

State of New Jersey  
Department of the Treasury  
Division of Pensions and Benefits

MEMBER BENEFITS ONLINE SYSTEM (MBOS)  
ONLINE LOAN APPLICATION REQUIREMENT

**ATTENTION:** The Division of Pensions and Benefits is implementing a significant change to the pension loan application process.

Effective November 1, 2008, all pension loan requests must be submitted online using the Loan Application program of the Member Benefits Online System (MBOS). This requirement applies to all eligible members of the Public Employees' Retirement System (PERS), Teachers' Pension and Annuity Fund (TPAF), Police and Firemen's Retirement System (PFRS), and State Police Retirement System (SPRS) who wish to borrow against their pension account.

MBOS is a set of Internet applications that allow registered members access to pension Account information.

MBOS provides you with the fastest, most efficient method for requesting a pension loan. In most cases, a loan application submitted through MBOS before the close of business (4:30 p.m.) on a Friday is processed and mailed on the following Wednesday. With MBOS you receive immediate confirmation on screen and by follow-up e-mail that your loan application has been processed. If you are already a registered MBOS user, you currently have access to the online loan application through your MBOS account.

If you are new to MBOS you can access MBOS after you register with both the MyNewJersey Web site and MBOS. Registration is free at [www.state.nj.us/treasury/pensions/mbosregister.htm](http://www.state.nj.us/treasury/pensions/mbosregister.htm). Registration requires several steps — new users should read and carefully follow the MBOS Registration Instructions. In addition, **as of November 1, 2008:**

- **Loan Application forms will no longer be available as printed forms or on the Division's Web site.**
  - **Paper Loan Applications that are received by mail as of November 1, 2008, will be returned to members with instructions on submitting the loan request through MBOS.**
  - **The loan application fax number, which has been phased out of use since the introduction of loans through MBOS, will be completely disabled.**
- If, after following the MBOS Registration Instructions, you still need assistance registering for or using MBOS, call the MBOS Help Desk at (609) 777-0534 or send e-mail with the subject line "MBOS E-mail" to: [pensions.nj@treas.state.nj.us](mailto:pensions.nj@treas.state.nj.us)**

HOW TO ACCESS YOUR PENSION ACCOUNT ONLINE THROUGH THE MEMBER BENEFITS ONLINE SYSTEM (MBOS)

REGISTRATION FOR FIRST TIME USERS

BECAUSE REGISTRATION REQUIRES SEVERAL STEPS,  
PLEASE READ AND FOLLOW THESE INSTRUCTIONS CAREFULLY!

REGISTRATION FOR MBOS IS FREE

**STEP ONE**

Register for a MyNewJersey account at: [www.state.nj.us](http://www.state.nj.us)

NOTE: If you already have a MyNewJersey account, go to STEP TWO and use your existing account.

1. Click on the “Register” button and complete the registration information.
2. Create your own Logon ID and Password.  
If you write down your logon ID and password to remember them, be sure to keep this written information in a safe place, and do not share them with others to help prevent identity theft! This will open your personal MyNewJersey online account.

**STEP TWO**

Register for MBOS at: <http://www.state.nj.us/treasury/pensions/mbosregister.htm>

1. Click the “Begin MBOS Registration” button at the bottom of the Web page and complete the online MBOS registration form.
2. When registering, you will need your pension Member ID number.  
Your pension Member ID can be found on your annual PERS or PFRS statement. .It can also be obtained by contacting the Division's Office Client Services at 609-292-7524.

Pension ID Number: \_\_\_\_\_

3. You will receive an e-mail with an Authorization Code. Print this e-mail to have it on hand for STEP THREE.

**STEP THREE**

Enter the MBOS Authorization Code at your MyNewJersey home page.

1. Logon to your MyNewJersey account and then click the “Enter Authorization Code” link.
2. On the page that opens, enter your MBOS Authorization Code and click the “Finished” button.

**Delete the e-mail with your Authorization Code. It can only be used once.**

#### **STEP FOUR**

1. Log back onto your MyNewJersey account and you will see the Pension and Benefits section along the left side.
2. Click the “MBOS logon” button to go to MBOS and your account information. If you need help, call the MBOS Help Desk at: (609) 777-0534.

MBOS registration and access is for the exclusive use of pension account members and benefit recipients. Unauthorized access is subject to prosecution to the fullest extent of the law.

The state provides a Certified Loan Request form for members who have been on leave of absence without pay or transferred employers within the last six months. This form must be obtained through the Human Resources Department.

Do not submit this request for any other reason, as it will be returned. This request must be certified by the employer. Additional instructions apply.

For more information about submitting a loan request using MBOS visit the Division of Pensions and Benefits Web site at: [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions)

#### **LOAN PROVISIONS**

Before submitting a Loan Request, please be certain that you understand the loan provisions and the IRS Requirements.

- To be eligible to borrow, the member must be actively contributing to an eligible retirement system and have at least three years of contributing membership POSTED to the account. (This usually occurs three years and two months after enrollment.) Members are permitted no more than two loans in a calendar year.
- The loan balance cannot be more than one-half of the contributions posted to the member’s account, cannot exceed a maximum of \$50,000.
- Loans must be repaid within five years. Furthermore, members who have multiple outstanding loans must repay the balance of all loans taken within a period not to exceed five years from the issuance of the first loan taken after January 1, 2004. If a loan cannot be repaid within the five-year maximum when paid at the maximum allowable loan

deduction of 25 percent of your base salary, the loan may be denied or the member may be issued a loan in a smaller amount than requested. Members with existing loan balances who take a new loan may see the loan deduction increase if the loan cannot be repaid within the five-year maximum when paid at the normal minimum deduction.

- The interest rate is the prevailing rate set annually by the Treasurer, and is calculated on the unpaid balance of the loan. A nonrefundable administrative fee may also be deducted from the requested loan amount. For the current interest rate and any administrative fee go to: <http://www.state.nj.us/treasury/pensions>
- If the member retires with an outstanding loan balance, the member will have the option to pay off the outstanding loan balance in its entirety or to repay the loan through deductions from the monthly retirement allowance until the balance of the loan together with interest is repaid. Payments will be the monthly equivalent of the amount deducted from compensation immediately before retirement.
- If the member dies before the outstanding loan balance with interest has been recovered, the remaining balance will be repaid from the proceeds of any other benefit payable to the beneficiary(ies), including group life insurance or monthly payments.

IMPORTANT NOTICE: If a member is not satisfied with a loan amount or repayment schedule when the check is received, the loan may be canceled by returning the original uncashed loan check. If a loan check is returned, the funds are deposited back into the pension account and will be available with the next quarterly posting.

BY CASHING THE LOAN CHECK THE MEMBER IS AGREEING TO THE LOAN AMOUNT AND THE REPAYMENT SCHEDULE AS OUTLINED IN THE LOAN TERMS AND CONDITIONS.

**If you wish to attend a training session to learn how to register for your MBOS account, please complete the attached form and return it to the Human Resources Department on or before October 31, 2008.**

Online Pension Loan Process- Needs Assessment

Name (Print) \_\_\_\_\_

Email Address \_\_\_\_\_

Department \_\_\_\_\_

Banner ID \_\_\_\_\_

Please check off your normal working shift:

Day Shift [ ]

Night Shift [ ]

1. Do you know how to access the internet?
2. Do you know how to access the Rowan email account, either on the network or by using the web email account?
3. What concerns do you have moving from the paper loan application to the online loan application?