

# Application for Retirement Allowance



Explore Your Benefits

Judicial Retirement System (JRS)

# **TABLE OF CONTENTS**

<b>RETIREMENT QUALIFICATIONS AND BENEFITS</b> .....	1
Introduction.....	1
Mandatory Retirement.....	1
Planning for Retirement.....	1
Submitting Your Application .....	1
Your First Retirement Check.....	1
<b>TYPES OF RETIREMENT</b> .....	2
Service Retirement.....	2
Early Retirement.....	2
Deferred Retirement .....	3
Disability Retirement.....	3
<b>IMPORTANT INFORMATION ABOUT YOUR RETIREMENT</b> .....	4
Notifying Your Employer.....	4
Outstanding Loans At Retirement .....	4
Continuing Your Health Benefits into Retirement.....	4
SACT and The State Employees Deferred Compensation Plan.....	4
Conversion of Group Life Insurance .....	4
<b><i>JRS Survivor Benefits and Pension Options Fact Sheet</i></b>	
<b><i>JRS Retirement Checklist</i></b>	
<b><i>Taxation of Retirement Benefits Fact Sheet</i></b>	
<b><i>Instructions for Completing the Application for Retirement Allowance</i></b>	
<b><i>Application for Retirement Allowance</i></b>	
<b>Additional Forms for Retirees</b>	
• <b><i>Authorization of Direct Deposit of Benefit Payment</i></b>	
• <b><i>Federal Form W-4P</i></b>	
• <b><i>New Jersey State Form NJ-W-4P</i></b>	

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*If you have questions after reading the information included in this packet, call the Division of Pensions & Benefits at (609) 292-0909.*

# RETIREMENT QUALIFICATIONS AND BENEFITS — JUDICIAL RETIREMENT SYSTEM

## Introduction

This package includes all the forms you need to apply for a Service, Early, Deferred, or “mandatory” Service Retirement from the Judicial Retirement System (JRS). It includes:

- **Retirement Qualifications and Benefits** — An explanation of the types of retirement and other important information.
- **The *JRS Survivor Benefits and Pension Options Fact Sheet*.**
- **A *JRS Retirement Checklist*.**
- **An *Application for Retirement Allowance* — Instructions and form (to be completed by employee).**

**You cannot use these forms to apply for a Disability Retirement.** See Disability Retirement on page 3 for additional information.

## Mandatory Retirement

Retirement is mandatory at age 70 for all members of the JRS. If you do not file a retirement application before age 70, you are automatically retired on your 70th birthday. Retirement benefits, however, are not payable until the application is filed.

## Planning For Retirement

Before applying for retirement, it is important to give yourself enough time to review your benefits and options. The *JRS Retirement Checklist*, included in this packet, provides a list of important steps in the retirement process and when they would normally occur.

Among your first actions should be to obtain an *Estimate of Retirement Benefits*. You may request an estimate of your JRS retirement benefits by writing to the New Jersey Division of Pensions & Benefits, Judicial Retirement System, P.O. Box 295, Trenton, NJ 08625-0295, by calling (609) 292-0909, or by email at: [pensions.nj@treas.nj.gov](mailto:pensions.nj@treas.nj.gov) The estimate will provide you with the estimated retirement allowance available and your lump-sum death benefits. If you provide us with the name and birth date of your beneficiary, we will estimate not only the statutory survivor benefits but also alternate payment options (see the *JRS Survivor Benefits and Pension Options Fact Sheet* in this packet).

**Members should remember that this is an estimate only.** After you apply for retirement, the New Jersey Division of Pensions & Benefits (NJDPB) will send you a final *Quotation of Retirement Benefits* before your retirement becomes effective showing the final figures.

## Submitting Your Application

Your *Application for Retirement Allowance* must be filed with the NJDPB in advance of your retirement date. Processing times vary, and three to four months advance filing is recommended. Except for a Mandatory Service Retirement at age 70, the earliest effective date is the first of the month following the NJDPB’s receipt of your application.

It is your responsibility to apply for retirement and ensure that all forms you are required to submit are received by the NJDPB within 90 days. Otherwise, your retirement application may be canceled and you will need to submit another application for a future retirement date. **Do not give the application to your employer to mail.** You should, however, notify your employer of your plans to retire since retirement processing cannot begin until we have received all the necessary information and forms from both you and your employer.

If you have not furnished proof of your age to the NJDPB, you should attach photocopies of both your and your spouse’s birth certificates to your *Application for Retirement Allowance*. Proof of age for your beneficiary is also required if you select Option A, B, C, D, 2, 3, or 4.

## Your First Retirement Check

The earliest your first retirement check can be paid is the first of the month following your retirement date or when processing has been completed, whichever is later. This is when your retirement becomes due and payable.

**If approval of your retirement is delayed, your first check will be retroactive to your effective date of retirement.**

If, after applying for retirement, you wish to change your retirement date, cancel your retirement, or change your retirement payment option selection, you must forward written notice to the NJDPB’s Retirement Bureau within 30 days of the effective retirement date. After that time, you cannot change your retirement date or payment option selection.

Included in this packet is a form for initiating the direct deposit of your retirement checks. Direct deposit of your benefit payment is mandatory. Complete the *Authorization for Direct Deposit of Benefit Payment* and send it to the NJDPB along with your retirement application.

## TYPES OF RETIREMENT

There are several types of retirement to meet your individual needs.

JRS retirements are calculated using a combination of your age at retirement, your total years of judicial service credit and/or non-judicial service credit, and your Final Salary.

### Definitions

'In the aggregate of public service' means your total years of both judicial and non-judicial service credit in the JRS. This would include service transferred into JRS from another New Jersey public pension system.

'Final Salary' means the salary on which your JRS pension contributions are based as of the date of your retirement.

'Judicial service' means all your years as a judge under the Judicial Retirement System.

### Service Retirement

This is the type of retirement for which most members qualify. There are several types of Service Retirement based upon your years of judicial and/or non-judicial service.

#### ***Mandatory Service Retirement***

Retirement is mandatory at age 70 for all members of the JRS with the effective date of the retirement being your 70th birthday. The annual benefit is calculated using the Service Retirement formula that best matches your total years of judicial service credit and/or non-judicial service credit.

If you do not file a retirement application before age 70, you are automatically retired on your 70th birthday. Retirement benefits, however, are not payable until the application is filed.

#### ***Service Retirement with only Judicial Service***

If you retire at:

- **age 70 with 10 or more years** of judicial service;
- **age 65 or older with 15 or more years** of judicial service; or
- **age 60 or older with 20 or more years** of judicial service;

your annual benefit is calculated at 75 percent x Final Salary.

#### ***Service Retirement with Judicial Service and Non-Judicial Service***

If you retire at:

- **age 65 or older with 15 or more years** in the

aggregate of public service of which five or more consecutive years were judicial service; or

- **age 60 or older with 20 or more years** in the aggregate of public service of which five or more consecutive years were judicial service;

your annual benefit is calculated at 50 percent x Final Salary.

**If you retire at age 60 – 64 with 15 or more years** in the aggregate of public service of which five or more consecutive years were judicial service, your annual benefit is calculated as follows:

Two percent x Final Salary x number of years of service up to 25 years;

**plus**

One percent x Final Salary x number of years of service over 25 years.

**If you retire at age 60 or older** and do not meet the minimum amounts of service credit listed above, your annual benefit is calculated as follows:

Two percent x Final Salary x number of years of judicial service up to 25 years;

**plus**

One percent x Final Salary x number of years of service over 25 years.

### Early Retirement

This type of retirement is available to members who have at least 25 years in the aggregate of public service of which five or more consecutive years are judicial service and who are not yet age 60. You receive a retirement based upon the following formula.

Two percent x Final Salary x number of years of service up to 25 years;

**plus**

One percent x Final Salary x number of years of service over 25 years;

**and**

then actuarially reduced for the number of months remaining until you are age 60 to cover the cost of paying your benefit over a longer period of time.

### **Deferred Retirement**

This type of retirement is available to members who are not yet 60 when they terminate JRS-covered employment and have at least 10 years in the aggregate of public service of which five or more consecutive years were judicial service. At age 60 you have a right to a retirement benefit.

Your Deferred Retirement benefit is calculated in the same way as an Early Retirement, taking into account your salary and service when you leave. However, your Deferred Retirement benefit is not actuarially reduced since it is not payable until you reach age 60.

If you are removed from employment for cause on charges of misconduct or delinquency, you are ineligible for Deferred Retirement benefits.

If you die between the time you terminate employment and before your retirement becomes effective, the beneficiary(ies) named on your retirement application will receive the return of your pension contributions with interest (if you do not file a retirement application with the NJDPB, your last named beneficiary will receive payment). There are no other death benefits under these circumstances.

Your group life insurance coverage is not in effect between the time you terminate employment and the date your Deferred Retirement becomes effective at age 60. You are eligible to convert the difference between the amount of group life insurance coverage you had as an active member and the amount you will have at the time you start to receive retirement benefits. See the *JRS Survivor Benefits and Pension Options Fact Sheet*

for more information about the conversion of group life insurance.

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 the rights to retirement and privileges of membership end.

Those covered by the State Health Benefits Program (SHBP) will not be able to continue that coverage under the SHBP retiree 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 legislation. If your retirement allowance becomes due and payable (see "Your First Retirement Check" on page 1) during the 18 months of extended coverage under COBRA, you would qualify for coverage in the SHBP retiree group. You will have to contact the NJDPB to request a SHBP offering letter.

### **Disability Retirement**

**Do not use this application to file for a Disability Retirement.** To obtain an *Application for Disability Retirement*, contact the JRS Administrator at (609) 292-0909.

The retirement date for a JRS Disability Retirement is determined after approval by the Governor.

## **IMPORTANT INFORMATION ABOUT YOUR RETIREMENT**

### **Notifying Your Employer**

Your *Application for Retirement Allowance* must be supported by a copy of your resignation from judicial office that has been filed with the Office of the Secretary of State. Your employer must also submit the *Certification of Service and Final Salary* before we can process your retirement. Your retirement cannot be processed until the NJDPB receives this certification.

### **Continuing Your Health Benefits Into Retirement**

See your employer about your options for continuing your health coverage into retirement. If you qualify for enrollment into the retired group of the SHBP and are retiring under a Service, Early, Mandatory Service, or Disability Retirement, you will receive an offering letter from the SHBP one month before your retirement date (members with a Deferred Retirement should see the "Deferred Retirement" section on page 3). The transition of health coverage from active employment to retired status must be continuous. A break in coverage may jeopardize your eligibility to be offered continued SHBP coverage into retirement.

### **SACT and the State Employees Deferred Compensation Plan**

If you are a participant of the Supplemental Annuity Collective Trust (SACT) or the New Jersey State Employees Deferred Compensation Plan (NJSEDCP), your benefits from these plans are separate. You may call the SACT at (609) 633-2031 or the NJSEDCP at 1-866-NJSEDCP to obtain further information regarding payment options with each of these plans.

### **Conversion Of Group Life Insurance**

JRS members are eligible for both Noncontributory and Contributory Group Life Insurance while employed. At retirement, coverage under these life insurance plans is substantially reduced and/or may be terminated. You have a one time option to convert any group life insurance coverage that would otherwise end at retirement.

Information on JRS group life insurance benefits at retirement and how to begin the conversion process is included in the *JRS Survivor Benefits and Pension Options* Fact Sheet.



# JRS Survivor Benefits and Pension Options

Information for:  
Judicial Retirement System (JRS)

To plan for a successful retirement, you must be familiar with the retirement payment options available to you and your beneficiaries from the Judicial Retirement System (JRS). You should also consider your financial needs in retirement, your health, your beneficiary's health, the need to provide survivor benefits, life insurance benefits available, and income from other sources such as Social Security benefits, investments, etc. This fact sheet focuses on planning for your survivors and discusses the statutory JRS survivor benefit, retirement payment options made available through P.L. 2002, c. 54 (Chapter 54), and JRS group life insurance available to judges in retirement.

## STATUTORY SURVIVOR BENEFITS

Upon your death as a retired member of the JRS, your surviving spouse, civil union partner, or same-sex domestic partner receives a pension benefit equal to 25 percent of your Final Salary plus:

- 10 percent of Final Salary to one child; or
- 15 percent of Final Salary divided evenly among two or more children.

If there is no surviving spouse/partner, or your spouse/partner dies, remarries, or enters a new civil union, the following benefit is payable to your eligible children:

- 15 percent of Final Salary to one child;
- 20 percent of Final Salary divided evenly between two children; or

- 30 percent of Final Salary divided evenly among three or more children.

A surviving spouse/partner may continue health coverage through the State Health Benefits Program (SHBP), as long as he or she was a dependent under your SHBP coverage at the time of death. However, the surviving spouse/partner will have to pay for the full cost of the continued health benefits coverage. The coverage can also include any dependent children who had been covered as your dependents at the time of death.

In the absence of a surviving spouse/partner, children who had been covered at the time of death as your dependents may continue health coverage at their own expense for as long as they are receiving the statutory survivor benefit.

## Explanation of the Terms Used for Statutory Survivor Benefits

**Spouse** — means a person to whom you are legally married. A photocopy of the *Marriage Certificate* is required for verification.

**Civil Union Partner** — means a person of the same sex with whom you have entered into a civil union. 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 the *Civil Unions and Domestic Partnerships* Fact Sheet for details).

**Domestic Partner** — means a same-sex domestic partner, as defined under P.L. 2003, c. 246 (Chapter 246), the Domestic Partnership Act, of any State employee, State retiree, or an eligible employee or retiree of a local public entity if the local governing body adopts a resolution to provide Chapter 246 benefits. 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 the *Civil Unions and Domestic Partnerships* Fact Sheet for details).

**Child(ren)** — means your unmarried child:

- under the age of 18;
- under the age of 21 and attending school full time; or
- 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.

**Final Salary** — means the current salary for the judicial position in which you served at the time of death or retirement.

## RETIREMENT PAYMENT OPTIONS

As a result of Chapter 54, JRS members have additional ways to provide for survivors by selecting one of nine payment options for their retirement benefits. Previously, judges did not have any choice and received what is described in this fact sheet as the Maximum Option (see below). When a judge died, the benefit ceased with no possibility of continuation for survivors (other than under the statutory benefits described above). Now you may leave an additional amount to any named beneficiary.

Please be sure you understand the different payment options available to you under Chapter 54; once you have made your choice and your retirement becomes due and payable (usually when your first check is issued), you cannot change your payment option.

Note: whatever option you select has no impact on the statutory survivor benefit. That benefit will still be paid regardless of your retirement payment option selection.

### **Maximum Option — No Pension Benefit to a Beneficiary**

The Maximum Option, also called a single-life annuity, is the highest amount payable and provides a retirement benefit to you for the remainder of your life. If you are not concerned with providing either a lump-sum benefit or providing a monthly income to another person after your death, the Maximum Option may be the most appropriate payment choice for you. The benefit payments continue for your lifetime only. Upon your death, benefits end and your survivors do not receive a pension allowance other than those provided under the statutory survivor benefits.

If there is no surviving spouse/partner or child to receive the statutory survivor benefit and you die before receiving, through your retirement allowance, the amount that you paid into the retirement system while working (including interest on those contribu-

tions), the balance of your contributions will be paid to your named beneficiary or your estate.

## OPTIONS OTHER THAN THE MAXIMUM

Under Options A, B, C, or D, you receive a smaller monthly benefit than that provided under the Maximum Option so that, upon your death, a beneficiary you name will receive a lifetime monthly pension. The percentage of reduction is based on the life expectancies of both you and your beneficiary at the time of your retirement and the option selected. Therefore, the younger your beneficiary, the greater the percentage of reduction in your benefit. Your beneficiary under these options must be an individual. You may not designate a charity, institution, your estate, etc. as a beneficiary. Under Options A, B, C, and D, if your beneficiary dies before you, your retirement allowance will increase to the Maximum Option.

### **Option A — 100 Percent to Beneficiary — Increase to Maximum Option**

Option A, also called a 100 percent joint and survivor benefit, provides a lifetime monthly payment to you. If your beneficiary is living at the time of your death, your beneficiary will receive 100 percent of your monthly retirement allowance for life. If your beneficiary dies before you, your retirement allowance will increase to the Maximum Option amount. You can name only one beneficiary for this benefit and your beneficiary can never be changed after retirement. If you are naming a beneficiary who is not your spouse, Internal Revenue Service (IRS) regulations restrict the age of your beneficiary.

### **Option B — 75 Percent to Beneficiary — Increase to Maximum Option**

Option B, also called a 75 percent joint and survivor benefit, provides a lifetime monthly payment to you. If your beneficiary is living at the time of your death, your beneficiary will receive 75 percent of your

monthly retirement allowance for life. If your beneficiary dies before you, your retirement allowance will increase to the Maximum Option amount. You can name only one beneficiary for this benefit and your beneficiary can never be changed after retirement. If you are naming a beneficiary who is not your spouse, IRS regulations restrict the age of your beneficiary.

### **Option C — 50 Percent to Beneficiary — Increase to Maximum Option**

Option C, also called a 50 percent joint and survivor benefit, provides a lifetime monthly payment to you. If your beneficiary is living at the time of your death, your beneficiary will receive 50 percent of your monthly retirement allowance for life. If your beneficiary dies before you, your retirement allowance will increase to the Maximum Option amount. You can name only one beneficiary for this benefit and your beneficiary can never be changed after retirement.

### **Option D — 25 Percent to Beneficiary — Increase to Maximum Option**

Option D, also called a 25 percent joint and survivor benefit, provides a lifetime monthly payment to you. If your beneficiary is living at the time of your death, your beneficiary will receive 25 percent of your monthly retirement allowance for life. If your beneficiary dies before you, your retirement allowance will increase to the Maximum Option amount. You can name only one beneficiary for this benefit and your beneficiary can never be changed after retirement.

### **Option 1 — Reducing Retirement Reserve to a Beneficiary**

Option 1 provides a lifetime monthly payment to you. Your retirement allowance is reduced from what you could collect under the Maximum Option. It is also different from the Maximum Option in that it may provide a lump-sum payment to your beneficiary after your death. At the time of your retirement, the amount

expected to be paid to you in retirement benefits over your lifetime is calculated. This is called your retirement reserve. If you die before you receive monthly retirement benefits equal to your retirement reserve, your beneficiary is entitled to the balance.

You may name more than one beneficiary for this option and you can change your beneficiary at any time. Your beneficiary may be a person, a charity, an institution, or your estate.

Example: if your monthly retirement allowance is \$2,000 and your retirement reserve is \$230,400, your beneficiary would be entitled to the following payment depending on when you died (16 or 120 months after retirement as shown below).

<b>Retirement Reserve</b>	\$230,400
<b>Retirement Benefits Paid (death at 16 months)</b>	\$32,000
<b>Beneficiary Benefit</b>	\$198,400

<b>Retirement Reserve</b>	\$230,400
<b>Retirement Benefits Paid (death at 120 months)</b>	\$240,000
<b>Beneficiary Benefit</b>	\$0

Since the retirement reserve is based on your retirement allowance and your age, your own reserve may be much different than this example.

Under Options 2, 3, or 4 you receive a smaller monthly benefit than that provided under the Maximum Option so that, upon your death, your beneficiary will receive a lifetime monthly pension. The percentage of reduction is based on the life expectancies of both you and your beneficiary at the time of your retirement and the option selected. Therefore, the younger your beneficiary, the greater the percentage of reduction in your benefit. Your beneficiary under these options must be an individual. You may not designate

a charity, institution, your estate, etc. as a beneficiary. Under Options 2, 3, and 4, if your beneficiary dies before you, your retirement allowance remains at the reduced level.

### **Option 2 — 100 Percent to Beneficiary — Permanent Reduction**

Option 2, also called a 100 percent joint and survivor benefit, provides a lifetime monthly payment to you. If your beneficiary is living at the time of your death, your beneficiary will receive 100 percent of your monthly retirement allowance for life. You can name only one beneficiary for this benefit and your beneficiary can never be changed after retirement. This is similar to Option A except that if your beneficiary dies before you, you will continue to receive the reduced retirement allowance you had been receiving under this option. If you are naming a beneficiary who is not your spouse, IRS regulations restrict the age of your beneficiary.

### **Option 3 — 50 Percent to Beneficiary — Permanent Reduction**

Option 3, also called a 50 percent joint and survivor benefit, provides a lifetime monthly payment to you. If your beneficiary is living at the time of your death, your beneficiary will receive 50 percent of your monthly retirement allowance for life. You can name only one beneficiary to receive this benefit and the beneficiary can never be changed after retirement. This is similar to Option C except that if your beneficiary dies before you, you will continue to receive the reduced retirement allowance you had been receiving under this option.

### **Option 4 — Choice of Amount to Beneficiary — Permanent Reduction**

If the preceding payment options do not meet your financial needs, you may want to consider this option. Option 4 provides a lifetime monthly payment to you. If your beneficiary is living at the time of your death, your beneficiary will receive whatever monthly allowance you decide for life (this can be no more than your own allowance). You can name one beneficiary or multiple beneficiaries to receive this benefit and the beneficiary(ies) can never be changed after retirement. If your beneficiary dies before you, you will continue to receive the reduced retirement allowance you had been receiving under this option.

Because of the number of different possibilities available with this option, calculation of the benefit must be performed by the Judicial Retirement System's consulting actuary.

### **Proof of Age Documentation**

If you choose Option 2, 3, 4, A, B, C, or D, proof of age documentation is required for both you and your designated beneficiary. You should submit photocopies of the proof of age documentation at the time you submit your *Application for Retirement Allowance*.

### **Age Limits on Nonspouse Beneficiaries**

For all options, you can name your spouse as your beneficiary regardless of your spouse's age. For Options C, D, 1, and 3, you can name someone other than your spouse as beneficiary regardless of age.

RETIREE ALLOWANCE UPON DEATH OF BENEFICIARY		
Option	Stays at Reduced Option Allowance	Increases to Maximum Allowance
Maximum	N/A	N/A
Option A		x
Option B		x
Option C		x
Option D		x
Option 1	x	
Option 2	x	
Option 3	x	
Option 4	x	

**Note:** Because the IRS is a federal agency, a civil union partner, or domestic partner as defined under New Jersey State law does not qualify as a “spouse” under these circumstances and would be subject to the age limitations described.

**For Options 2 and A (100 percent to beneficiary):**

- If you are age 70 or older at retirement, your nonspouse beneficiary can be no more than 10 years younger than you.
- If you are under age 70 at retirement, determine 1) the number of years difference between your age at retirement and age 70; and 2) the number of years difference between your age at retirement and the age of your nonspouse beneficiary. Subtract the age 70 difference from the difference in age between yourself and your beneficiary. The resulting age difference can be no more than 10 years (younger than you).

**For Option B (75 percent to beneficiary):**

- If you are age 70 or older at retirement, your nonspouse beneficiary can be no more than 19 years younger than you.
- If you are under age 70 at retirement, determine 1) the number of years difference between your age at retirement and age 70; and 2) the number of years difference between your age at retirement and the age of your nonspouse beneficiary. Subtract the age 70 difference from the difference in age between yourself and your beneficiary. The resulting age difference can be no more than 19 years (younger than you).

If you name a nonspouse beneficiary under **Option 4**, and the dollar amount of your beneficiary’s pension is more than 50 percent of your allowance, restrictions on your beneficiary’s age apply.

### LIFE INSURANCE AFTER RETIREMENT

JRS members are eligible for both contributory and noncontributory group life insurance. Group life insurance is provided through policies issued by the Prudential Insurance Company of America.

- **Noncontributory Group Life Insurance** is provided by the State of New Jersey through the retirement system at no cost to you.
- **Contributory Group Life Insurance** is insurance for which you pay. The two contributory group life insurance plans available to JRS members are described on page 5.

### NONCONTRIBUTORY LIFE INSURANCE FOR RETIRED JUDGES

The State pays the cost of your noncontributory group life insurance. While you are actively at work, this benefit is equal to one and a half times your Final Salary. At retirement, this benefit is reduced to ¼ of your salary at retirement. If you die while

on a Disability Retirement before reaching age 60, your named beneficiary (or estate where there is no named beneficiary) will receive an amount equal to one and a half times your salary at retirement. After you turn age 60, your named beneficiary (or estate where there is no named beneficiary) will receive, upon your death, an amount equal to ¼ of your salary at retirement.

### Choosing a Beneficiary

Your JRS enrollment application contained a section in which you named beneficiaries for both your non-contributory insurance benefits and return of your pension contributions. You were able to name any person, organization, your estate, or a trust as beneficiary.

At retirement, we ask you to nominate noncontributory insurance beneficiaries on your *Application for Retirement Allowance*. This will supercede any beneficiaries previously named for your noncontributory life insurance.

You may also change your designation at any time during your active or retired membership by filing a *Beneficiary Designation* form.

### Payment of Noncontributory Group Life Insurance

For retirees, noncontributory insurance benefits are paid in a lump sum.

Death benefits cannot be paid until all the necessary information and forms have been received by the New Jersey Division of Pensions & Benefits (NJDPB).

To report a death, contact the Judicial Retirement System at (609) 292-0909.

## **Conversion of Noncontributory Group Life Insurance at Retirement**

Your noncontributory insurance coverage is reduced upon your retirement as described above. Within 31 days of your retirement, you may continue the insurance you lost by purchasing a converted life insurance policy from Prudential Insurance Company, without a medical examination. For example, if your salary was \$130,000, your noncontributory insurance would be \$195,000 while you are working. Upon retirement, this would be reduced to \$32,500. This means you could convert up to \$162,500 of insurance. To initiate a conversion, contact any Prudential Insurance agent or call 1-855-364-7783. You will need to provide the group insurance policy number, which is G-14800.

When you convert, you may purchase any individual, non-group policy customarily issued by Prudential. However, you may not convert to a term insurance policy or any policy with disability benefits. When you convert, you will be billed at "standard" rates. These rates are significantly higher than the "preferred" rates provided to anyone who can medically qualify for insurance. Therefore, if you are in good health, you may want to investigate the regular purchase of insurance before you retire. If you do not qualify for that insurance, then you can pursue the conversion upon retirement.

## **CONTRIBUTORY GROUP LIFE INSURANCE**

All JRS members are eligible for one of two types of contributory group life insurance while they are actively working as a judge. Coverage is mandatory during the first year of service as a judge and optional thereafter. The two types of contributory insurance are:

- Group Term Life Insurance; or
- Group Variable Universal Life (GVUL) Insurance.

Both the Group Term Life Insurance and the GVUL Insurance offer coverage at levels of one and one half, two, three, four, or five times your annual judicial salary.

## **Contributory Group Life Insurance Coverage at Retirement or Termination of Employment**

Contributory insurance coverage ends 31 days after you retire or terminate covered employment. However, after you leave employment you may purchase a converted life insurance policy from Prudential, without a medical examination. You may convert a portion or all of your contributory insurance by contacting a Prudential Insurance Company agent. Your contributory insurance policy number is G-94368. The same conversion restrictions and considerations described with noncontributory insurance apply to the conversion of contributory insurance.

Group Variable Universal Life (GVUL) insurance is "portable coverage." This means that coverage can be continued after retirement or if you leave covered service as a judge. You will be billed monthly by Prudential for the full premium plus a \$3 monthly service fee.

## **For More Information About the Contributory Group Life Insurance Plans**

Both the Group Term Life insurance and the GVUL are administered by Prudential. If you have any questions about the program, contact the Prudential Insurance Company of America, Group Life Services, P.O. Box 948, Horsham, PA 19044, or call 1-800-562-9874.

## **AN ILLUSTRATIVE EXAMPLE OF ALL BENEFITS PAYABLE**

Judge Goodperson retired after 25 years on the bench at age 65. His annual salary at retirement was \$150,000. His wife was age 60 and his children were no longer dependent upon him at retirement. The Judge selected Option B to provide his spouse

a survivors benefit of 75 percent of his benefit after his death. This gave the Judge an annual pension allowance of \$95,062 or \$7,922 per month. He continued his Group Variable Universal Life insurance of three times his salary after retirement by continuing to make payments directly to the Prudential Insurance Company. He did not convert his noncontributory life insurance. Judge Goodperson died less than two years after he retired. Mrs. Goodperson would receive the following benefits upon the Judge's death:

**Statutory Survivor Benefit** of \$37,500 per year in monthly payments of \$3,125.

**Optional Pension Benefit** of \$71,297 per year in monthly payments of \$5,941.

**Noncontributory Group Life Insurance** payment of \$37,500.

**Contributory Group Variable Universal Life Insurance** payment of \$450,000.

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*This fact sheet has been produced and distributed by:*

***New Jersey Division of Pensions & Benefits  
P.O. Box 295, Trenton, NJ 08625-0295***

*(609) 292-7524*

*For the hearing impaired: TRS 711 (609) 292-6683*

***www.nj.gov/treasury/pensions***

# RETIREMENT CHECKLIST

## Judicial Retirement System

When planning for a successful retirement, it is important to give yourself enough time to review your benefits and options. The time frames in this checklist are a guide. Processing times vary and cannot begin until the NJDPB receives all the necessary information and forms from both you and the Administrative Office of the Courts.

### 6 – 8 Months Before Retirement

- Request an estimate of your JRS retirement benefit by writing to the New Jersey Division of Pensions & Benefits, Judicial Retirement System, P.O. Box 295, Trenton, NJ 08625-0295 or calling (609) 292-0909. The estimate will provide you with the retirement allowances available, and your lump-sum death benefits payable under the noncontributory group life insurance.

### 3 – 4 Months Before Retirement

- Submit an *Application for Retirement Allowance* (available from the NJDPB or the Administrative Office of the Courts) to the NJDPB. Accuracy and thoroughness are important when completing your *Application for Retirement Allowance*. Be sure to attach a photocopy of your birth certificate and that of your beneficiary if one is not on file. Your retirement processing will be delayed and your retirement allowance will not be paid until the NJDPB receives copies of required birth date evidence.
- The amount of your noncontributory life insurance coverage through the pension plan 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 by applying to a Prudential Insurance Company agent within 31 days of your termination of employment. No physical examination is required to prove insurability. The cost of the coverage will be at the standard rate for someone your age. If you live in New Jersey, you can contact Prudential at 1-800-262-1112. You may want to contact other insurance carriers and compare the available policies and costs before you decide to purchase the conversion policy. See the *JRS Survivor Benefits and Pension Options* Fact Sheet for more information about the conversion of group life insurance.

**Note:** 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 NJDPB.

- If you participated in the JRS optional Contributory Group Life Insurance Program, you will need to consider what you wish to do with your insurance coverage. The Group Term Life Insurance will end at retirement, but you have a guaranteed conversion ability with Prudential like that described above with the noncontributory insurance. If you have the Group Universal Variable Life insurance coverage, it can be continued into retirement by making payments directly to Prudential Insurance Company. Call Prudential at 1-800-524-0542 to make the necessary arrangements for Contributory Group Life Insurance.
- Ask the Human Resources Office of the Administrative Office of the Courts to submit a *Certification of Service and Final Salary* to the NJDPB.
- Contact the NJSEDCP office at 1-866-NJSEDCP or the SACT office at (609) 633-2031 if you participate in these funds to obtain a distribution form.
- If you are 65 or older, contact the local Social Security Administration office for full Medicare enrollment. You must be covered by both Part A and Part B of Medicare to be eligible to enroll in the SHBP at retirement.

### Approximately 2 Months Before Retirement

- You will receive a *Quotation of Retirement Benefits* letter which shows your monthly retirement allowance with:
  - a quote of any outstanding loan balance; and
  - a notice of any outstanding arrears (purchase) balance and/or shortage. Any outstanding arrears or shortage must be paid before your retirement check can be issued. Failure to respond to this notice will delay your retirement benefits.
- You will receive a letter regarding enrollment in the SHBP if you are currently covered by the SHBP.

**Approximately 1 Month  
Before Retirement**

- If you choose to change your retirement date or cancel your retirement, you may do so within 30 days of your retirement date. This request must be in writing to the NJDPB. Canceling your retirement does not guarantee reemployment with your employer.

**Shortly After Your Retirement Date**

- You will receive forms for withholding federal and New Jersey State income tax (also included at the end of this application packet).
- You will receive a form to have your retirement check deposited directly to your bank account. Direct deposit of your benefit payment is mandatory (except for foreign mailing addresses).
- You will receive a letter summarizing your retirement and noncontributory death benefits. The letter will also supply figures needed in filing your income tax returns.
- If you enrolled in the Retiree Group of the SHBP, you will receive new identification cards from the health insurance plan you selected.



# Taxation of Retirement Benefits

Information for:  
All Funds

The New Jersey Division of Pensions & Benefits (NJDPB) cannot provide tax advice. Consult the IRS (1-800-TAX-1040), or the N.J. Division of Taxation (609) 292-6400, or your tax advisor for assistance.

This fact sheet contains general information about federal and New Jersey State income taxes, and your retirement benefits from the NJDPB.

## HOW ARE MY RETIREMENT BENEFITS TAXED FOR FEDERAL PURPOSES?

Retirement benefits (except for Accidental Disability Retirement and Accidental Death benefits) are subject to federal income tax. However, if you paid tax on any of your contributions to the retirement system in the past, the portion of your monthly retirement benefits representing a return of your previously-taxed contributions is not taxable.

Currently, contributions made to the retirement system are tax-exempt. However, contributions made prior to January 1, 1987, were taxed, as were any purchases of optional pension service credit made before 2002. After January 1, 2002, some purchases of service credit may have been made with previously-taxed money. Therefore, if you began contributing to the retirement system prior to January 1, 1987, or if you purchased service credit since then, all or a portion of your total contributions may have been previously subject to federal tax.

The rate at which you can recover your previously-taxed contributions is determined, in part, by your retirement date:

**If you retired before August 1, 1986** — you were able to fully recover your contributions before having to pay tax on your benefits. Once you recovered your contributions, your benefits became fully taxable. The exception is if you did not fully recover your contributions within the first three years of retirement; in that case, you had to recover your contributions under the IRS expected return rule explained below.

**If you retired on or after August 1, 1986** — you must recover your contributions under the expected return rule. Under this rule, you recover your contributions evenly over your expected lifetime or the combined lifetime of you and your pension beneficiary. This means that only a small portion of each monthly benefit is considered a return of your previously-taxed contributions and is tax-free.

## CALCULATING THE NON-TAXABLE AMOUNT UNDER THE EXPECTED RETURN RULE

**If you retired after July 1, 1986, and before November 1, 1996** — your monthly non-taxable amount is determined using life expectancy tables found in *IRS Publication 939*.

**If you retired on or after November 1, 1996** — the following tables found in *IRS Publication 575 (Simplified Method)* are used to determine your monthly non-taxable amount:

TABLE A	
Benefits Payable to Retirees Only*	
Age of Retiree (at Retirement)	Number of Payments
55 or less	360
56–60	310
61–65	260
66–70	210
71 or more	160

\* For those retired on or after November 1, 1996, and before December 1, 1997, Table A is used even if benefits are payable to the retiree and the retiree's survivor.

TABLE B	
Benefits Payable to Retirees and Beneficiary	
Combined Age of Retiree (at Retirement) and Beneficiary	Number of Payments
110 or less	410
111–120	360
121–130	310
131–140	260
141 or more	210

The following examples illustrate how the monthly non-taxable amount is computed using Tables A and B:

**Example 1** — A PERS member, whose previously-taxed contributions equaled \$12,000, retires at age 62 and chooses to receive the **Maximum Allowance** (designating no monthly pension to a surviving beneficiary). **Table A** is used because benefits are payable to the **retiree only**. The \$12,000 is divided by 260, which produces a monthly tax-free amount of \$46.15. The balance of the monthly pension is subject to federal income tax.

**Example 2** — A TPAF member, whose previously-taxed contributions equaled \$15,000, retires at age 60 and chooses to receive benefits under **Option 2** (designating the same monthly pension to the surviving beneficiary). **Table B** is used because benefits are payable to the retiree and the retiree's beneficiary. The designated beneficiary is the same age as the retiree. The \$15,000 is divided by 360, which produces a monthly tax-free amount of \$41.67. The balance of the monthly pension is subject to federal income tax.

### HOW LONG WILL THE NON-TAXABLE PORTION CONTINUE?

**For those who retired after December 31, 1986**, the monthly non-taxable amount remains in effect until all of your previously-taxed contributions are fully recovered. At that point your benefits become fully taxable.

**For those who retired before December 31, 1986**, the monthly non-taxable amount is effective for as long as you or your survivor receive benefits.

If benefits cease before your previously-taxed contributions are fully recovered, the remaining balance can be claimed as a deduction on the income tax return of the last recipient, provided you retired on or after July 1, 1986. If you retired before July 1, 1986, no deduction is allowed for unrecovered contributions.

### WITHHOLDING FEDERAL INCOME TAX FROM YOUR PENSION CHECK

Each new retiree will automatically receive a federal withholding tax *Form W-4P* near the date of retirement. The NJDPB is required by federal law to **automatically withhold federal income tax** from your pension check, based on a status of married with three allowances if you do not complete a *W-4P*.<sup>\*</sup> The *W-4P* allows you to elect no withholding or, if you want withholding, to inform us of your tax filing status so that we can withhold the proper amount.

### WITHHOLDING N.J. STATE INCOME TAX FROM YOUR PENSION CHECK

**If you live in New Jersey**, you will automatically receive a New Jersey State withholding tax *Form NJ-W-4P* near the date of retirement. Most retirees will not be subject to New Jersey income tax until they recover, in pension checks, the amount of contributions they made to the retirement system while working. If you will not recover your total contributions within three years of retirement, refer to the instructions for the *Form NJ-1040* to determine how your pension is taxed. You can find information on both the three-year rule and the general rule methods in the instructions for the *Form NJ-1040*.

If you are at least 62 or considered disabled by Social Security, you may exclude the following amounts of retirement income from New Jersey income tax for the tax year indicated in the following chart:

### RETIREMENT INCOME EXCLUSIONS

Tax Year	Married Filing Jointly	Single	Married Filing Separately
2003–2016	\$20,000	\$15,000	\$10,000
2017	\$40,000	\$30,000	\$20,000
2018	\$60,000	\$45,000	\$30,000
2019	\$80,000	\$60,000	\$40,000
2020	\$100,000	\$75,000	\$50,000

**Note:** Effective tax year 2007, the “Retirement Income Exclusions” listed above are limited to taxpayers with a total income of \$100,000 or less. Please see the instructions for the *Form NJ-1040*, or contact the New Jersey Division of Taxation or a professional tax advisor for further information.

Unlike federal income tax, **withholding for New Jersey income tax is completely voluntary. No New Jersey income tax will be withheld unless you authorize it by completing a *Form NJ-W-4P*.** The amount withheld must be at least \$10 per month in even dollar amounts (no cents). If you need help deciding whether or not to have New Jersey income tax withheld or how much tax to have withheld, you can contact the New Jersey Division of Taxation at (609) 292-6400.

**If you live outside New Jersey**, you are not required to pay New Jersey income tax on the pension you receive from the retirement system. The NJDPB does

<sup>\*</sup>The taxable minimum for non-standard checks at married with three allowances is: Under \$1,692 - no withholding; between \$1,692 and \$3,205 - 10 percent; between \$3,205 and \$7,842 - 15 percent; and over \$7,842 - 25 percent.

not withhold income tax for other states. Check with your home state's tax office to determine if your pension is taxable in your state of residence.

## **CHANGING YOUR WITHHOLDING AMOUNT**

To change your tax withholdings, visit the NJDPB website at: [www.nj.gov/treasury/pensions](http://www.nj.gov/treasury/pensions) Registered Member Benefits Online System (MBOS) users can quickly and easily change their tax withholdings online. *Form W-4P* or *NJ-W-4P* can also be downloaded and submitted by mail.

## **QUESTIONS COMMONLY ASKED AFTER RETIREMENT**

### **Will I receive a statement of pension income for tax purposes?**

Yes. Retirees receive *Form 1099-R* at the end of January each year, covering the previous tax year. This shows the gross retirement allowance; how much is subject to federal income tax; and the amounts, if any, that were withheld for federal and New Jersey income tax.

### **Am I taxed on the reimbursement of Medicare premiums?**

No. If you receive a reimbursement for the Medicare Part B premiums you pay to Social Security, the gross amount of your pension checks will be greater than the gross amount shown on your *Form 1099-R* because the Medicare reimbursement is not taxable. The Medicare premium reimbursement is subtracted from your total gross income to determine the gross pension reported to the IRS.

## **Is my Disability pension taxable?**

If you are receiving a Disability pension, your benefits are not subject to New Jersey income tax until you reach age 65.

If you are receiving an Accidental Disability pension, or if you are a survivor receiving Accidental Disability or Accidental Death benefits, the NJDPB reports your benefit as exempt from federal income tax.

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

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*This fact sheet has been produced and distributed by:*

***New Jersey Division of Pensions & Benefits  
P.O. Box 295, Trenton, NJ 08625-0295***

*(609) 292-7524*

*For the hearing impaired: TRS 711 (609) 292-6683*

***www.nj.gov/treasury/pensions***

## INSTRUCTIONS FOR COMPLETING THE APPLICATION FOR RETIREMENT ALLOWANCE

**PLEASE READ THESE INSTRUCTIONS CAREFULLY BEFORE COMPLETING THIS APPLICATION.**

**PLEASE DETACH THE APPLICATION FROM THE PACKET BEFORE MAILING.**

**When to File** — All retirements (except Mandatory Service and Disability Retirements) are effective on the first of the month. File this application with the NJDPB before your retirement date or you will lose benefits. Three to four months advance filing is recommended. You must terminate employment before your retirement date. Mail your completed application to the New Jersey Division of Pensions & Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

**Disability Retirement** — Do not use this form to file for Disability Retirement. Please contact the the Judicial Retirement System Administrator at (609) 292-0909 for a Disability Retirement application.

### **PART ONE — ACKNOWLEDGEMENT OF TERMS AND CONDITIONS OF RETIREMENT**

You must agree to and sign the terms and conditions when applying for retirement. If you fail to sign the acknowledgement, your *Application for Retirement Allowance* will not be processed.

### **PART TWO — MEMBER INFORMATION**

**ITEM 1: MEMBERSHIP NUMBER** - Enter your pension fund membership number shown on your annual statement. If you are not sure of your number, contact your Personnel or Payroll Office.

**ITEM 2: NAME** - Enter your full name.

**ITEM 3: ADDRESS** - Enter your present mailing address. Report any change of address before you begin receiving a pension to the Retirement Bureau at the address shown on top of the *Application for Retirement Allowance*. Provide your Social Security number and retirement date in the letter.

**ITEM 4: SOCIAL SECURITY NUMBER** - Provide your Social Security number.

**ITEM 5: DATE OF BIRTH** - Enter the month, day, and year of your birth. You should submit a copy of your birth certificate if you have not already done so (*do not delay filing the application if this document is not readily available*).

**ITEMS 6 AND 7: TELEPHONE NUMBERS** - Enter your home and work telephone numbers. Include your area code.

**ITEM 8: HOME EMAIL ADDRESS** - Enter your home email address if you have one.

**ITEM 9: DATE OF RETIREMENT** - Enter the date you wish to retire. All retirements are effective on the first of a month (except for Mandatory Service Retirement and Disability Retirement). The earliest retirement date available for a Service or Early Retirement is the first of the month following the NJDPB's receipt of your application. For Deferred Retirement, the effective date is the first of

the month following your 60th birthday. For Mandatory Service Retirement, the effective date is the date of your 70th birthday. Your application must be received in this office prior to your retirement date. Your first retirement check will be dated no earlier than the first of the month following your retirement date.

**ITEM 10: TYPE OF RETIREMENT** - Indicate the type of retirement for which you are applying. **Note:** Mandatory retirement at age 70 is considered a Service Retirement. An explanation of the types of retirement that are available begins on page 2.

**ITEM 11: MARITAL STATUS** - Please indicate your marital status.

**ITEM 12 THROUGH 14: SPOUSE'S INFORMATION** - If you are currently married, enter your spouse's name, date of birth (month, day, and year), and Social Security number. You should submit a copy of your spouse's birth certificate if you have not already done so (*do not delay filing the application if this document is not readily available*). If you are unmarried, widowed, or divorced, enter N/A.

**ITEM 15: SPOUSE'S ADDRESS** - If you are currently married, enter your spouse's address if it is different from the address you entered in item 3. If you are unmarried, widowed, or divorced, enter N/A.

**ITEM 16: DATE OF MARRIAGE** - If you are currently married, enter your date of marriage. If you are unmarried, widowed, or divorced, enter N/A.

### PART THREE — CHOOSE A RETIREMENT PAYMENT OPTION

Mark only one box. If you choose the Maximum Option, you must sign the application in the space indicated to acknowledge your understanding that no monthly benefit — other than the statutory survivor benefit provided under the JRS — is payable to a spouse or other named beneficiary.

**Note:** If no box is checked, your application cannot be processed.

**Note for Maximum Option:** The law requires that the NJDPB notify your spouse if you choose the Maximum Option. If you are currently married, please enter your spouse's name and mailing address (if different than yours) in items 13 and 16. If you are unmarried, widowed, or divorced, enter N/A.

To provide a benefit to a spouse or beneficiary, you may choose one of the following options: A, B, C, D, 1, 2, 3, or 4. See the *JRS Survivor Benefits and Pension Fact Sheet* included in this packet for an explanation of the available options. Selecting an option other than the Maximum Option will reduce your retirement allowance to provide an additional benefit to a named beneficiary upon your death. The higher your beneficiary's allowance, the more your allowance will be reduced. Your option selection is irrevocable and cannot be changed under any circumstances once your retirement becomes due and payable (see "Your First Retirement Check" on page 1).

If you do not understand your options, call the NJDPB for assistance at (609) 292-0909.

**RETIREMENT OPTION BENEFICIARY** - In the previous item, you have chosen the method of payment to both you and, if applicable, a beneficiary. Name your beneficiary for that option here. Please include the beneficiary's full name, relationship to you (if not related, write "Other"), date of birth, Social Security number, and mailing address.

Please complete this section even if you have chosen the Maximum Option. The beneficiary named in this section will receive any optional benefit you selected above and will also receive any issued, but uncashed, pension checks remaining at your death. If you choose Option A, B, C, D, 2, 3, or 4, please attach a copy of the beneficiary's birth certificate.

Under Option 1, you may name any person or persons as well as an institution, charity, organization, your estate, etc., as a beneficiary. If you designate an institution, charity, or organization, in order to insure that this designee is a legal entity, we require the beneficiary's tax identification number.

You may name multiple beneficiaries to share the benefit

if you choose Option 1 or Option 4. To name additional beneficiaries, fill out and sign the *Additional Pension Option Beneficiaries* page provided at the end of this packet, and check the box on the application.

Under Option A, B, C, D, 2, or 3 you may name only one person as a beneficiary.

The designation of beneficiary becomes effective when your *Application for Retirement Allowance* is received by the NJDPB.

**MEMBER'S SIGNATURE AND DATE** - Sign and date this page. Your application cannot be processed without your signature.

### PART FOUR - DESIGNATION OF CONTRIBUTORY LIFE INSURANCE BENEFICIARY(IES)

(Does not apply to members with less than 10 years of membership credit.) All members of the Judicial Retirement System are covered by group life insurance. JRS members have Noncontributory Group Life Insurance coverage as an active member equal to  $1\frac{1}{2}$  x Final Salary. At retirement, your Noncontributory Group Life Insurance is reduced to  $\frac{1}{4}$  x Final Salary.

You may name any person or persons as well as an institution, charity, organization, your estate, etc., as a Noncontributory Group Life Insurance beneficiary. If you designate an institution, charity, or organization, in order to insure that this designee is a legal entity, we require the beneficiary's tax identification number. You may also name multiple beneficiaries for this benefit. You may change your group life insurance beneficiary at any time.

You should name both a Primary beneficiary(ies) and a Contingent beneficiary(ies) for this benefit. If you find it necessary to use additional sheets to complete this section, write "see attached" in the beneficiary area of the application. The attachments must also be signed and dated.

**Primary Beneficiary(ies)** - List the full name, relationship to you (if not related, write "Other"), birth date, Social Security number, and address of the individual(s)/entity(ies) you want to receive your Noncontributory Group Life Insurance proceeds. If you name more than one Primary Beneficiary, the lump sum Noncontributory Group Life Insurance proceeds will be divided equally among those listed. If you do not wish to divide the proceeds equally, please contact the NJDPB for assistance.

**Contingent Beneficiary(ies)** - List the full name, relationship to you (if not related, write "Other"), birth date, Social Security number, and address of the individual(s)/entity(ies) you want to receive your Noncontributory Group Life Insurance proceeds should your primary beneficiaries not be living at the time of your death. If you name more than one Contingent Beneficiary, the lump sum insurance proceeds will be divided equally among

those listed. If you do not wish to divide the proceeds equally, please contact the NJDPB for assistance.

The designation of beneficiary becomes effective when your *Application for Retirement Allowance* is received by the NJDPB.

**NOTE: DESIGNATION OF CONTRIBUTORY GROUP LIFE INSURANCE BENEFICIARY** - The designation of beneficiaries for the JRS optional Contributory Group Life Insurance Program is handled through the Prudential Insurance Company of America. If you participated in the JRS Contributory Group Life Insurance Program, contact Prudential at 1-800-524-0542 for information on how to update your beneficiary information at retirement.

**NOTE: CONVERSION OF GROUP LIFE INSURANCE** - The amount by which your group life insurance is reduced at retirement may be converted at retirement to a non-group policy. Conversion must be done within 31 days of the termination of employment. See the *JRS Survivor Benefits and Pension Options* Fact Sheet for more information about the conversion of group life insurance.

**MEMBER'S SIGNATURE AND DATE** - Sign and date this page. Your application cannot be processed without your signature.

**IF YOU NEED HELP IN COMPLETING THIS APPLICATION,  
CONTACT THE JRS AT (609) 292-0909**



State of New Jersey • Department of the Treasury

**DIVISION OF PENSIONS & BENEFITS — RETIREMENT SECTION**

P.O. Box 295, Trenton, NJ 08625-0295

**JUDICIAL RETIREMENT SYSTEM (JRS)  
APPLICATION FOR RETIREMENT ALLOWANCE**

**PART ONE: ACKNOWLEDGEMENT OF TERMS AND CONDITIONS OF RETIREMENT**

**You must agree to and sign these terms and conditions when applying for retirement. If you fail to sign this acknowledgement your *Application for Retirement Allowance* will not be processed.**

- I understand that I must meet all of the eligibility requirements for retirement and cannot submit an application more than one year before my retirement date (if applying for Deferred Retirement, I may file more than one year in advance upon termination of employment).
- I understand that my employer will be notified that I have filed an application for retirement.
- I understand that if I cancel or change my retirement date and submit a new application with a later retirement date, it is my responsibility to notify my employer to ensure that any active health benefits are not canceled and that my employment remains uninterrupted.
- I understand that changing or canceling my retirement date does not guarantee continued employment with my employer.
- I understand that I cannot make pre-arrangements with my employer to return to employment in any capacity (this does not apply to judges recalled by the Superior Court for temporary service).
- I understand that the beneficiary designation I am indicating on this retirement application supersedes all prior designations, even if my retirement is not yet effective or if I cancel my retirement. The New Jersey Division of Pensions & Benefits (NJDPB) will honor this as my most recent beneficiary designation on file, unless another beneficiary designation is made after the retirement application.
- I understand that if I die prior to the retirement date indicated on this retirement application, any retirement benefits that may be payable to a beneficiary cannot be paid until the retirement date selected.

Member's Signature \_\_\_\_\_ Date \_\_\_\_\_

I have read and agree to the Terms and Conditions of Retirement, have not pre-arranged with my employer to return to employment in any capacity, and attest that the information provided on this application is true and correct.

**PART TWO: MEMBER INFORMATION** *(Please print)*

1. Membership Number \_\_\_\_\_
  
2. Name \_\_\_\_\_  

*Last*
*First*
*Middle*
  
3. Address \_\_\_\_\_  

*Street*
*Apt No.*

  

*City*
*State*
*Zip*
  
4. Social Security Number \_\_\_\_\_
5. Date of Birth \_\_\_\_\_  

*Month*
*Day*
*Year*
  
6. Home Phone ( \_\_\_\_\_ ) \_\_\_\_\_
7. Work Phone ( \_\_\_\_\_ ) \_\_\_\_\_
  
8. Home Email Address \_\_\_\_\_
  
9. Retirement date — *To be effective the first day of* \_\_\_\_\_  

*Month*
*Year*
  
10. Type of Retirement — Indicate the type of retirement for which you are applying (see page 2 for an explanation of the types of retirement that are available).  

Service Retirement
  Early Retirement
  Deferred Retirement

*(Mandatory retirement at age 70 is considered a Service Retirement)*
  
11. Marital Status     Single     Married     Separated     Divorced
  
12. Spouse's Name \_\_\_\_\_  

*Last*
*First*
*Middle*
  
13. Spouse's Social Security Number \_\_\_\_\_
14. Spouse's Date of Birth \_\_\_\_\_  

*Month*
*Day*
*Year*
  
15. Spouse's Address *(If different from yours)* \_\_\_\_\_  

*Street*
*Apt No.*

  

*City*
*State*
*Zip*
  
16. Date of Marriage \_\_\_\_\_  

*Month*
*Day*
*Year*

Member's Name \_\_\_\_\_ Membership Number \_\_\_\_\_

**PART THREE: CHOOSE A RETIREMENT PAYMENT OPTION AND NAME A BENEFICIARY**

**USE THIS PAGE FOR THE MAXIMUM OPTION OR OPTION 1 ONLY — Additional payment options are listed on the following page.**

Indicate whether your choice for a method of payment is the Maximum Option or Option 1. Maximum Option and Option 1 beneficiaries share the benefit equally. Refer to the *JRS Survivor Benefits and Pension Options* Fact Sheet included in this packet for an explanation of each option. You will receive a monthly retirement allowance for your lifetime, regardless of which option you choose. Choosing an option other than the Maximum will reduce your retirement allowance. You cannot change your payment option once your retirement becomes "due and payable" (see "Your First Retirement Check" on page 1).

**MARK ONLY ONE BOX.**

**MAXIMUM OPTION — NO PENSION BENEFIT TO BENEFICIARY** — Largest allowance paid to you with no pension benefit paid to a named beneficiary upon your death. \_\_\_\_\_  
*(You must sign here if choosing this option)*

**OPTION 1 - REDUCING RETIREMENT RESERVE TO A BENEFICIARY** — Your named beneficiary receives the balance of a reserve set up to pay your retirement allowance if you die before the reserve is depleted. You can name more than one beneficiary and you can change your beneficiary(ies) at any time after retirement.

**NAME A RETIREMENT OPTION BENEFICIARY (OR BENEFICIARIES) FOR THE MAXIMUM OPTION OR OPTION 1**

**PRIMARY INSURANCE BENEFICIARY(IES)**

BENEFICIARY NAME	RELATIONSHIP	BIRTH DATE	SOCIAL SECURITY NUMBER
1. _____	_____	_____	_____

ADDRESS \_\_\_\_\_

2. _____	_____	_____	_____
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ADDRESS \_\_\_\_\_

**CONTINGENT INSURANCE BENEFICIARY(IES) — If no Primary Beneficiary is living at my death, payment is to be made to:**

BENEFICIARY NAME	RELATIONSHIP	BIRTH DATE	SOCIAL SECURITY NUMBER
1. _____	_____	_____	_____

ADDRESS \_\_\_\_\_

2. _____	_____	_____	_____
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ADDRESS \_\_\_\_\_

(Attach additional sheets for three or more beneficiaries. Additional sheets must be signed and dated.)

Member's Signature \_\_\_\_\_ Date \_\_\_\_\_

**I attest that the information provided on this application is true and correct.**

*Sign this page if selecting the Maximum Option or Option 1 and then continue to Part Four.  
 Otherwise, continue to Part Three on the next page for additional payment options.*

**PART THREE: CHOOSE A RETIREMENT PAYMENT OPTION AND NAME A BENEFICIARY (CONTINUED)**

If you did not select the Maximum Option or Option 1, indicate your choice on this page for method of payment. Refer to the *JRS Survivor Benefits and Pension Options* Fact Sheet included in this packet for an explanation of each option. You will receive a monthly retirement allowance for your lifetime, regardless of which option you choose. Choosing an option other than the Maximum will reduce your retirement allowance to provide a monthly benefit to a beneficiary upon your death. The higher your beneficiary's allowance, the more your allowance will be reduced. You cannot change your payment option once your retirement becomes "due and payable."

Under Options A, B, C, or D, you can name only one beneficiary and you cannot change your beneficiary after retirement. If your beneficiary dies before you, your retirement allowance will increase to the Maximum Option.

- OPTION A - 100 PERCENT TO BENEFICIARY - INCREASE TO MAXIMUM OPTION** — Upon your death, your named beneficiary receives a lifetime monthly retirement allowance equal to 100 percent of your monthly allowance.
- OPTION B - 75 PERCENT TO BENEFICIARY - INCREASE TO MAXIMUM OPTION** — Upon your death, your named beneficiary receives a lifetime monthly retirement allowance equal to 75 percent of your monthly allowance.
- OPTION C - 50 PERCENT TO BENEFICIARY - INCREASE TO MAXIMUM OPTION** — Upon your death, your named beneficiary receives a lifetime monthly retirement allowance equal to 50 percent of your monthly allowance.
- OPTION D - 25 PERCENT TO BENEFICIARY - INCREASE TO MAXIMUM OPTION** — Upon your death, your named beneficiary receives a lifetime monthly retirement allowance equal to 25 percent of your monthly allowance.

Under **Options 2, 3, and 4**, you cannot change your beneficiary after retirement. Options 2 and 3 pay you a larger monthly retirement allowance than the corresponding Options A and C. However, under Options 2 and 3, if your beneficiary dies before you, you continue to receive the reduced allowance provided by that option.

- OPTION 2 - 100 PERCENT TO BENEFICIARY - PERMANENT REDUCTION** — You can name only one beneficiary. Upon your death, your named beneficiary receives a lifetime monthly retirement allowance equal to 100 percent of your monthly allowance.
- OPTION 3 - 50 PERCENT TO BENEFICIARY - PERMANENT REDUCTION** — You can name only one beneficiary. Upon your death, your named beneficiary receives a lifetime monthly retirement allowance equal to 50 percent of your monthly allowance.

**RETIREMENT OPTION BENEFICIARY** — For Options A, B, C, D, 2, and 3 you may list only ONE beneficiary.

BENEFICIARY NAME	RELATIONSHIP	BIRTH DATE	SOCIAL SECURITY NUMBER

ADDRESS \_\_\_\_\_

- OPTION 4 - CHOICE OF AMOUNT TO BENEFICIARY - PERMANENT REDUCTION** — You can name one beneficiary or multiple beneficiaries. Upon your death, your named beneficiary(ies) receives a lifetime monthly retirement allowance indicated.

**OPTION 4 BENEFICIARIES** (Attach an additional sheet for three or more beneficiaries. Additional sheets must be signed and dated.)

BENEFICIARY NAME	RELATIONSHIP	BIRTH DATE	SOCIAL SECURITY NUMBER
1. _____	_____	_____	_____

ADDRESS \_\_\_\_\_

ENTER AMOUNT \$ \_\_\_\_\_ (Can be no more than the Option 2 allowance.)

2. _____	_____	_____	_____
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ADDRESS \_\_\_\_\_

ENTER AMOUNT \$ \_\_\_\_\_ (Can be no more than the Option 2 allowance.)

Member's Signature \_\_\_\_\_ Date \_\_\_\_\_

**I attest that the information provided on this application is true and correct.**

Member's Name \_\_\_\_\_ Membership Number \_\_\_\_\_

**PART FOUR: DESIGNATION OF NONCONTRIBUTORY GROUP LIFE INSURANCE BENEFICIARY(IES)**

Only those members with 10 or more years of membership credit are covered by Noncontributory Group Life Insurance at retirement. This section is to be used to name a beneficiary(ies) for your Noncontributory Group Life Insurance, if any. Please be sure to name both a Primary and Contingent beneficiary(ies). Complete this section even if the beneficiary you name is the same as in Part Three. This designation becomes effective when received by the NJDPB.

**PRIMARY INSURANCE BENEFICIARY(IES)**

BENEFICIARY NAME	RELATIONSHIP	BIRTH DATE	SOCIAL SECURITY NUMBER
1. _____	_____	_____	_____
ADDRESS _____			
2. _____	_____	_____	_____
ADDRESS _____			
3. _____	_____	_____	_____
ADDRESS _____			
4. _____	_____	_____	_____
ADDRESS _____			

**CONTINGENT INSURANCE BENEFICIARY(IES)** — *If no Primary Beneficiary is living at my death, payment is to be made to:*

BENEFICIARY NAME	RELATIONSHIP	BIRTH DATE	SOCIAL SECURITY NUMBER
1. _____	_____	_____	_____
ADDRESS _____			
2. _____	_____	_____	_____
ADDRESS _____			
3. _____	_____	_____	_____
ADDRESS _____			
4. _____	_____	_____	_____
ADDRESS _____			

Member's Signature \_\_\_\_\_ Date \_\_\_\_\_

**I attest that the information provided on this application is true and correct.**

Return this application to:  
 New Jersey Division of Pensions & Benefits  
 P.O. Box 295  
 Trenton, NJ 08625-0295

## ADDITIONAL FORMS FOR RETIREES — JUDICIAL RETIREMENT SYSTEM

Upon the completion of retirement processing, all new retirees are mailed the:

***AUTHORIZATION OF DIRECT DEPOSIT OF BENEFIT PAYMENT  
FEDERAL INCOME TAX WITHHOLDING FORM W-4P  
NEW JERSEY STATE INCOME TAX WITHHOLDING FORM NJ-W-4P***

These forms are also included in this retirement packet for your convenience. If you choose to submit these forms along with your *Application for Retirement Allowance*, you will not have to complete them when mailed to you after your retirement date.

**Please Note:** the enclosed forms request that you include your Retirement Number. This identifying number is not issued until after retirement processing is completed. If you use the forms provided in this packet, please leave the area for Retirement Number blank.

### DIRECT DEPOSIT

Direct deposit of your benefit payment is mandatory. Complete the enclosed *Authorization of Direct Deposit* form and return it to the NJDPB along with your *Application for Retirement Allowance*.

### WITHHOLDING FEDERAL AND N.J. STATE INCOME TAX

The taxation of your retirement benefit is explained in detail in the *Taxation of Retirement Benefits* Fact Sheet included in this retirement packet. The NJDPB will provide for the withholding of federal and New Jersey State income tax from your retirement check.

- The NJDPB is obligated to withhold federal income tax from your retirement check based on a status of married with three allowances, unless you file a *Form W-4P* instructing us to adjust the withholding level.
- New Jersey income tax withholding is voluntary, and none will be withheld unless you instruct us to do so by filing a *Form NJ-W-4P*.
- 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.

If you wish to adjust your federal income tax withholding or begin N.J. State income tax withholding, complete the enclosed *Federal* and/or *NJ State Form W-4Ps* and return them to the NJDPB along with your *Application for Retirement Allowance*.

After your retirement date, you may adjust your income tax withholding at any time by filing a revised *Federal* and/or *NJ State Form W-4P*.

At the end of January of each year, the NJDPB issues a Form 1099-R reflecting the taxable retirement allowance paid during the preceding tax year for use in preparing your federal and State income tax.

**The NJDPB cannot provide tax advice.** Questions about your federal income tax should be directed to the Internal Revenue Service (IRS) at 1-800-TAX-1040 or at: [www.irs.gov](http://www.irs.gov). For questions about New Jersey income tax, call the New Jersey Division of Taxation at 1-800-323-4400 or visit their website at: [www.nj.gov/treasury/taxation](http://www.nj.gov/treasury/taxation)



State of New Jersey • Department of the Treasury

**DIVISION OF PENSIONS & BENEFITS — RETIRED PAYROLL**

P.O. Box 295, Trenton, NJ 08625-0295

**AUTHORIZATION FOR DIRECT DEPOSIT OF RETIREMENT PAYMENT/SURVIVOR BENEFIT**

**INSTRUCTIONS**

- A: Read the terms and conditions listed below.
- B: Enter your name, mailing address, retirement number (for retirement payment and survivor benefit), Social Security number, and home telephone number.
- C: Mark the appropriate payment and account type boxes, and print the financial institution's account number, routing number, and name and address where indicated. Be sure to double-check your account and 9-digit routing numbers before submitting this form — inaccurate information will delay processing of this application or your payment.
- D: You and all other parties to this account must sign the form.
- E: Attach a VOIDED check if using a checking account and return the completed form to the Division of Pensions & Benefits (NJDPB) at the address above.

**RECIPIENT INFORMATION — Please Print Legibly**

Fund:  PERS  TPAF  PFRS  SPRS  JRS

Your Name: \_\_\_\_\_

Retirement No.: \_\_\_\_\_  
*(For Retirement Payment and Survivor Benefit Only)*

Your Address: \_\_\_\_\_

Social Security No.: \_\_\_\_\_

Home Phone No.: \_\_\_\_\_

\_\_\_\_\_  
*Name of Financial Institution*

\_\_\_\_\_  
*Street of Financial Institution*

\_\_\_\_\_  
*City, State, Zip of Financial Institution*

\_\_\_\_\_  
*Your Signature and Date*

_____ <i>Your Account Number</i>
TYPE OF ACCOUNT: <input type="checkbox"/> CHECKING <input type="checkbox"/> SAVINGS
_____ <i>Financial Institution's 9-digit Routing Number</i>

\_\_\_\_\_  
*Signature of Other Person on Account and Date*

\_\_\_\_\_  
*Signature of Other Person on Account and Date*

Please read the terms and conditions below and  
**ATTACH A VOIDED CHECK IF AUTHORIZING A CHECKING ACCOUNT**  
 (used to verify your financial institution's routing and account number)

**TERMS AND CONDITIONS**

**Benefit Recipient**

I authorize the NJDPB and the financial institution indicated to directly deposit my net retirement allowance or survivor benefit each month to the account specified. Direct deposit under this authorization is full satisfaction and discharge of the amount then due and payable under the retirement system or benefit program. I understand that the provisions of the statutes governing the pension funds prohibit the deposit of retirement payments to a trust fund. I understand that any retirement allowance or survivor benefit forwarded to the financial institution with a due date after my death will be refunded to the appropriate retirement system. I agree that the financial institution shall have the right of offset for such a refund. I further understand that this agreement may be changed by me upon written notification to the NJDPB. The change will be processed for the pay period following the NJDPB's receipt of the notice. I understand that a change in the title of this account which alters the interest of any party terminates this authorization, a notification must then be submitted. I understand that it is my responsibility to inform the NJDPB of address changes immediately. I authorize the financial institution to provide the NJDPB with my home address.

**Other Parties to the Account**

As a party to this account, I understand that I am personally liable, both individually and as a member of the group of parties to this account, for the full amount of all retirement allowances or survivor benefit payments with due dates after the death of the benefit recipient withdrawn from the account. This liability is to the retirement system or benefit program. If I am entitled to any benefit from the retirement system or benefit program as a beneficiary of the benefit recipient, the amount of my liability may be deducted from the amount payable to me. I agree that the financial institution shall have the right of offset for such a refund and I authorize the financial institution to provide the NJDPB with my home address.



State of New Jersey • Department of the Treasury  
**DIVISION OF PENSIONS & BENEFITS — RETIRED PAYROLL**  
 P.O. Box 295, Trenton, NJ 08625-0295  
**FEDERAL W-4P**

(Please Print)

Name \_\_\_\_\_ Social Security No. **xxx - xx -** \_\_\_\_\_  
(Last 4 digits only)

Address \_\_\_\_\_  
Street City State Zip

Retirement No. \_\_\_\_\_

**INSTRUCTIONS**

- Verify that the Social Security number and mailing information above is correct.
- Please accurately and appropriately complete the form below.
- Sign and date the form on the line provided at the bottom.
- Return to the address indicated above.

**1. WITHHOLDING CHOICE** (Check **only one** box.)

- Do not withhold federal income tax on payments from my retirement system.** (If you check this box, skip 2 through 4 below and sign and date on the bottom of this form.) U.S. citizens residing outside the United States cannot elect to be exempt from withholding on payments sent outside the United States. This would include payments received by U.S. banks and transferred overseas.
- Withhold federal income tax on payments from my retirement system as calculated based on the marital status and allowances indicated below.** (If you check this box, complete 2 through 4 below and sign and date on the bottom of this form.)

**2. MARITAL STATUS** (Check **only one** box. Even if you are a widow or widower, you must select either “single” or “married.”)

- Single
- Married

**3. TOTAL NUMBER OF ALLOWANCES** ..... → 

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**4. OPTIONAL** (Additional Deductions)

If you wish to have additional income tax withheld from each payment, enter amount here ..... →  
 This amount will be **in addition** to the calculated tax based on your marital status and the number of allowances indicated above. Please note that a flat monthly deduction cannot be entered.

4.		

Your Signature \_\_\_\_\_ Date \_\_\_\_\_



State of New Jersey • Department of the Treasury

**DIVISION OF PENSIONS & BENEFITS — RETIRED PAYROLL**

P.O. Box 295, Trenton, NJ 08625-0295

**CERTIFICATE OF VOLUNTARY WITHHOLDING OF  
NEW JERSEY GROSS INCOME TAX  
FROM PENSION AND ANNUITY PAYMENTS**

Dear Retiree,

If you wish to have New Jersey Gross Income Tax withheld from your monthly pension check, change the amount currently withheld, or stop your current state tax withholding, please complete this form and return it to the address shown above. If you are a new retiree or beneficiary, **DO NOT** submit this form **unless** you wish to have New Jersey State income tax withheld. **Be sure to sign and date your completed form. PLEASE ALLOW FOUR TO SIX WEEKS FOR PROCESSING.**

If you **do not** live in New Jersey, your pension is not subject to New Jersey State income tax. If you live in New Jersey, your pension is taxable when you have recovered in retirement checks an amount equal to your total contributions to the pension plan. Therefore, you may want to wait until your contributions are recovered before filing this form. The exception to this is if you are not going to recover your total contributions within three years of retirement. In this case, please refer to your New Jersey Income Tax Resident Return 1040 booklet to determine how your pension is taxed.

If you have any questions concerning New Jersey Gross Income Tax, please call the New Jersey Division of Taxation at 1-800-323-4400 (within NJ, NY, PA, DE, and MD) or (609) 826-4400 (anywhere).

(Please Print)

**NJ-W-4P**

Name \_\_\_\_\_ Address \_\_\_\_\_

Retirement No. \_\_\_\_\_

Social Security No. **XXX - XX -** \_\_\_\_\_  
(Last 4 digits only)

(Check one box)

- I elect to have New Jersey Gross Income Tax withheld from each monthly pension or annuity payment in the amount of \$ \_\_\_\_\_ .00 (Minimum \$10 per month.)
- Stop withholding New Jersey Income Tax. (Only available to recipients with current State tax withholding.)

Your Signature \_\_\_\_\_ Date \_\_\_\_\_