

WILLIAM PATERSON UNIVERSITY

WELCOME

Overview of the PERS and PFRS Plans

- Pension Plans
 - Public Employees Retirement System (PERS)
 - Police and Firemen's Retirement System (PFRS)
 - Tax Sheltered Plans

- Retirement Planning Outline
 - Types of PERS retirement
 - Steps to retirement
 - How to apply for retirement
 - Retirement calculation examples
 - Retirement payment options
 - Health benefits at retirement
 - Group life insurance
 - Determining last working day
 - Sick leave payout

Overview of the PERS and PFRS Plans

Mandatory Retirement Programs

Defined Benefits Plan

Public Employees Retirement System (PERS)

Police and Firemen's Retirement System (PFRS)

- William Paterson University participates in the State of New Jersey public employee pension programs
- Participation is required for all eligible employees as a condition of employment
- Participation in a specific Retirement Program is determined by the title and employment classification

Overview of the PERS and PFRS Plans

Public Employees Retirement System (PERS)

- PERS is a Defined Benefits Plan

A Defined Benefit Plan is a type of pension plan in which the employer (State) provides a specified pension payment on retirement that is predetermined by a formula based on the employee's earnings history, tenure of service, age and Tier.

- Tiers are determined by the employee's date of enrollment.

Overview of the PERS and PFRS Plans

Public Employees Retirement System (PERS)

- PERS covers all Classified employees which include Technical, Support, and Maintenance staff
- The PERS provides retirement benefits and Life Insurance Benefits paid to the employee's beneficiary
- The Life Insurance benefit for eligible PERS participants is generally equal to 3 times the annual base salary
- New Hire Employees age 60 or older will be required to provide evidence of insurability in order to be eligible for life insurance

Overview of the PERS and PFRS Plans

Public Employees Retirement System (PERS)

- PERS has 5 Pension Tiers

Retirement Estimate Calculators - PERS

For Members of the Public Employees' Retirement System (PERS) - [Disclaimer](#)

Select the PERS Membership Tier that matches your enrollment date to retrieve your calculator.

- PERS Membership Tier 1** — Enrolled *before* July 1, 2007.
- PERS Membership Tier 2** — Eligible for enrollment *on or after* July 1, 2007 and *before* November 2, 2008.
- PERS Membership Tier 3** — Eligible for enrollment *on or after* November 2, 2008 and *on or before* May 21, 2010.
- PERS Membership Tier 4** — Eligible for enrollment *after* May 21, 2010 and *before* June 28, 2011.
- PERS Membership Tier 5** — Eligible for enrollment *on or after* June 28, 2011.

Overview of the PERS and PFRS Plans

Public Employees Retirement System (PERS)

- Members Benefits On-line System (MBOS)
 - Locate your Membership Tier
 - Personal Benefits Statements
 - Loan Requests
 - Purchase of Service credit (if eligible)
 - View & update Beneficiary Designation
 - Request a Retirement Estimate
 - View your Health Benefits Plans and Dependents
 - Complete a Retirement Application

Overview of the PERS and PFRS Plans

Personal Benefits Statement

Account Information

Total Pension Service Credit: ?	27 Years, 1 Month
Total Employee Contributions:	\$71,039.63
Net Employee Contributions after Loans:	\$71,039.63
Chapter 8 - 25 Year Date: ?	10/14/2016
Chapter 8 - Bargaining Unit: ?	CWA
Membership Tier: ?	1
Group Life Insurance Benefits: ?	\$238,437.00
Calculated based on 3.0 times your salary CONTRIBUTORY AND NONCONTRIBUTORY	

Estimated Benefits ?

NOTE: You should not apply for retirement based on these figures.

Assumed Retirement Age:	60 Years
Assumed Service at Retirement:	30 Years, 0 Months
Salary Used to Calculate the Estimated Monthly Service Retirement Allowance:	\$79,479.00
Estimated Monthly Maximum Retirement Allowance:	\$3,613.00
<i>(Based on Pension Service Credit at 'Assumed Retirement Age')</i>	

Personal Information

Full Name:	[REDACTED]
Pension Fund and Member ID#:	[REDACTED]
Date of Enrollment:	.../1991
Date of Birth:	[REDACTED]
Gender:	[REDACTED]
Proof of Age on File with Division of Pensions: ?	YES
Veteran Status: ?	NO

Health Benefits SHBP/SHEBP

	Plan / Plan Level	Effective Date	Termination Date
Health:	NJ Direct15 / Family	01/01/2012	01/01/2014
Prescription Drug:	Employee Rx (state-acvp) / Family	01/01/2012	01/01/2014
Dental:	Dental Expense Program / Family	03/08/2014	07/01/2019

Other Benefits ?

Deferred Compensation:	YES
Supplemental Annuity Collective Trust:	YES

Overview of the PERS and PFRS Plans

Public Employees Retirement System (PERS)

- Contributions are Tax-Sheltered
- Employee Contribution: 7.5% of salary made on a pretax basis
- Vesting: 10 years

Overview of the PERS and PFRS Plans

Police and Firemen's Retirement System (PFRS)

- PFRS requires membership of all Police Officers and Firefighters. Certain State and County law enforcement job titles are also covered
- The PFRS provides retirement benefits and Life Insurance Benefits paid to the employee's beneficiary
- Life Insurance for eligible PFRS participants is generally equal to 3.5 times the annual base salary – 3/16 (0.19) at Retirement
- New Hire Employees with age 60 or older will be required to provide evidence of insurability in order to be eligible for life insurance

Overview of the PERS and PFRS Plans

Police and Firemen's Retirement System (PFRS)

- **Contributions**
- Employee Contribution: 10% of base salary
- Contributions are Tax-Sheltered
- Vesting: 10 years

Overview of the PERS and PFRS Plans

Voluntary Tax Shelter Plans

- ACTS (Additional Contributions Tax Sheltered) – IRS Code 403B
 - Available for any employee in Pension Program
 - No Employer match
 - Contribution up to the IRS Maximum Annual Limit (2020)
 - \$19,500
 - \$26,000 for age 50 and above
 - Employee has control over investment options
 - Change or stop your contribution percentage
 - Funds can be paid at Termination of employment or retirement
 - Active employees can withdraw funds when attaining 59 ½ with No IRS Penalty
 - Investments managed by the Six designated providers are:
 - AXA Financial (Equitable)
 - TIAA
 - MassMutual Retirement Services
 - VALIC
 - MetLife
 - VOYA Financial Services

Overview for Employees Benefits

Voluntary Tax Shelter Plans

- SACT (Supplemental Annuity Collective Trust)
 - Available for Employees in PERS and PFRS Only
 - Investment managed by the State of NJ
 - Part of the 403B Plan and subject to the same limits
 - 2020: \$19,500
 - \$26,000 for age 50 and above
 - Allows contributions in whole percentages beginning at 1% of base salary
 - This plan is not available to Alternate Benefits Program(ABP) members
 - Can only enroll quarterly

Overview of the PERS and PFRS Plans

Voluntary Tax Shelter Plans

- Deferred Compensation Plan - IRS Code 457
 - Available for any employee in Pension Program
 - Administered by Prudential Financial for the State of New Jersey
 - Investment at any of the 20 pre-approved products offered under Prudential
 - IRS Annual Limits for 2020: \$19,500
 \$26,000 for age 50 and above

Between the 403B and 457 Plans, you can Tax Shelter up to \$39,000 per year

For Age of 50 and Above, you can Tax Shelter up to \$52,000 per year

PERS & PFRS

Retirement Planning

Outline

- Types of PERS retirement
- Steps to retirement
- How to apply for retirement
- Retirement calculation examples
- Retirement payment options
- Health benefits at retirement
- Group life insurance
- Determining last working day
- Sick leave payout



Types of Retirement

- **Deferred retirement**
- **Early Retirement**
- **Service retirement**
- **Ordinary disability retirement**
- **Accidental disability retirement**
- **Veteran**



***Please refer to the PERS Membership Tier Chart for eligibility criteria**

<http://www.state.nj.us/treasury/pensions/pdf/sc0853-pers-tpaf-tier-chart.pdf>

Steps to Retirement

- 6-8 months before retirement
 - Use the Member Benefits Online System (MBOS) to obtain an **Estimate of Retirement Benefits** from State
 - Review your retirement payment options

ST-0476-0103p

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY—DIVISION OF PENSIONS AND BENEFITS
PO BOX 295, TRENTON, NJ 08625-0295

REQUEST FOR A RETIREMENT ESTIMATE

RETIREMENT SYSTEM (Check one): PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS) TEACHERS' PENSION AND ANNUITY FUND (TPAF)

Name: _____ Membership #: _____
Address: _____ Social Security #: _____
Birth Date: _____

Have you retired from PERS/TPAF previously and returned to work? Yes No

Will your last three years of service also be the years during which you earn the highest salary? Yes No

If no, list the three fiscal years (July-June) in which you earned the highest salary: _____

Retirement Type: Check One

SERVICE At least age 60; no minimum service requirement.

VETERAN Served in military for the required period during wartime and at least age 60 with 20 or more years of service* OR at least age 55 with 25 or more years of service* OR at least age 55 with 35 or more years of service.*

EARLY Under age 60; 25 or more years of service;* 1/4% (.0025) reduction in benefits for each month the member is under age 55.

DEFERRED Under age 60; 10 or more years of service;* pension begins at age 60.

ORDINARY DISABILITY Totally and permanently disabled; 10 or more years of New Jersey service.*

ACCIDENTAL DISABILITY Totally and permanently disabled as a result of an accident on the job. What was the date of the accident that caused the disability? _____

Planned Retirement Date: _____ Date you will terminate employment: _____
must be the first of a month and within 2 years of today's date.

Beneficiary's Name: _____ Beneficiary's Birth Date: _____

Is the beneficiary your spouse? Yes No

THIS FORM IS NOT AN APPLICATION FOR RETIREMENT
An application for retirement allowance must be filed with the Division of Pensions and Benefits before your retirement date, preferably three to four months in advance to allow time for processing. An application for retirement allowance will be enclosed with the estimate that we will send you if your planned retirement date is within six months.

*Service means service credited in the retirement system, which may not coincide with service with your employer. For Ordinary Disability, this service must have been performed in New Jersey. (Out-of-state, military, and U.S. government service purchases cannot be used to attain the 10 years.)

FOR DIVISION USE ONLY

REASON FOR MANUAL CALCULATION (Attach screen print):

10-12 Month Multi. Member Off Pay More Than Two Years Other (Explain): _____

Counselor: _____ Date: _____

Steps to Retirement (*cont.*)

- **4-6 months before retirement**
 - Submit an online **Retirement Application** to the State using the Member Benefits Online System (MBOS)
 - Notify your department in writing of your intent to retire
 - Determine last working day
 - Retirement date will be the first of the month following the last day worked
 - Contact Social Security office (if you are eligible and plan to apply)

Steps to Retirement

(cont.)



- **3 months before retirement**
 - If you or your spouse/civil union/same-sex domestic partner are 65+, enroll in Medicare A & B

- **2 months before retirement**
 - Receive *Quotation of Retirement Benefits* from State
 - Mail in **Authorization for Direct Deposit of Benefit Payment to Division of Pensions & Benefits**
 - Direct deposit of benefit payment is **mandatory**

- **1 month before retirement**
 - Receive retirement approval letter from State
 - Life insurance conversion (if interested)

Steps to Retirement (cont.)

- **Shortly before retirement**
 - Enroll in retiree dental plan (Complete applicable dental application enrolling or waiving coverage)
 - If not electing health insurance coverage, complete waiver

- **Shortly after retirement**
 - Tax withholding forms (W4P & NJW4P) from State
 - First retirement benefit payment – dated no earlier than first of month following retirement
 - Sick leave payout, can defer up to one year
 - Vacation payout in last paycheck from William Paterson

Steps to Retirement (cont.)

- Proof of age for retiree & beneficiary (if applicable) needs to be provided to Division of Pensions & Benefits
- FAX the proof of age to 609-292-6656
Include your name, pension membership # and date of retirement
- The State will not begin the retirement process until proof of age is provided
- Medicare Parts A & B effective one month after retirement date

Steps to Retirement (cont.)

- Retiree will have the Active Health Benefits for one month after retirement through the University
- After that, the retiree must provide proof to the State of their and their spouse's Medicare Parts A & B enrollment (if eligible)
- The Retiree HB Bureau will not enroll you in the Retiree State Health Benefits until proof of Medicare A & B is provided
- Proof should be faxed to the Retiree State Health Benefits Bureau with your name, pension membership # and Date of Retirement
- FAX to 609-341-340

Online Guide to Retirement



State of New Jersey
Department of the Treasury

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PUBLIC EMPLOYEES' RETIREMENT SYSTEM AND TEACHERS' PENSION AND ANNUITY FUND

ONLINE GUIDE TO RETIREMENT

RETIREMENT TOPICS

- [Introduction](#)
- [Eligibility for Retirement](#)
- [Beneficiary Options](#)
- [Getting a Retirement Estimate](#)
- [Retirement Workshops and Webinars](#)
- [Purchase of Service Credit](#)
- [Group Life Insurance in Retirement](#)
- [Health Benefits in Retirement](#)

INTRODUCTION

Welcome to the Online Guide to Retirement

Retirement is a big step in life. This guide will help you get information and make informed decisions about:

- Eligibility for the different types of retirement.
- How much you may receive as a monthly retirement benefit.
- Benefit payment options and survivor benefits.
- Additional topics like taxes and health benefits in retirement.

Throughout the guide you will find short, simple webcasts and links to fact sheets, calculators, and other information on the Pensions and Benefits Web site.

<http://www.state.nj.us/treasury/pensions/retirement>

How to Apply for Retirement

- Must apply online for retirement using Member Benefits Online System (MBOS)
- To register for MBOS: www.state.nj.us/treasury/pensions/mbosregister.shtml
- New users may refer to MBOS registration instructions:
 - <http://www.state.nj.us/treasury/pensions/mbosintro.htm>
- For assistance registering please call 609-292-7524 or e-mail with the subject line "MBOS E-mail" to: pensions.nj@treas.state.nj.us
- Note and save your MBOS Log On ID and Password for future use

How to Apply for Retirement

The screenshot shows the user interface for the New Jersey Division of Pensions and Benefits Member Benefits Online System. At the top, there is a navigation bar with the text "njhome | my new jersey | people | business | government | departments" and a logo for "WE'RE GOT YOU COVERED". Below this, the page title is "new jersey division of pensions and benefits member benefits online system".

The main content area is divided into several sections:

- Member Account Information:** Includes a "pensions and benefits home" link and a "Logout" button.
- General Member Information:** Displays the member's name as "JANE A. MEMBER", member number as "PERS - 0123456", and email address as "jane.member@email.com".
- WELCOME TO THE MEMBER BENEFITS ONLINE SYSTEM:** A message asking the user to update their e-mail address by clicking the e-mail address link to the left.
- Member Account Applications:** A section with two columns of application options:
 - Pension Account Information and Calculators:** Includes buttons for "Payroll Certifications", "Statement of Account", "Pension Loan", "Additional Information", "Application for Withdrawal", "Designation of Beneficiary", "Purchase Application", "Retirement", and "Electronic Funds Transfer (EFT)".
 - Other Benefits Programs:** Includes buttons for "SHBP / SEHBP", "Application Help", and "MBOS User Guide".

How to Apply for Retirement

MEMBER INFORMATION

Name: Jane Member **Member Number:** 02-0123456

Date of Birth: 08/14/1956

Street Address 1: 123 MAIN STREET **Street Address 2:** APT B2

City: TRENTON **STATE:** NJ **ZIP:** 08625 -

Country: UNITED STATES OF AMERICA

Home/Cell Phone: (609) 555 - 5555 **Work Phone:** (609) 555 - 5544 **Ext:**

E-mail: JMEMBER@STATE.MAIL

How to Apply for Retirement

Summary of Retirement Application Information

If any of the information below is incorrect, please use the "Change Information" button at the bottom of the page to make corrections.

MEMBER INFORMATION

Name: JANE MEMBER

Member Number: 02-0123456

Date of Birth: 08/14/1956

Address: 123 MAIN

City: TRENTON **State:** NJ **ZIP:** 08685 **Country:** UNITED STATES OF AMERICA

Home/Cell Phone:

Work Phone Number: Ext.:

E-mail: JMEMBER@STATE.MAIL

Employer Name: DEPARTMENT OF THE TREASURY

RETIREMENT INFORMATION

Retirement Date: 04/01/2008

Retirement Type: SERVICE

Service credit purchase application WAS NOT submitted within the past 6 months

Last 36 months of salary WERE the highest salary years

PENSION OPTION INFORMATION

Pension Option Selected: Option 1

Beneficiary Information

Name: WILLIAM MEMBER

How to Apply for Retirement

LIFE INSURANCE BENEFICIARY INFORMATION

Name: WILLIAM MEMBER

Social Security No.: 987 65 4321

Birthdate: 06/06/1950

Relationship: HUSBAND

Selection Type: PRIMARY

Address: 123 MAIN

City: TRENTON

State: NJ

ZIP Code: 08685

Country: UNITED STATES OF AMERICA

Is the above summary information correct?

Yes

No

- **Print summary page for your records**

Retirement Payment Options

- Benefits will continue for the duration of your lifetime regardless of payment option selected
- Become familiar with all payment options, choose one out of nine available payment options
- Consider your:
 - Financial needs
 - Your age and health
 - Your beneficiary's age and health
 - Need to provide survivor benefits
- Once first retirement check is issued, you cannot change your payment option



Retirement Check Information (MBOS)

Name: KEN MEMBER

PERSONAL DATA

Address: 123 MAIN STREET
ANYTOWN, NJ 08555

E-Mail Address: k.member@mailaddress.com

Home Phone Number: (609) 555-5555

If your address is incorrect, please click here to update.

RETIREMENT INFORMATION

Retirement ID: 3-10-033333

Payment to Retiree

Effective Date: 08/01/2006

Retirement Type: Chaptr-109

Option Selection: MAXIMUM

ALLOWANCE AND DEDUCTION INFORMATION FOR CHECK DATED 03/01/2008

PAYMENT FOR MONTH OF 02/2008

CURRENT EARNINGS		CURRENT DEDUCTIONS		YEAR TO DATE	
Regular	\$2,132.00	Health Coverage		Gross Pension Allow.	\$6,396.00
Supplemental		Federal Income Tax	\$250.73	Taxable Pension, Fed.	\$6,314.70
Cost-of-living		NJ Income Tax		Medicare Part B	
Medicare Part B		Loan Payment			
		Dental Coverage	\$61.81		
TOTAL ALLOWANCES	\$2,132.00	TOTAL DEDUCTIONS	\$316.54	NET ALLOWANCE	\$1,815.46

HEALTH BENEFITS INFORMATION : NJ DIRECT15
Retiree Dental Expense Plan

<http://www.state.nj.us/treasury/pensions/mbosretkit.htm>

Maximum Allowance



- Sometimes called single-life annuity
 - Highest amount payable
 - Maximum benefit stops at your death
 - No pension benefits are payable to your survivors
-
- If you die before receiving your retirement allowance, paid to your beneficiary is:
 - ~ The amount you paid into the retirement system while actively working,
 - ~ Balance of your contributions and,
 - ~ Interest

Alternatives to the Maximum Allowance

- All other options may provide a benefit to your beneficiary after you die
- By taking an option, you may reduce your own monthly retirement allowance



“Pop-up” Options A,B,C, and D

- Upon your death your beneficiary will receive a lifetime monthly pension
- If your beneficiary predeceases you, your retirement allowance will “pop-up” to the Maximum Allowance
- The percentage of reduction is based on:
 - Life expectancies of you and your beneficiary
 - The option you select (A,B,C, or D)
 - Younger beneficiary = greater benefit reduction
 - Older beneficiary = less benefit reduction
- Beneficiary must be an individual
- Beneficiary can never change after retirement



“Pop-up” Options (*cont.*)

- **Option A** - 100% to beneficiary or increases to maximum allowance
- **Option B** - 75% to beneficiary or increases to maximum allowance
- **Option C** - 50% to beneficiary or increases to maximum allowance
- **Option D** - 25% to beneficiary or increases to maximum allowance



Option 1

- At retirement, amount the State expects to pay in lifetime benefits is set aside as a retirement reserve
- If your beneficiary predeceases you, your benefit does not increase
- If reserve has been exhausted at your death, no benefits will be paid to your beneficiary
- If any remaining balance remains at your death, it will be paid to your beneficiary
- You may name more than one beneficiary for this option and you may changed at any time
- Beneficiary can be a person, charity, institution or your estate

Option 2

- Sometimes called 100% joint and survivor annuity
- If beneficiary predeceases you, your benefit does not increase
- Retirement benefit calculation based on your age and age of your beneficiary
- Beneficiary must be an individual
- Beneficiary can never change after retirement

Option 3

- Sometimes called 50% joint and survivor annuity
- If beneficiary predeceases you, your benefit does not increase
- Retirement benefit calculation based on your age and age of your beneficiary
- Beneficiary must be an individual
- Beneficiary can never change after retirement

Option 4

- If your beneficiary is living at the time of your death, your beneficiary will receive a specified monthly allowance for the duration of his/her life
- If your beneficiary predeceases you, your benefit does not increase
- Beneficiary allowance cannot be more than your own allowance
- You can name one or more beneficiaries
- Beneficiary can never change after retirement



Retirement Estimate Example

March 24, 2014

JOHN DOE

RE: 2-000000 (Call Benefits Dept. to get #)

This Estimate of Retirement Benefits was prepared based on the following information:

Retirement Date:	09/01/2014	Type of Retirement:	SERVICE
Service Termination Date:	08/31/2014	Date of Birth:	01/04/1952
Pension Membership Credit as of Termination Date:	27 years 8 months	Nearest age at Retirement*:	63
		Salary used in calculation:	\$ 68,948.09
Your Beneficiary:	Jane Doe	Beneficiary's Date of Birth:	08/18/1950

* If your age at retirement is under 55, the benefit calculation below includes a reduction of 1/4 of 1% for each month you are under the age of 55. There is no reduction if retiring on a disability retirement.

PENSION Payment Options at Retirement

Payment Option (You may choose only one.)	Annual Benefit	Monthly Benefit		Your Beneficiary's Benefit
				Jane Doe
<u>Maximum Option</u>	\$ 34,682.88	\$ 2,890.24		No benefit payable to a beneficiary.
<u>Option A</u>	\$ 29,307.00	\$ 2,442.25	100%	\$ 2,442.25 per month upon your death.
<u>Option B</u>	\$ 30,694.32	\$ 2,557.86	75%	\$ 1,918.39 per month upon your death.
<u>Option C</u>	\$ 32,255.04	\$ 2,687.92	50%	\$ 1,343.96 per month upon your death.
<u>Option D</u>	\$ 33,711.72	\$ 2,809.31	25%	\$ 702.32 per month upon your death.
<u>Option 1</u>	\$ 33,052.80	\$ 2,754.40		\$ 312,145.92 reduced each month by \$ 2,754.40.
<u>Option 2</u>	\$ 29,653.92	\$ 2,471.16	100%	\$ 2,471.16 per month upon your death.
<u>Option 3</u>	\$ 32,428.44	\$ 2,702.37	50%	\$ 1,351.18 per month upon your death.
<u>Option 4</u>	0.00	0.00		0.00 per month upon your death.
Life Insurance after Retirement:	\$ 13,259.25	Life insurance available for conversion:		\$ 198,888.75

Health Benefits at Retirement

Employees Who Attained 25 Years of Pension-Credited Service Prior to July 1, 1997

- No contributions required for Retired Group State Health Benefits
- Health benefits include medical and prescription drug coverage
- Full reimbursement for cost of Medicare Part B premium (per individual) provided by the State
- Dental – Full Group Rates



Health Benefits at Retirement

Medicare Part B Reimbursement

- If hired before July 1, 1995 and attaining 25 years before July 1, 1997, FULL Part B reimbursement paid separate check
- If hired before July 1, 1995 and attaining 25 years after July 1, 1997, Part B reimbursement is capped at \$46.10
- If hired after July 1, 1995, NO Part B reimbursement.

Health Benefits at Retirement

Employees Who Attained 25 Years of Pension-Credited Service Between July 1, 2007 and June 28, 2011

- Health contribution of 1.5% of retirement benefits
- No Reimbursement of the Medicare Part B premium
- 1.5% Waived if enrolled in the SHBP Retiree Wellness Plan:
 - Complete Health Assessment Tool (HAT)
 - Agree to and submit annual **Pledge for Healthier Living**
 - Complete Annual Physical and Annual Wellness Certification
 - Have appropriate tests and screenings when recommended
 - Participate in health plan's disease management program when recommended

Health Benefits at Retirement

Retirees Who Attained 20 or More Years of Pension-Credited Service on or Before June 28, 2011 and Who Retire With 25 or More Years of Pension-Credited Service

- Health Contribution is 1.5% of retirement benefits
- Wellness Program NOT available.
- No reimbursement of Medicare Part B premium

Health Benefits at Retirement

**Retirees Who Are Not Grandfathered,
Who Do Not Fall Within the Previous Provisions and
Become Eligible for Retiree Health Insurance with 25 or
More Years of Pension-Credited Service**

- Health contribution is determined by the NJ Division of Pensions & Benefits based on the Cost of the Plan, Plan Coverage, percentage of retirement benefits
- But will not be lower than 1.5% of retirement benefit
- No reimbursement of the Medicare B premium

Health Benefits at Retirement

Retirees Who Retire With Less Than 25 Years of Pension-Credited Service

- Option to enroll in Retired Status State Health Benefits Insurance plans
- Member is responsible for FULL Payment
- Do not qualify for reimbursement of Medicare Part B premium

Health Benefits at Retirement

Surviving Spouses or Civil Union/Same-Sex Domestic Partners of Retirees with 25+ Years of Pension-Credited Service

- Surviving spouse or civil union/same-sex domestic partner may continue retiree health
- Will be required to pay full group rate
- Will not qualify for reimbursement of Medicare Part B premium

Health Benefits at Retirement

- Active medical, prescription drug and dental coverage continues to end of retirement month
- Retiree medical benefits begin the first day of the month following retirement

January 1 retirement example:

- Active employee health (Medical & Prescription) and dental benefits will end **January 31**
- Retiree health (Medical & Prescription) and dental benefits will begin **February 1**
- **If not electing health insurance coverage, ensure to waive**

Retiree Health eligibility and premium sharing are determined by NJ State Law and the NJ Division of Pensions and Benefits and are subject to change

Health Benefits at Retirement

Enrolling in Retired Group State Health Benefits Medicare Parts A & B

- Upon retirement retiree must mail to the Division of Pensions & Benefits, PO Box 295, Trenton, NJ 08625 proof of enrollment in **Medicare Part A** and **Part B** if retiree and/or dependent is 65 or older
- Social Security Administration works with Medicare Services by enrolling Medicare eligible members
- To enroll call Social Security Administration at **1-800-772-1213**
- **Online: SSA.Gov**

Health Benefits at Retirement

Enrolling in Retired Group State Health Benefits Medicare Parts A & B

- You will receive a Request for Employment Verification from Social Security Administration
- Contact Employee Benefits to receive the form
- Mail certified forms to Social Security Administration or submit online

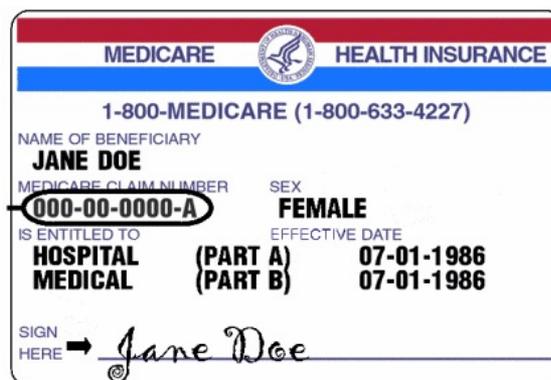
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES CENTERS FOR MEDICARE & MEDICAID SERVICES		FORM APPROVED OMB NO. 0938-0787
REQUEST FOR EMPLOYMENT INFORMATION		
From: Social Security Administration	Telephone Number:	
Employer's Name and Address:	Date:	
	Employee's Name:	
	Employee's Social Security Number:	
	Claimant's Name:	
	Claim Number:	
<p>Dear Sir/Madam:</p> <p>We need the following information regarding the above claimant. Please answer the questions below, sign and date this letter and return it in the enclosed envelope.</p> <p>You may call _____ at the above telephone number if you have any questions.</p> <p style="text-align: right;">Sincerely, Office Manager</p>		
<p>1. Is (or was) the claimant covered under an Employer Group Health Plan? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>2. If yes, give the original date the coverage began. _____ (mm/yyyy)</p> <p>3. Has the coverage ended? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>4. If yes, give the date the coverage ended. _____ (mm/yyyy)</p> <p>5. When did the employee work for your company? From _____ To _____ Still Employed _____ (mm/yyyy)</p>		
Signature and Title of Company Official	Date	Telephone Number
<p>According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information is 0938-0787. The time required to complete this information collection is estimated to average 15 minutes per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, MD 21244-1858.</p> <p style="font-size: xx-small;">Form CMS-1562 (09/10)</p>		

Health Benefits at Retirement

Enrolling in Retired Group State Health Benefits

Medicare Parts A & B

- Medicare will mail you the Medicare Part A and Part B card



- Mail copy of card to State to complete processing of health insurance:
 - Division of Pensions and Benefits, PO Box 299, Trenton, N.J. 08625-0299
 - Or fax copy of the card to: 609-341-3407

The Retiree HB Bureau will **NOT enroll you in the Retiree State Health Benefits until proof of Medicare A & B is provided**

Health Benefits at Retirement

Retiree Dental Plans

- Dental plan designed for retirees
- Retirees pay full cost
- Continues as long as premiums are paid
- ***Must act on dental insurance coverage if you wish to waive or change plans**
- **Dental Plan Options:**
 - Dental Expense Plan administered by Aetna
 - 5 Dental Plan Organizations:
Aetna DMO, Cigna, Healthplex, Horizon Dental Choice, MetLife

Health Benefit Coverage Changes

- Coverage may be changed once during a 12-month period
- Coverage changes after a qualifying event
- Special enrollment
 - Rate changes
 - Change in offerings
- For questions regarding coverage call the Division of Pensions and Benefits Retiree Benefits Office at 609-292-7524



Enrolling in Retired Group State Health Benefits

- Enrollment information mailed from Division of Pensions and Benefits to home address, if not received month prior to retirement call the Retiree Benefits Office at 609-292-7524
- Complete and return application to the Division of Pensions and Benefits: P.O. Box 299, Trenton, NJ 08625-0299

Health Benefits at Retirement

Waiving Coverage if Covered by another Health Plan

- You may waive Retired Group health benefits coverage and retain your right to enroll at a later date if you are covered as an employee through other employment or as a dependent of your spouse/partner in another group health plan. You must complete a *Cancel/Decline/Waive Retired Coverage form*
- <https://www.state.nj.us/treasury/pensions/documents/hb/oe2020/hr0976.pdf>
- Waiver form must submitted at the time of retirement in order to be eligible for enrollment if/when you lose the other coverage. If you do not submit an application within **60 days** of your retirement date, you will not be permitted to enroll at a later date
- If you lose your other coverage, you may enroll/reenroll in health benefits coverage within **60 days** of your loss of the other coverage. Proof of loss of the other coverage is required.

Conversion of Life Insurance



- One time option to convert to individual private policy through Prudential
 - No later than 31 days after retirement date
 - Cannot be denied for health reasons
 - Call Prudential Group Life Conversion Department at 1-877-889-2070
 - Also available is the online Prudential Life Insurance Calculator at:
<http://www.state.nj.us/treasury/pensions/conversion-calc.shtml>
- Consider contacting other carriers for comparable life insurance rates
- Policy numbers:
 - Contributory life group G-14800
 - Noncontributory life group G-139000

Conversion of Life Insurance Example

- Base Salary 12 months prior to retirement = \$30,000
- Total death benefits as an active member = \$90,000 (3 x \$30,000)
- Life insurance benefit after retirement = \$5,625 (3/16 x 30,000)
- Amount eligible to convert = \$84,375 (\$90,000 - \$5,625)



Employment After Retirement

- You must agree to and sign the terms and conditions on the ABP Request for Retirement Allowance
 - Complete severance of employment from the university
 - No pre-retirement planning allowed
 - 180 Days break in service



New Jersey State Employee Deferred Compensation Program Section 457 of the IRC

Voluntary Pre-Tax Employee Contributions

- Contact Prudential Financial directly to begin receiving distribution
- Distribution options:
 - A one-time lump-sum payment
 - A portion of your account in a specific dollar amount
 - Periodic installment payments
- For your questions about the plan, your account and necessary forms please call, 866-657-3327
- Information available at: www.prudential.com/njsedcp

Flexible Spending Account (FSA)

Voluntary Pre-Tax Employee Contributions

- Ensure to claim remaining funds, submit cancellation to WageWorks

- **The Unreimbursed Medical Flexible Spending Account (Medical FSA):**
 - Ceases on last day of the month
 - COBRA option available

- **The Dependent Care Flexible Spending Account (Dependent FSA):**
 - Ceases on last day of the month
 - No COBRA option available

- For additional information, please call WageWorks at:855-428-0446

Sick Leave Payout

- Eligible employees receive one half the balance of their sick days up to a maximum of \$15,000:
 - All applicable taxes will be deducted
 - As an example, if you have 100 days, you will be paid for 50 days up to a maximum of \$15,000
- Allow 4 to 6 weeks processing time and ensure to update your direct deposit information with the Payroll Office
- Sick Leave Payout can be deferred to the next calendar year
- Sick Leave Payout is not available for Deferred Retirements

Overview for Employees Benefits



Contact The Office of Payroll and Employee Benefits
973-720-2885

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