approved for a Disability Retirement.

**DISABILITY BENEFITS**

**PERS**

Ordinary Disability Retirement benefits are available to you as a PERS Tier 1, Tier 2, or Tier 3 member after 10 years of New Jersey pension membership credit if you become totally and permanently incapacitated from performing your regular or assigned job duties. Benefits payable are in addition to those provided by Social Security. If you qualify for an Ordinary Disability, the annual benefit is equal to 1.64 percent of the final average salary (FAS) for each year of membership service with a minimum guaranteed benefit of 43.6 percent of the FAS. The FAS is the average of the base salaries received by you during the last three years of creditable membership service preceding retirement or the highest three fiscal years of membership service, whichever provides the larger benefit.

If you are totally and permanently disabled as a result of a traumatic event occurring during and as a result of your regular or assigned job duties, you may qualify for Accidental Disability retirement.\* If your claim is approved by the PERS Board of Trustees, you will receive a benefit equal to 72.7 percent of the salary being received on the date of the traumatic event. Benefits are reduced dollar for dollar by Workers' Compensation benefits.

All claims for Disability Retirement must be approved by the PERS Board of Trustees based on the application and supporting medical evidence.

PERS Tier 4 or Tier 5 members are ineligible for Ordinary Disability or Accidental Disability Retirement benefits. Instead, Tier 4 or Tier 5 members are provided long-term disability insurance, similar to that provided to ABP members as described in the next section.

**ABP**

Under ABP, noncontributory long-term disability (LTD) insurance provides protection for eligible employees against income loss due to total disability. There is no differentiation between service-connected (occupational) and non-service-connected (nonoccupational) disability. You become eligible for LTD after completing one year of full-time continuous employment in an ABP eligible position.

If the claim is approved by the carrier, benefits begin after six months of total disability and continue for the duration of the disability up to age 70 or the date your retirement benefits begin. The benefit is up to 60 percent of base salary and will be calculated using your 12-month base salary prior to the first month in which you became ineligible to work. The benefit is offset by any benefits from Social Security or Workers' Compensation. In addition, pension contributions (both your contribution of 5 percent and the employer's contribution of 8 percent) are continued (up to age 70 or the date retirement benefits begin) to your allocated DSPs in an amount equal to the annual contribution paid at the time the disability began.

**TERMINATION OF EMPLOYMENT**

**PERS**

As a PERS participant leaving public employment in New Jersey prior to having 10 years of participation, you are entitled to a return of your contributions. Interest is paid if the account has been in existence at least three years. You do not receive contributions made by your employer.

If you terminate public employment in New Jersey, you may:

- Withdraw your personal contributions plus interest;\*\*
- Retire, if all eligibility requirements are met (see "Retirement Benefits" section); or
- Defer retirement if you are a Tier 1 or Tier 2 member under the age of 60; a Tier 3 or Tier 4 member under the age of 62; or a Tier 5 member under the age of 65.

**ABP**

Employee and employer contributions required during the initial year of participation for participants who do not meet the criteria for immediate vesting are held in a delayed-vesting status. If you do not continue eligible employment in the second year, you may apply for a refund of employee contributions. Employer contributions revert back to the employer. If you discontinue participation in the ABP and you are vested (see page 4), you retain full ownership of all contributions (employer and employee) and earnings in any annuity certificate(s) held with your chosen DSP(s). You will be considered retired if you transfer your annuity certificate(s) to an annuity carrier that is outside of the ABP network. (For current authorized carriers, please see the "Introduction" section.)

**BORROWING PRIVILEGES**

**PERS**

The PERS permits actively contributing members with three years of posted service credit to borrow up to one-half of their personal contributions. Loans are repaid

\* You must be an active Tier 1, 2, or 3 member of the PERS system on or before the date of the traumatic event.

\*\* Under federal tax law, cash distributions based on tax-deferred contributions which are received before the age of 59 1/2 may be subject to a 10 percent tax in addition to ordinary income taxes.

through payroll deductions. The minimum repayment is equal to your required pension contribution. The maximum repayment is 25 percent of your base salary. You are permitted up to two loans per calendar year.

Interest is charged on the unpaid balance of the loan at a rate which is set annually. An administrative fee is also charged. Information about the current loan interest rate and administrative fee is available on our website.

If you have an outstanding loan balance at retirement, you may: 1) pay it in one lump sum; or 2) agree to have your retirement allowance withheld until the balance, plus interest, has been satisfied.

**ABP**

Vested members of the ABP are eligible to receive loans based on their account balances. Loans vary between DSPs as to amount, frequency, and interest rate. You should contact your DSPs for applications and repayment procedures.

**LIFE INSURANCE BENEFITS**

**PERS**

Most members of the PERS are covered by group life insurance during their active employment. There are two types: 1) noncontributory (employer paid); and 2) contributory (employee paid). As a member, you must carry the contributory insurance for the first 12 months of membership. Contributory coverage can be canceled after this period; however, it can never be reinstated. Your noncontributory and contributory group life insurance are each equal to 1.5 times the base salary you received in the 12 months preceding your death. If covered by both, your total death benefit is equal to 3 times that base salary. The retired benefit for those with at least 10 years of service is 3/16ths of the base salary you received in the 12 months preceding retirement.

You may convert your group life insurance, within 31 days of termination, to an individual policy (except term policies or those with disability provisions) with Prudential when you withdraw, retire, or reach the end of an approved leave of absence period. No physical examination is necessary for conversion. Members who convert their insurance will pay premiums in the same amount as anyone else their age applying for insurance with the carrier.

**ABP**

Most ABP participants, during their active employment, are covered by a group noncontributory insurance plan. The death benefit is equal to 3.5 times the last 12 months of base salary on which pension contributions were based. Upon retirement you are covered by a non-contributory life insurance benefit equal to one half of your salary in the last year of active service, if you meet all of the following conditions:

- You have 10 or more years of pension membership credit;
- You are at least age 60 at the time of retirement;
- You are actively employed in the year before you retire; and
- You are covered by the ABP group insurance plan immediately before retirement.

**PRE-RETIREMENT DEATH BENEFITS**

**PERS**

If you die prior to retirement, your beneficiary receives the return of your contributions with interest.

If you die prior to retirement as a result of an accident occurring during the performance of regular job duties and the accident is not a result of willful negligence, your widow(er) may be eligible for annual benefits in the amount of 50 percent of your final salary. If you have

no widow(er), benefits are paid to your surviving eligible dependent children and/or eligible dependent parents in specified amounts. This allowance is in addition to any benefits payable to your named beneficiary under life insurance benefits.

**ABP**

As an ABP participant, if you die prior to retirement, the total value of the account(s), including all employer contributions and all investment earnings, are payable to your named beneficiary(ies). This amount is in addition to any benefits payable to your named beneficiary under the group life insurance benefits. (Please see the "Termination of Employment" section for information regarding return of contributions during the Delayed-Vesting period.)

**RETIREMENT BENEFITS**

**PERS**

The basic retirement benefit under the PERS is determined by years of membership in the system, and the Final Average Salary (FAS). The FAS is the average of the base salaries received by you during the last three or five years of creditable membership service preceding retirement or the highest three or five fiscal years of membership service, whichever provides the larger benefit.

Under the PERS you can retire with no minimum years of service at age 60 or older if a Tier 1 or Tier 2 member, at age 62 or older if a Tier 3 or Tier 4 member, or at age 65 or older if a Tier 5 member.

Members of Tier 1, Tier 2, Tier 3, or Tier 4 can also retire at any age after attaining 25 years of service. Retirement prior to attaining age 55 will reduce benefits by 1/4 of 1 percent for each month you are under age 55 for Tier 1. For Tier 2, the retirement allowance is reduced 1

percent per year (1/12 of 1 percent per month) for each year you are under age 60 but over age 55, and 3 percent per year (1/4 of 1 percent per month) for each year you are under age 55. For Tier 3 and Tier 4, if you are under the age of 62 at the time of retirement, your retirement allowance is reduced 1 percent per year (1/12 of 1 percent per month) for each year you are under age 62 but over age 55, and 3 percent per year (1/4 of 1 percent per month) for each year you are under age 55). Members of Tier 5 can retire at any age after attaining 30 years of service. Retirement prior to attaining age 65 will reduce benefits by 1/4 of 1 percent for each month you are under age 65.

If you are a qualified veteran, you may apply for a Veteran Retirement. Qualified veterans age 55 or older with 25 or more years of service, or age 60 or older with 20 or more years of service, are eligible for an annual benefit equal to 54.5 percent of their salary during the consecutive 12-month period of membership, which provides the largest possible benefit. Qualified veterans age 55 or older with 35 or more years of service are eligible for an annual benefit equal to 1/55th of their last year's salary for each year of service credit.

**ABP**

As an ABP participant, your retirement benefit amount is based on the value of the account (employer/employee contributions plus investment earnings), age, and the distribution option(s) selected. There is no minimum age or service requirement.

You cannot receive benefits from ABP retirement investments to which the State of New Jersey has contributed as long as you are employed in a position covered by the ABP.

Your application for retirement benefits must be filed directly with the authorized DSP. The NJDPB is then required to authorize the distribution. Upon approval, you will be considered retired and ineligible to reenroll in any

New Jersey State-administered retirement system. The DSP will send you a description of the distribution options available and an application.

**RETIREMENT INCOME OPTIONS**

**PERS**

The PERS provides sufficient flexibility in the way benefits may be received to meet the needs of most individuals, single or married. The Maximum Option for a Service, Early, or Deferred Retirement is derived by the following formula:

**Tier 1, Tier 2, and Tier 3 Members**

$$\frac{\text{Years of Service}}{55} \times \text{Final Average Salary (FAS)}$$

*For Tier 1, Tier 2, and Tier 3 members, FAS is the average salary received by the member during the last three years of creditable membership service preceding retirement, or the highest three fiscal years of membership service, whichever provides the larger benefit.*

**Tier 4 and Tier 5 Members**

$$\frac{\text{Years of Service}}{60} \times \text{Final Average Salary (FAS)}$$

*For Tier 4 and Tier 5 members, FAS is the average salary received by the member during the last five years of creditable membership service preceding retirement, or the highest five fiscal years of membership service, whichever provides the larger benefit.*

By taking an actuarial reduction in the Maximum Option, you may provide for the payment of a survivor benefit under one of the following options:

**Option 1:** If the retiree dies before collecting, in the form of monthly allowances, the total amount of funds (initial reserve) that are required to

be established by the system to finance a member's retirement, the unused balance of such funds is paid in one lump sum to the retiree's designated beneficiary, if living; otherwise, to the retiree's estate. If the retiree receives the full value of the initial reserve, such allowance will be continued for the remainder of the retiree's life, but nothing will remain as payable to the retiree's designated beneficiary or estate.

**Option 2:** Upon the death of the retiree, the same monthly retirement allowance the retiree received would continue to be paid for the lifetime of the retiree's designated beneficiary. If the named beneficiary dies before the retiree, the retiree's benefit remains at the reduced amount.

**Option 3:** Upon the death of the retiree, an amount equal to 50 percent of the retirement allowance received by the retiree would be paid for the lifetime of the retiree's designated beneficiary. If the named beneficiary dies before the retiree, the retiree's benefit remains at the reduced amount.

**Option 4:** Under the provisions of Option 4, a member may specify the amount of the allowance to be paid for the lifetime of the retiree's designated beneficiary, if the beneficiary survives the retiree. The benefit to the member cannot be less than that which is available under Option 2. If the named beneficiary dies before the retiree, the retiree's benefit remains at the reduced amount.

**Option A:** Upon the death of the retiree, the same monthly retirement allowance the retiree received would continue to be paid for the lifetime of the retiree's designated beneficiary. If the named beneficiary dies before the

retiree, the retiree’s benefit will increase to the Maximum Option.

**Option B:** Upon the death of the retiree, an amount equal to 75 percent of the retirement allowance received by the retiree would continue to be paid for the lifetime of the retiree’s designated beneficiary. If the named beneficiary dies before the retiree, the retiree’s benefit will increase to the Maximum Option.

**Option C:** Upon the death of the retiree, an amount equal to 50 percent of the retirement allowance received by the retiree would continue to be paid for the lifetime of the retiree’s designated beneficiary. If the named beneficiary dies before the retiree, the retiree’s benefit will increase to the Maximum Option.

**Option D:** Upon the death of the retiree, an amount equal to 25 percent of the retirement allowance received by the retiree would continue to be paid for the lifetime of the retiree’s designated beneficiary. If the named beneficiary dies before the retiree, the retiree’s benefit will increase to the Maximum Option.

Under the Maximum Option and all other options, the retiree (or beneficiary) is guaranteed the return of member contributions plus accumulated interest. Under Options 2, 3, 4, A, B, C, and D the designated pension beneficiary is fixed at the time of retirement and cannot be changed thereafter.

Once the retirement has become due and payable, no change in the type of retirement or option is possible.

**ABP**

You can invest in tax-deferred annuities with any or all of the seven authorized DSPs. All the DSPs participating in the ABP have developed fixed as well as variable payout options to meet the needs of most individuals. Whether you decide to receive payments for your entire lifetime, provide a survivor benefit, attempt to keep pace with inflation, minimize income taxes, or receive your funds in a lump sum, the choice is yours.

With the vast array of investment options available, an ABP participant should carefully review the prospectus, contracts, and other literature offered by each DSP before deciding on any investment or retirement option.

**COST-OF-LIVING ADJUSTMENTS**

**PERS**

P.L. 2011, c.78 (Chapter 78), suspended future Cost-of-Living Adjustments (COLA) for all retirees of all retirement systems — including the PERS. The suspension is effective for benefit payments made as of August 1, 2011.

**ABP**

Under the ABP there are no specific Cost-of-Living provisions. The choice of DSPs, the selection of investments, and the type of annuity are entirely up to you.\*

**SOCIAL SECURITY**

Social Security coverage is required of all participants in both the PERS and ABP. Your contributions to Social Security are deducted from each pay. Eligible death and retirement benefits are payable under the PERS or ABP program in addition to those received under Social

Security. ABP disability income benefits are offset by Social Security disability income benefits, if any. PERS members may receive Social Security disability income benefits in addition to those received under the PERS.

**SUPPLEMENTAL SAVINGS PLANS**

Employees of the State of New Jersey, regardless of the retirement system to which they belong, may participate in the State Employees Deferred Compensation Plan. Through salary reduction agreements with their employers, employees make tax-deferred contributions to the plan through different investment options. This allows them to set aside additional savings for retirement while reducing their current federal taxes. (Individuals employed through a county, township, or municipality and not paid directly through the State of New Jersey or one of the State’s agencies, authorities, commissions or instrumentalities are not eligible to participate in this plan, but may participate in a similar plan offered by their employer.)

As a PERS or ABP member, you may also participate in the Supplemental Annuity Collective Trust (SACT), which invests the entire voluntary contributions in common stocks. There are two separate plans, the SACT-Regular Plan and the SACT-Tax-Sheltered Plan (Internal Revenue Code [IRC] Section 403[b]). Under the Regular Plan, your contributions are taken from salary that has been subject to federal income tax. When the funds are withdrawn at retirement or at the time of separation from service, the contributions are not subject to federal income tax, but the earnings on those contributions are taxable. Under the Tax-Sheltered Plan (available only to employees of public educational institutions), contributions are made on a before-tax (tax-de-

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*\*You should carefully review the prospectus, contracts, and other literature offered by each carrier before you make any investment decisions. Be aware of the specific features, requirements, or restrictions on any investment option. Your choices should be guided by such personal circumstances as your long-range goals, risk tolerance, and other financial assets.*



ferred) basis. The salary your employer reports to the Internal Revenue Service is reduced by the amount of your contributions, federal taxes are then deferred on both contributions and investment earnings until your retirement or withdrawal from the PERS. The SACT programs are designed to supplement the guaranteed fixed-benefit of a PERS pension. These benefits are available as both a variable annuity or as a cash withdrawal.

Employees of county colleges, State universities and colleges, the Department of Education, and the Higher Education Student Assistance Authority are eligible to participate in the Additional Contributions Tax Sheltered (ACTS) Program. Through salary reduction agreements, employees are able to obtain supplemental tax-deferred annuities (IRC Section 403[b]) with a variety of designated service providers. The ACTS Program is separate from, and in addition to, the employees' basic pension benefit. The DSP and investment options are the same as currently available to members of the ABP.

### ABP

The ABP permits additional tax-deferred contributions to be made to ABP DSP accounts at an amount over and above the 5 percent required employee contribution. Under the voluntary 403(b) component of the program, you may make additional contributions on a tax-deferred basis. To determine the total percentage of salary you can defer, a tax deferral calculation must be performed. Additional contributions will be calculated on the actual base salary paid less the mandatory pension contributions if you earn 50 percent or more of your full

base salary. No payroll deductions are made if you earn less than 50 percent of your full base salary.

### **CONSIDERATIONS FOR CHOOSING BETWEEN THE PERS AND THE ABP**

- The older employee having 10 or more years of participation in the PERS, TPAF, or PFRS may prefer to remain in or transfer to the PERS. Even if employment were to be discontinued, the annuity payable at the appropriate Service Retirement age may exceed that yielded from a short investment of employee and employer funds with an ABP DSP(s).
- Veterans may qualify for special benefits under the PERS which would preclude consideration of the tax-deferred annuities offered by the seven DSPs under the ABP. See the "Retirement Benefits" section.
- Employees who have no wish to participate in a self-directed investment plan may prefer to remain in the PERS.

If you do not consider yourself to be in any of the categories described above, the decision to transfer may depend upon a host of other factors, some of which are outlined below. Proper evaluation of these can be made after discussing your particular situation with your financial advisor.

- The 10-year vesting provision under the PERS stipulates the loss of all employer contributions if you leave employment prior to the accumulation of 10 years of service.

- Upon separation from service, the ABP provides an option for cash distribution of annuity contracts. Cash distributions to members under the age of 55 are limited to the employee's contributions and accumulations. The remaining employer's contributions and earnings are available for distribution upon the attainment of age 55.
- The financial consequences of long-term disability tend to be ignored by many administrative and professional employees. Employees with 10 or more years of service, Tiers 1, 2, and 3, have protection under the PERS against financial loss from a permanent disability. However, employees with less service generally do not have this protection unless the disability was a direct result of a traumatic event.\* The long term income replacement provisions of the ABP are quite different from the disability benefits normally provided under the PERS. Disability insurance under the ABP is provided through the Prudential Insurance Company of America and is available immediately for employees transferring from the PERS to the ABP. The benefit is 60 percent of pre-disability salary. There is no differentiation between service-connected and non-service connected disability. Benefits are not payable for the life of the participant. Retirement contributions are automatically continued during disability. The monthly benefit will be paid by the carrier up to age 70 as long as the participant remains disabled or up to the time the participant elects to retire and receive retirement annuity or cash distribution.

\*A traumatic event has been defined by the courts as one in which the worker is involuntarily exposed to a violent level of force or impact which is not brought into motion by the worker. To be eligible for Accidental Disability benefits in the PERS, Tiers 1, 2 and 3, the worker must demonstrate that the injury was not induced by normal work effort; the worker met involuntarily with the object that was the source of the harm; and the source of the injury was a violent or uncontrollable power.

- Ability to transfer membership: ABP participants can transfer to any educational institution in the United States which offers ABP-like programs, thereby ensuring the continuation of accumulated benefits. PERS contributions can be transferred only if the participant is employed by another public employer in a New Jersey State-administered retirement plan. (You may be permitted to transfer your contributions in accordance with rules and regulations of other state retirement systems.)

and the ABP or attains age 60, whichever occurs first. If a PERS member has established a minimum amount of retirement credit, the value of the member's contributions and interest can, in some cases, be sufficient to fund the retirement allowance. In these situations, there would be no cost to the employer and no contingent reserve would be transferred.

**STATE OF NEW JERSEY  
ALTERNATE BENEFIT PROGRAM PROVIDERS  
ADDRESSES AND PHONE NUMBERS**

Equitable (formerly AXA)  
333 Thornall Street, 8th Floor  
Edison, NJ 08837  
1-800-628-6673  
[www.equitable.com/nj](http://www.equitable.com/nj)

Empower  
Gitterman Wealth Management, LLC  
(formerly MassMutual)  
PO Box 825764  
Philadelphia, PA 19182-5764  
(866) 816-4400  
<https://njhe.empower-retirement.com/>

MetLife/Brighthouse  
(formerly Travelers/CitiStreet)  
501 US Highway 22  
Bridgewater, NJ 08807  
1-800-543-2520  
[metlife.com/njabp](http://metlife.com/njabp)

Empower (formerly Prudential)  
8515 E. Orchard Road  
Greenwood Village, CO 80111  
1-866-657-3327  
TDD line: 1-877-760-5166  
<https://www.empower.com/njplans>

TIAA  
155 Village Blvd, Suite A  
Princeton, NJ 08540  
1-800-842-8412  
[www.tiaa.org/njabp](http://www.tiaa.org/njabp)

Corebridge Financial (formerly AIG)  
307 Fellowship Road  
Suite 205  
Mount Laurel, NJ 08054  
(732) 998-1535  
<https://www.corebridgefinancial.com/rs/njabp>

VOYA Financial Services  
33 Wood Avenue South  
Suite 600  
Iselin, NJ 08830  
1-877-873-0321 or  
1-732-326-5613  
[www.voya.com](http://www.voya.com)

**FUND TRANSFERS**

**FOR EMPLOYEES SELECTING THE ABP**

As a PERS member\* electing to participate in the ABP, you may have your pension contributions, plus the interest credited to your account, transferred to tax-deferred annuities with any or all of the seven authorized DSPs available.

**How calculated:**

If you are age 60 or older or have at least 10 years of pension membership credit, the PERS will also transfer the employer's portion of the Contingency Reserve Fund which was established to fund a retirement allowance and was calculated upon the retirement credit established in the PERS. The employer's cost is equal to the total cost necessary to fund the retirement allowance at age 60 (multiplied by an actuarial factor), less the value of the member's contributions and interest. If the member is not yet 60, a reduction factor is applied.

**When due:**

For PERS members who have established less than 10 years of service credit and have not attained age 60, the PERS will transfer the employer's portion of the Contingency Reserve Fund when the member accumulates an aggregate of 10 years of service between the PERS

*\*This section also applies to Teachers' Pension and Annuity Fund (TPAF) members who transfer from the TPAF to the ABP.*