



Application for Retirement Allowance

Police and Firemen's Retirement System

**State of New Jersey
Division of Pensions and Benefits**

**PO Box 295
Trenton, New Jersey 08625-0295**

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NOTICE TO ALL APPLICANTS

It is your responsibility to ensure that all forms or documents indicated with a check mark "✓" are submitted to the Division of Pensions and Benefits.

- ✓ ***Application for Retirement Allowance***
- ✓ ***Authorization for Direct Deposit of Benefit Payment***
- ✓ ***Employer Certification of Service and Final Salary***
- ✓ A copy of your birth certificate if you have not already submitted it to the Division of Pensions and Benefits.

**IF YOU NEED HELP IN COMPLETING THIS APPLICATION,
CONTACT THE OFFICE OF CLIENT SERVICES AT**

(609) 292-7524

OR VISIT OUR OFFICE AT

**50 WEST STATE STREET
TRENTON, NEW JERSEY**

Retirement Benefits and Qualifications

Police and Firemen's Retirement System

MANDATORY RETIREMENT

Effective July 1, 1997, retirement is mandatory at age 65 for all Police and Firemen's Retirement System (PFRS) members except for elected officials. If you do not file a retirement application before age 65, you are automatically retired on the first of the month following your 65th birthday. Retirement benefits, however, are not payable until the application is filed.

Elected officials are exempt from mandatory retirement from their elected position.

DISABILITY RETIREMENT

You cannot use this application to file for a disability retirement. For information on disability retirement, please see Fact Sheet #16, *Disability Retirement Benefits*. You can view this Fact Sheet on the Division's Web site at: www.state.nj.us/treasury/pensions/fact16.htm If you do not have Internet access, you can request that this Fact Sheet be sent to you by calling the Division at (609) 292-7524.

READ FACT SHEET #19

This booklet includes Fact Sheet #19, *Applying for Retirement Benefits*. **Read this fact sheet first** to determine if you qualify for retirement. If you qualify, continue reading and follow the instructions to complete the application. If, after reading this information, you have questions about the qualifications for retirement, call the Division of Pensions and Benefits at (609) 292-7524.

INTRODUCTION

This booklet includes all the information and forms needed to apply for retirement from the Police and Firemen's Retirement System (PFRS).

The forms and other documents indicated with a check mark "✓" (in the following list) must be completed and submitted to the Division of Pensions and Benefits. **It is your responsibility to ensure that all forms are submitted to the Division.**

This booklet contains:

- **Retirement Benefits and Qualifications** — an introduction to retirement and information about the application process.
- **Fact Sheet #19, *Applying for Retirement*.**
- **Fact Sheet #13, *Conversion of Group Life Insurance*.**
- **Fact Sheet #6, *Your Retirement Checklist*.**
- **Fact Sheet #12, *Taxation of Retirement Benefits*.**
- **Fact Sheet #18, *Cost-of-Living Adjustments*.**
- **Fact Sheet #29, *Employment After Retirement*.**
- ✓ ***Application for Retirement Allowance*** — to be completed by the employee.
- ✓ ***Authorization for Direct Deposit of Benefit Payment*.**
- ✓ ***Employer Certification of Service and Final Salary*** — to be completed by the employer.
- ***Change of Retirement*** form.

You should also submit:

- ✓ **A copy (not the original document) of your birth certificate** if you have not already submitted it to the Division of Pensions and Benefits.

MAIL THESE DOCUMENTS TO:

The Division of Pensions and Benefits
PO Box 295
Trenton, NJ 08625-0295

RETIREMENT PROCESS

The process starts with the filing of your *Application for Retirement Allowance* with the Division of Pensions and Benefits. All retirements start on the first of a month. **Your application must be received by the Division of Pensions and Benefits prior to your retirement date.**

Normally, retirements require approximately 1-3 months to process after we have received the required forms. Submit your Application for Retirement Allowance as soon as possible as there is no provision for an interim benefit between your last day of salary and your first pension check.

It is your responsibility to ensure that all required forms are submitted to the Division of Pensions and Benefits within 30 days of application. At the time you submit your application, you should direct your employer to submit the *Certificate of Service and Final Salary* to the Division of Pensions and Benefits.

Once your retirement application is processed by the Division of Pensions and Benefits, you will receive a Quotation of Retirement Allowance that outlines your retirement benefits and life insurance benefits. Your application will then be presented to the PFRS Board of Trustees for approval. You will receive written notification of the Board's approval of your application.

OUTSTANDING LOANS AT RETIREMENT

If you have a loan balance at retirement, you must decide whether you wish to carry monthly payments into retirement until the balance, with interest, is satisfied, or pay off the entire loan in a lump sum prior to receiving retirement benefits.

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, your benefits from these plans are separate. You may call the Supplemental Annuity Collective Trust, (609) 633-2031, or the Deferred Compensation Plan, (609) 292-3605, to obtain further information regarding payment options with each of these plans.

YOUR FIRST RETIREMENT CHECK

The earliest your first retirement check can be paid is the first of the month following your retirement date or 30 days after approval by the PFRS Board of Trustees, whichever is later. This is when your retirement becomes "due and payable."

For example, a member who files his or her application well in advance for a June 1 retirement date, and is approved by the Board of Trustees on May 19, would receive the first retirement check on July 1 (this check pays the amount due for the month of June). If approval of the retirement is delayed, the first check will be retroactive to the original requested date of retirement.

Enclosed in this packet is a form for initiating the direct deposit of your retirement checks. Please complete the *Authorization for Direct Deposit of Benefit Payment* form and send it to the Division of Pensions and Benefits along with your retirement application.

CHANGING YOUR RETIREMENT

If, after applying for retirement, you wish to change your retirement date, or cancel your retirement, you must forward written notice to the the Division's Retirement Bureau within 30 days of the approval of your retirement by the Board of Trustees or the effective retirement date, whichever is later. After that time, you cannot change your retirement date.

Changing or cancelling your retirement does not guarantee continued employment with your employer.

Changes can be requested by letter or by using the *Change of Retirement* form included in this booklet. If requesting a change of retirement date, your employer must also complete the service and salary certification on the back of the change form.

Applying for Retirement

Police and Firemen's Retirement System

MANDATORY RETIREMENT

Effective July 1, 1997, **retirement is mandatory at age 65** for all Police and Firemen's Retirement System (PFRS) members except for elected officials. If you do not file a retirement application before age 65, you are automatically retired on the first of the month following your 65th birthday. Retirement benefits, however, are not payable until the application is filed.

Elected officials are exempt from mandatory retirement from their elected position.

BEFORE YOU RETIRE

You should inquire about retirement at least six months before your retirement date. This will give you enough time to review the benefits that are available to you in retirement. You may also request an *Estimate of Retirement Benefits*, which estimates your monthly retirement allowance and any benefits payable upon your death after retirement — including survivor and life insurance benefits. A *Request for Retirement Estimate* form is available from your employer, by contacting the Division of Pensions and Benefits, or over the Internet at www.state.nj.us/treasury/pensions

In addition, once you have registered with the Member Benefits Online System (MBOS) — accessible through the State's Web site at www.state.nj.us — you can review an estimate of your retirement benefits using service and salary information that has been recorded to your pension account.

Your employer will not be notified that you requested a retirement estimate.

SUBMITTING YOUR APPLICATION

It is your responsibility to file an *Application for Retirement Allowance*. The application must be filed with the Division of Pensions and Benefits in advance, and four to six months advanced filing is recommended. All retirements are effective the first of a month. The earliest effective date is the first of the month following the Division's receipt of your application. Retirement processing times vary and cannot begin until we have received all the necessary information and forms from **both** you and your employer. It is your

responsibility to file your *Application for Retirement Allowance* with the Division of Pensions and Benefits. **Do not give the application to your employer to mail.** You should, however, give your employer the *Certification of Service and Final Salary* and have them complete it as soon as possible.

If you have not furnished proof of your age to the Division, you should attach a photocopy of your birth certificate to your *Application for Retirement Allowance*.

TYPES OF RETIREMENT

The following types of retirement benefits are calculated using your "Years of Service" and "Final Compensation".

- **Years of Service** means the amount of membership service you have credited to your account.
- **Final Compensation** means your base salary on which contributions were taken in the 12 months immediately preceding retirement. It does not include extra pay for overtime or money given in anticipation of your retirement.

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

Service Retirement

This type of retirement is available at age 55 with no minimum amount of service required.

Service Retirement is also available to members of any age with 20 or more years of service credit who were members of the PFRS on January 18, 2000.

The benefit calculations are as follows:

- If you have less than 20 years of service credit, you will receive 2 percent of your Final Compensation for each year of service.
- If you have at least 20 years but less than 25 years of service credit, you will receive 50 percent of your Final Compensation.
- If you are age 65 (mandatory retirement age) and have 20 or more years of service credit, you will receive 50 percent of your Final

Compensation, plus three percent of your Final Compensation for each year of service over 20, up to 25 years, if enrolled in the PFRS as of January 18, 2000.

- If you have 40 years of service credit, you will receive 70 percent of your Final Compensation, plus an additional one percent of your Final Compensation for each year of service credit over 40 years.

Special Retirement

This type of retirement is available to those members who have 25 years or more of service credit. The amount of your annual pension will be equal to 65 percent of your Final Compensation plus 1 percent for each year of service over 25 years but not to exceed 30 years. The maximum allowance is therefore 70 percent of your Final Compensation.

Deferred Retirement

This type of retirement is available to those members who have at least ten years of service credit and are not yet 55 years of age when they terminate employment. The amount of your annual pension will be equal to 2 percent of your Final Compensation for each year of service.

To receive a Deferred Retirement, you must file an *Application for Retirement Allowance*. The effective date of a Deferred Retirement is the first of the month after you attain age 55. You should, however, file the application when you terminate covered employment. If you are terminated for cause, you may not be eligible to receive Deferred Retirement benefits. The PFRS Board of Trustees will make that determination at the time you file your application.

Your life insurance coverage is **not** in effect between the time you terminate employment and when your Deferred Retirement becomes effective. If you die before your Deferred Retirement becomes effective, the beneficiary on your retirement application will receive a return of your contributions, unless a subsequent *Designation of Beneficiary* form is filed. There is no other death benefit under these circumstances.

For information about converting your group life insurance to an individual policy at termination, see Fact Sheet #13, *Conversion of Group Life Insurance*, which is available from your employer, by contacting

the Division of Pensions and Benefits, or over the Internet at: www.state.nj.us/treasury/pensions.

For those covered by the State Health Benefits Program (SHBP), you 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 during the 18 months of extended coverage under COBRA, you would qualify for coverage in the SHBP retiree group. In this case, you will have to contact the Division of Pensions and Benefits, and request a SHBP offering letter.

At any time before your Deferred Retirement becomes effective, you may change your mind and apply for a lump-sum withdrawal of your pension contributions instead. Once you cancel your Deferred Retirement and withdraw your contributions, all the rights and privileges of membership end.

Disability Retirement

For information about Disability Retirement, see Fact Sheet #16, *Disability Retirement Benefits*, which is available from your employer, by contacting the Division of Pensions and Benefits, or over the Internet at: www.state.nj.us/treasury/pensions.

PAYMENT OF PENSION TO A SURVIVING FAMILY MEMBER

Upon the death of a retired member, the spouse and/or child(ren) of the member may be entitled to a monthly pension. The terms used in the explanations of benefits that follow are explained here.

"Surviving Spouse" means the person to whom you were married on the date of your death and who has not remarried. It also means a member's domestic partner provided the member has received a New Jersey *Certificate of Domestic Partnership* through application to a local registrar and is a State employee. Employees of local government entities are also included, provided the local employer has adopted a resolution to provide domestic partner pension benefits.

"Child" means your unmarried child:

- under the age of 18; or

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- 18 years of age or older and enrolled in high school; 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 PFRS Medical Review Board.

Retired Member Death Benefit

Upon your death as a retired member, your surviving spouse is eligible to receive a pension benefit equal to 50 percent of your Final Compensation, plus 15 percent of your Final Compensation for one child or 25 percent of your Final Compensation for two or more children.

If there is no surviving spouse, the following benefit is payable to the minor children:

- 50 percent of Final Compensation to three or more eligible children;
- 35 percent of Final Compensation to two eligible children; or
- 20 percent of Final Compensation to one eligible child.

OTHER INFORMATION

Group Life Insurance

Most members of the retirement system are covered by group life insurance.

When you retire, the amount of your group life insurance will be equal to ½ of your Final Compensation.

If a retiree was enrolled as a member of the PFRS on or after July 1, 1971, life insurance is payable only if the member retired with 10 or more years of pension membership credit or retired on a disability retirement.

Conversion

When your group life insurance is reduced at retirement, you have 31 days after termination of employment to convert the amount of insurance reduced to private individual insurance coverage. Please see Fact Sheet #13, *Conversion of Life Insurance*, for more detailed information.

Employment After Retirement

Returning to public employment in New Jersey after

your retirement may jeopardize your retirement benefits. If you return to employment in a position covered by the same retirement system from which you retired, you should expect to cancel your retirement and reenroll in the retirement system.

Before you consider returning to employment, contact the Division of Pensions and Benefits and request Fact Sheet #29, *Employment After Retirement* (PFRS), for additional information on returning to public employment in New Jersey.

Health Benefits

Your Application for Retirement Allowance does not automatically enroll you in retired health benefits coverage.

Employees who are covered by the New Jersey State Health Benefits Program (SHBP) through their employer will be offered SHBP coverage when they retire.

If eligible, you will receive a letter approximately three months before your retirement date offering you enrollment in the SHBP.

Some employers have agreed to pay for the cost of coverage for those with 25 years of service credit (and those on disability retirements).

Fact Sheet #11, *Enrolling in the State Health Benefits Program When You Retire*, provides additional information about continuing your health benefits coverage in retirement.

If you are **not** covered by the State Health Benefits Program, contact your employer about continuing your coverage.

Chapter 330

Chapter 330, P.L. 1997 provides health benefits under the SHBP to local (non-state employee) police officers and firefighters who retire after 25 years of service, or on a disability, and who do not receive any payment towards retiree health coverage from their employers.

If eligible, the State will pay 80 percent of the cost of the least expensive SHBP plan offered and the retiree will pay the remainder for the plan selected. A qualified retiree may enroll at the time of retirement or when becoming eligible for medicare.

The eligibility of retired police officers and firefighters for benefits under Chapter 330 depends on the health benefits provided by the employer for retired police

officers and firefighters as of the effective date of the law, July 1, 1998. These employer benefits are indicated in labor and other employment contracts, ordinances, and resolutions of the employers.

Additional information about Chapter 330 is available in Fact Sheet #47, *SHBP Retired Coverage Under Chapter 330*.

Cost-of-Living Adjustments

The Pension Adjustment Program provides cost-of-living adjustments (COLA) to you and your eligible survivors if you are receiving a monthly retirement allowance from one of the state-administered retirement systems. The first adjustment is available in the 25th month after your retirement.

Subsequent cost-of-living adjustments are computed annually and the adjustment is reflected in the February 1st check (which is payment for the month of January). If your spouse or beneficiary is entitled to receive a monthly pension upon your death, the COLA will be applied to that benefit based upon your year of retirement. See Fact Sheet #18, *Cost-of-Living Adjustments*, for further information.

Fact Sheets Online

The Fact Sheets mentioned in this publication can be viewed on the Division's Web site at:
www.state.nj.us/treasury/pensions

Fact Sheets

Fact Sheet #11, *Enrolling in the State Health Benefits Program When You Retire*

Fact Sheet #13, *Conversion of Group Life Insurance*

Fact Sheet #18, *Cost-of-Living Adjustments*

Fact Sheet #29, *Employment After Retirement (PFRS)*

Fact Sheet #47, *SHBP Retired Coverage Under Chapter 330*

If you do not have Internet access, you can request that Fact Sheets be sent to you by calling the Division of Pensions and Benefits, Office of Client Services at (609) 292-7524.

This fact sheet has been produced and distributed by:

**New Jersey Division of Pensions and Benefits • PO Box 295 • Trenton, New Jersey 08625-0295
(609) 292-7524 • TDD for the hearing impaired (609) 292-7718**

URL: <http://www.state.nj.us/treasury/pensions> • E-mail: pensions.nj@treas.state.nj.us

This fact sheet is a summary and not intended to provide total information.

Although every attempt at accuracy is made, it cannot be guaranteed.

Conversion of Group Life Insurance

All Funds

If you are covered by group life insurance while employed, the coverage ends 31 days after you cease employment (whether for reasons of retirement, termination of employment, or leave of absence without pay).

You have the option to convert your group life insurance coverage to an individual policy with the Prudential Insurance Company when you retire, terminate employment, or lose coverage while on a leave of absence without pay. **This conversion to a Prudential policy is guaranteed (you cannot be denied coverage for health or other reasons), but it may be more expensive or less suitable to your needs than other policies for which you may qualify from Prudential or other insurance carriers.** You can estimate the cost of converting your policy by using the Group Life Insurance Conversion Calculator on the Web site of the Division of Pensions and Benefits at:

www.state.nj.us/treasury/pensions/conversion-calc.htm

You should contact other insurance carriers and compare the available policies and costs before you decide to purchase the conversion policy. (Other carriers may accept or reject your application based on their evaluation of the status of your health and other factors.) **If you wish to purchase a conversion policy, you have a one time option to do so prior to the 31st day after you cease employment. After that date, you will not be eligible to purchase a conversion policy.**

You may convert your life insurance to any individual, non-group policy customarily offered by Prudential. However, you cannot convert to term insurance or a policy containing disability benefits. Under a guaranteed conversion, the premiums you pay are Prudential's "standard" rates for the type of policy to which you would be converting. The individual policy will be effective at the end of the 31 day conversion grace period. If you do not convert to an individual policy by the end of the 31 day period, your coverage will end.

To initiate the purchase of a conversion policy, you must contact the Prudential Insurance Company (not the Division of Pensions and Benefits) through any of

its local offices or if you live in New Jersey, by calling 1-800-262-1112. You will need to provide your group insurance policy number, as follows:

- G-14800 - This is the policy number for the basic (noncontributory) group life insurance for the following pension systems: ABP¹, PERS², TPAF³, JRS⁴, PFRS⁵, SPRS⁶
- G-13900 - This is the policy number for the contributory group life insurance for PERS
- G-14300 - This is the policy number for the contributory group life insurance for TPAF

The conversion policy can be for any amount of insurance up to the amount that you had while employed. (In the case of a retirement the maximum amount that you can purchase will be reduced by the amount of any life insurance that you will automatically receive in retirement under your retirement plan. See example under Retirement.) *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 Division of Pensions and Benefits.*

The following sections provide more detailed information about conversion policies for the specific situations of retirement, i.e., deferred retirement, disability retirement, and termination of employment or leave of absence.

RETIREMENT

If you retire with 10 or more years of service credit in the retirement system, the amount of your group life insurance will be substantially reduced when you retire. The amount of your coverage will be listed in the Quotation of Retirement Benefits that you will receive prior to your retirement. It will be identified as

¹ABP — Alternate Benefit Program

²PERS — Public Employees' Retirement System

³TPAF — Teachers' Pension and Annuity Fund

⁴JRS — Judicial Retirement System

⁵PFRS — Police and Firemen's Retirement System

⁶SPRS — State Police Retirement System

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the "Lump Sum Death Benefit." You will automatically be covered by this insurance and do not need to do anything to qualify.

If you retire with less than 10 years of service credit in the retirement system, you will not receive any group life insurance coverage (for the exception, see "Disability Retirement" below).

The reduction (or elimination) of your life insurance coverage will be effective 31 days after your date of termination. If you wish to supplement this coverage with either a conversion policy from Prudential or another type of policy from Prudential or another insurance carrier, it would be best to begin exploring your options at least four months prior to your retirement.

EXAMPLE: If you had group life insurance of \$96,000 through the retirement system while employed, and that life insurance coverage drops to \$6,000 at retirement, you can purchase up to \$90,000 in life insurance coverage under an individual non-group policy by contacting a Prudential agent before 31 days following your termination of employment.

Deferred Retirement (Does not apply to ABP)

Your life insurance coverage will end 31 days after termination of employment. Any life insurance coverage to which you are entitled upon retirement will not take effect until you reach the normal retirement age for your pension system and begin to receive retirement benefits (age 60 for PERS, TPAF, and JRS; age 55 for PFRS and SPRS).

You have the one-time option to purchase a conversion policy prior to the 31st day after termination of employment (**not at the time that you reach normal retirement age**). The maximum amount of coverage that you may purchase will be the difference between the amount of coverage you had while employed and the amount of coverage that you will automatically receive when you begin to receive retirement benefits.

Disability Retirement (Does not apply to ABP)

If you are approved for a disability retirement you will automatically be covered by life insurance until you reach the normal retirement age (age 60 for PERS, TPAF, and JRS; age 55 for PFRS and SPRS). The

amount of this coverage will be equal to the amount of the noncontributory insurance coverage that you had while employed.

You will have the option to purchase a conversion policy up until the day you reach normal retirement age for your pension system. The maximum amount of coverage that you may purchase will be the difference between the amount of noncontributory coverage you had while employed and the amount of coverage that you will automatically receive when you reach the normal retirement age.

If you also had contributory life insurance while employed, you may convert the amount of your contributory insurance until 31 days after termination of employment. Whether or not you exercise this option, you will still have the option to convert the noncontributory portion of your life insurance up until the day that you reach normal retirement age.

**TERMINATION OF EMPLOYMENT
OR LEAVE OF ABSENCE**

If you terminate employment without applying for retirement or your insured period during a leave of absence expires, you will continue to be covered for the next 31 days. Up until the end of that 31 day period, you may convert your group life insurance, without medical examination, to any individual policy customarily offered by Prudential except term insurance or a policy containing disability benefits.

EXAMPLE: If you had group life insurance of \$96,000 through the retirement system while employed, that life insurance coverage is eliminated at termination of employment. You can purchase up to \$96,000 in life insurance coverage under an individual non-group policy by contacting a Prudential agent before 31 days following your termination of employment.

RETURN TO PUBLIC EMPLOYMENT

If you return to public employment after the purchase of a conversion policy, you must discontinue your individual conversion policy. If you do not, you will be required to submit satisfactory proof of insurability before you can be covered again in full under a group life insurance policy.

This fact sheet has been produced and distributed by:

**New Jersey Division of Pensions and Benefits • PO Box 295 • Trenton, New Jersey 08625-0295
(609) 292-7524 • TDD for the hearing impaired (609) 292-7718**

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This fact sheet is a summary and not intended to provide total information.
Although every attempt at accuracy is made, it cannot be guaranteed.

Your Retirement Checklist

All Funds

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 time varies and cannot begin until the Division of Pensions and Benefits receives all the necessary information and forms from both you and your employer.

6-8 MONTHS BEFORE RETIREMENT

Complete a Request for Retirement Estimate form available from your employer, by contacting the Division of Pensions and Benefits, or over the Internet at: www.state.nj.us/treasury/pensions.

Consider attending a pre-retirement seminar conducted by the Division of Pensions and Benefits. For information, check with your benefits administrator or training coordinator, or call the Divisions' Benefits Education Office for seminar dates and registration at (609) 777-2111. The mailing address is Division of Pensions and Benefits, Benefits Education Unit, PO Box 295, Trenton, NJ 08625-0295.

4-6 MONTHS BEFORE RETIREMENT

Submit an Application for Retirement Allowance (available from the Division of Pensions and Benefits or your employer) **to the Division of Pensions and Benefits**. Accuracy and thoroughness are important when completing your *Application for Retirement Allowance*.

- Attach a photocopy of your birth certificate, if one is not on file. For Public Employees' Retirement System (PERS) and Teachers' Pension and Annuity Fund (TPAF) only - if you are choosing options A, B, C, D, 2, 3, or 4, attach proof of your beneficiary's birth date. Your retirement application will not be processed until the Division receives copies of birth date evidence.

- PERS and TPAF only – If applying for a Veteran Retirement, you must qualify as a veteran for pension purposes. If you are not already listed as a veteran on the Division of Pensions and Benefits' records, you must send a photocopy of your military discharge (Form DD 214) to the NJ Department of Military and Veteran Affairs (NJDMAVA), at the following address:

**NJ Department of Military and
Veteran Affairs
ATTN: DVP-VBB
PO Box 340
Trenton, NJ 08625-0340**

Since the NJDMAVA also makes determinations of veteran's preference for Civil Service and property tax appeals, a note should be attached to say that the discharge is being sent for pension purposes. For more information about veteran status and your pension account, see Fact Sheet #17, *Veteran Status*.

- Write "Purchase Pending" on the top of your *Application for Retirement Allowance* if you have applied for a purchase of additional service credit in the past few months.

The amount of your **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. For further information about conversion, you can contact Prudential at 1-800-262-1112. You should contact other insurance carriers and compare the available

policies and costs before you decide to purchase the conversion policy.

- Ask your employer to submit a **Certification of Service and Final Salary** to the Division of Pensions and Benefits.
- Contact the **NJ State Employees Deferred Compensation Plan** office at (609) 292-3605 or **Supplemental Annuity Collective Trust (SACT)** office at (609) 633-2031 if you participate in those plans.
- You will receive a letter from the Division of Pensions and Benefits acknowledging receipt of your retirement application. Also included are answers to some frequently asked retirement questions.

APPROXIMATELY 3 MONTHS BEFORE RETIREMENT

- You will receive a letter offering you enrollment in the New Jersey State Health Benefits Program (SHBP) if you are:
 - currently covered by the SHBP.
 - a member of the TPAF with 25 years or more of service credit in the pension fund or retiring on a disability retirement.
 - a PERS or Alternate Benefit Program member retiring from a school board of education or county college with 25 or more years of service credit in the pension fund or retiring on a disability retirement.
 - a Medicare eligible member of the TPAF or the PERS who works for a Board of Education.
 - a police officer or firefighter retiring with 25 years or more of service credit in the pension fund or retiring on a disability retirement whose employer does not provide any payment or compensation toward the cost of health benefits for its retirees.
- If you will not be eligible for post-retirement medical coverage through the SHBP, discuss with your employer any coverage they may provide you.

- 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 in retirement. You may need to obtain a written statement from your employer certifying that you have been covered under an employer group health plan. The statement should indicate when and why coverage as an active employee will end.

APPROXIMATELY 2 MONTHS BEFORE RETIREMENT

- You will receive a **Quotation of Retirement Benefits letter** which shows your monthly retirement allowance with:
 - the option you selected; (PERS and TPAF)
 - a quote of any outstanding loan balance with repayment options; and
 - a quote on any outstanding arrears (purchase) balance and/or shortages.

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

- pay the loan **in its entirety** prior to receiving any benefits; or
- continue your monthly loan repayment schedule into retirement until the loan balance **plus interest** has been repaid.

Any outstanding arrears or shortages must be paid before your retirement check can be issued. Failure to respond to these issues will delay your retirement benefits.

APPROXIMATELY 1 MONTH BEFORE RETIREMENT

- Your retirement will be presented to the retirement system's Board of Trustees for approval. You will receive a board approval letter and will have 30 days from the board approval date or your effective retirement date (whichever is later) to change your option selection if you wish. If you change your option after board approval, your new selection must

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again be approved by the board of trustees. This may delay your first check.

- You may choose to cancel your retirement within 30 days of your retirement date or board approval date (whichever is later). This request must be in writing to the Division of Pensions and Benefits. Canceling your retirement does not guarantee reemployment with your employer.
- Discuss the possibility of continuing prescription drug, dental, or vision coverage under the provisions of **COBRA with your employer**.

SHORTLY AFTER YOUR RETIREMENT DATE

- You will receive **forms for withholding** federal and New Jersey State income tax.
- You will receive a **form** to have your retirement check **deposited directly** to your bank account.
- Your **first retirement check** will be dated no earlier than the first of the month following your retirement date or 30 days after approval by the retirement system's board of trustees, whichever is later.

This fact sheet has been produced and distributed by:

**New Jersey Division of Pensions and Benefits • PO Box 295 • Trenton, New Jersey 08625-0295
(609) 292-7524 • TDD for the hearing impaired (609) 292-7718**

URL: <http://www.state.nj.us/treasury/pensions> • E-mail: pensions.nj@treas.state.nj.us

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Taxation of Retirement Benefits

All Funds

HOW ARE MY PENSION BENEFITS TAXED FOR FEDERAL PURPOSES?

Pension 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 pension plan, that portion of your monthly benefits representing a return of your previously-taxed contributions is not taxable.

Contributions made to the pension plan prior to January 1, 1987 were already taxed as were any purchases of optional pension membership credit made before 2002. After January 1, 2002 some purchases may have been made with previously-taxed money. Therefore, if you began contributing to the pension plan prior to January 1, 1987, or if you purchased pension membership 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

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

If you retired on or after November 1, 1996 — the following tables are used to determine your monthly nontaxable amount:

TABLE A

Benefits Payable To Retiree 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 Retiree and Beneficiary

Combined Age of Retiree (at retirement) & 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 nontaxable 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 ben-

eficiary). **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 nontaxable 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 nontaxable 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 Division of Pensions and Benefits 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*. 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 NJ 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 the contributions which they made to the pension plan 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 below:

Retirement Income Exclusions

<u>Tax Year</u>	<u>Married Filing Jointly</u>	<u>Single</u>	<u>Married Filing Separately</u>
2000	\$12,500	\$9,375	\$6,250
2001	\$15,000	\$11,250	\$7,500
2002	\$17,500	\$13,125	\$8,750
2003 and beyond	\$20,000	\$15,000	\$10,000

Note: Beginning with tax year 2005, the "Retirement Income Exclusions" listed above are limited to taxpayers with gross 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 \$10.00 per month and 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 1-800-323-4400.

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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 Division of Pensions and Benefits does 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

If you wish to change your withholding you must submit a new form (W-4P or NJ W-4P) which you can obtain from your employer, by contacting the Division of Pensions and Benefits, or over the Internet at: www.state.nj.us/treasury/pensions. If you already have **more than the minimum** federal tax withheld, you should contact the Division of Pensions and Benefits at (609) 292-7524 for assistance in completing the form.

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. Some State employees and all employees of boards of education or county colleges who retired

with 25 or more years of service, or on a disability retirement, who are enrolled in the State Health Benefits Program are reimbursed in their pension checks for the Medicare Part B premiums they pay to Social Security. If you receive this Medicare reimbursement, 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.

Why doesn't my gross allowance equal 12 times the amount of my December 1 check?

When you receive a cost-of-living increase, your pension is changed each year with the February 1 check. Therefore, the gross allowance for your January 1 check is usually less than your next 11 checks.

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 Division of Pensions and Benefits reports your benefit as exempt from federal income tax.

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

Any additional questions should be referred to the IRS at the number listed below.

**THE DIVISION OF PENSIONS AND BENEFITS CANNOT GIVE TAX ADVICE.
CONSULT THE IRS (1-800-TAX-1040), OR THE NJ DIVISION OF TAXATION (1-800-323-4400 in NJ),
OR YOUR TAX ADVISOR FOR ASSISTANCE.**

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Cost-of-Living Adjustments

Public Employees' Retirement System • Teachers' Pension and Annuity Fund
Police and Firemen's Retirement System • State Police Retirement System
Consolidated Police and Firemen's Pension Fund • Prison Officers' Pension Fund

The Pension Adjustment Program provides a cost-of-living adjustment (or COLA) to you and your eligible survivors if you are receiving a monthly retirement allowance from one of the state-administered retirement systems listed above. Your first COLA is paid in your pension allowance the 25th month after your date of retirement. Subsequent cost-of-living adjustments are computed annually and the adjustment is reflected in the February 1st check (which is payment for the month of January). If your spouse or beneficiary is entitled to receive a monthly pension upon your death, the COLA will be applied to that benefit based upon your year of retirement.

The Division of Pensions and Benefits uses the Consumer Price Index (CPI) for Urban Wage Earners and Clerical Workers (CPI-W), U.S. City Average, All Items, 1982-84=100. Your rate of increase is equal to 60 percent of the percentage of change between the average CPI for the calendar year in which you retired and the average CPI for the 12 month period ending August 31st immediately preceding the year when the adjustment is payable.

Example: To calculate the COLA due February 1, 2006

A member retired in 2000 with a monthly retirement allowance of \$1,278.35*. The average CPI for the twelve months ending December 31, 2000 was 168.9. The average CPI for the twelve months ending August 31, 2005 was 188.4.

**If the member chose Option 1, the COLA would be calculated on the Maximum Option.*

- To calculate the change in the CPI, subtract 168.9 from 188.4.

$$188.4 - 168.9 = 19.5$$

- To calculate the percentage change in the CPI between the retirement year 2000 and the 12 months ending August 31, 2005, divide 19.5 by 168.9. The result is 11.55%.

$$19.5 \div 168.9 = 11.55\%$$

- The cost-of-living adjustment rate for February 1, 2006 equals 60% of 11.55%, or 6.927%.

$$60\% \times 11.545\% = 6.927\%$$

- Therefore, the cost-of-living adjustment for this member is 6.927% of \$1,278.35, or \$88.55

$$\$1,278.35 \times 6.927\% = \$88.55$$

- The total monthly benefit equals \$1,366.90

$$\$1,278.35 + \$88.55 = \$1,366.90$$

Your current cost-of-living adjustment amount can be found under the "Current Earnings" section on your February retirement benefit check stub.

You can also verify your current allowance and deduction information at any time by calling our Automated Information System, (609) 777-1777. When calling, you will be asked to enter your Social Security number. Then by pressing 3 after the first prompt — indicating that you are requesting retirement information — and 3 again at the second prompt, you can hear the check information in the order as it would appear on your check stub.

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Employment After Retirement

Police and Firemen's Retirement System

Since police officers and firefighters often retire in their fifties, the question of how employment after retirement will affect pension benefits is important. This fact sheet provides information a Police and Firemen's Retirement System (PFRS) retiree should consider before returning to the work force in either a full or part time basis.

Working for private industry, the federal government or a government agency in another state will not normally affect your PFRS retirement benefits. Returning to public employment in New Jersey after retirement, however, could affect your benefits as shown in the following information. Your prospective employer should be able to tell you whether the employment you are considering is covered under the PFRS.

PFRS RETIREE RETURNING TO WORK IN A PFRS COVERED POSITION

PFRS Membership Continued — No 30-Day Break In Service

When you return to PFRS covered employment is critical in determining your PFRS status. You should expect to continue enrollment in the PFRS if you start working in a PFRS covered position before your pension has become due and payable. A pension benefit is due and payable 30 days after the date of Board approval, or the retirement date, whichever is later. You must have at least a 30-day break in service after your retirement date to be considered retired from the PFRS. If you return to PFRS covered employment within 30 days of your retirement date, your retirement is not valid, and you are considered an active employee.

PFRS Membership Continued — Appointive Administrative or Supervisory Position Service

N.J.S.A. 43:16A-3.1 addresses the special situation of a PFRS retiree who is appointed to a position with a law enforcement unit or firefighting unit with administrative or supervisory duties over police officers and/or firefighters. If a PFRS retiree is appointed to this type of position less than six

months after retirement, that retiree must suspend his/her retirement allowance and must reenroll in the PFRS.

PFRS Enrollment Required

If you return to employment covered by the PFRS, you must suspend your retirement and reenroll in the PFRS as a condition of your employment. All eligibility requirements must be met except the age requirement. Your retirement allowance will be suspended for the duration of your employment, and you become an active contributing member again. If you die while in the second membership, no benefits from the previous membership or retirement are payable. This means that death benefits (insurance) from the suspended retirement would not be paid to your beneficiaries.

If you return to employment under the PFRS and are eligible for membership but you fail to enroll, you would be required to reimburse the retirement system in the amount of all retirement benefits you received since the date you should have enrolled. In addition, you would be required to pay pension contributions in the form of back deductions back to your enrollment date. Your employer may also be liable for pension and Social Security contributions. There is no limitation on the amount of reimbursement that may be recovered by the retirement system in these situations.

The following steps should occur when you are reemployed in a PFRS position and reenrolled:

1. Your employer must submit a PFRS enrollment application on your behalf to the Division of Pensions and Benefits.
2. Your application will be referred to the Board of Trustees of the retirement system to suspend your retirement allowance as of the date you are required to enroll in the PFRS. The date of enrollment is not negotiable. The PFRS Board Secretary will advise you of the action taken by the Board.
3. Once the Board of Trustees suspends your retirement allowance, your enrollment

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application will be processed and a certification to deduct pension contributions will be sent to your employer.

4. You will be billed for any retirement payments you received after the effective date of your new PFRS enrollment. Because of the sequence of events, most retirees are enrolled in the PFRS on a retroactive basis. You should therefore anticipate that you will be required to refund one or more pension checks to the retirement system.
5. When you decide to retire again, you must file an application for retirement on or before the effective date of your second retirement.

Calculation of Retirement Allowance Based on New Period of Service

When you retire again, your former retirement allowance will be restored along with any appropriate cost-of-living adjustment due based upon your original date of retirement. Your former retirement benefit is in no way affected by your subsequent membership.

In addition, you will receive a retirement allowance based upon your new period of service using the Service Retirement formula that is equal to 2 percent of Final Compensation for each year of creditable service. These two benefits are paid in one retirement check. Under no circumstances can the combined benefit exceed the benefit you would have received had you stayed continually employed.

For example, if you retired after 25 years with a Special Retirement equal to 65 percent of final compensation and then returned to work in a PFRS covered position for another 10 years which is equal to 20 percent of Final Compensation under a Service Retirement, your combined benefit could not exceed 70 percent of Final Compensation, the maximum benefit you could have expected to receive had you continued in your first position. Final Compensation means the base salary in the 12 months immediately preceding retirement.

Survivor's Benefit for a PFRS Member Returning to Covered Employment

N.J.S.A. 43:16A-9 provides that in the event of death occurring in the first year of creditable service, the

survivor's benefit is computed at the annual rate of compensation. If your salary upon return to covered employment is less than the salary used to calculate your original retirement allowance and you die as an active employee, your eligible survivor's benefit would be smaller than it would have been had you remained retired. Conversely, should your salary be higher, your survivor's benefit would increase.

Life Insurance Benefit for a PFRS Member Returning to Covered Employment

If your death occurs in active service, your named beneficiary (or estate where there is no named beneficiary) will receive a death benefit equal to 3½ times your Final Compensation, the total salary upon which your pension contributions were based during the year preceding your death. If you die during the first year of creditable service, the benefits will be 3½ times the creditable salary you actually received upon which pension contributions were paid, and not on your annual salary.

RETURNING TO WORK IN A POSITION COVERED BY A DIFFERENT NEW JERSEY STATE-ADMINISTERED RETIREMENT SYSTEM

In this case, your retirement allowance continues and you can receive salary, but you cannot become a member of that retirement system.

DISABILITY RETIREES RESTORED TO ACTIVE SERVICE IN THE PFRS

If you are a disability retiree, before you can return to active service in a PFRS eligible title you must:

1. Make a written request to return to active service to the Division of Pensions and Benefits.
2. Submit a physician's report to the Division certifying that you are no longer disabled and can return to employment. The physician should be one with the same specialty as the physician who originally certified that you were disabled.
3. Be examined by a physician appointed by the PFRS Board of Trustees.
4. Be approved for return to active service by the PFRS Board of Trustees.

When you return to active service, you must enroll again in the retirement system. Deductions for

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pension are resumed and you are treated as an active employee in all respects. Upon subsequent retirement, you will receive a benefit based on total service.

OTHER CONSIDERATIONS

State Health Benefits

Program Retired Group Coverage

Returning to public employment in New Jersey may affect your eligibility to continue coverage under the State Health Benefits Program (SHBP). If your retirement allowance is suspended because you return to work in a position covered by the PFRS, your retired SHBP coverage is also suspended.

Chapter 330 Members — Chapter 330, P.L. 1997, provides SHBP coverage for certain retired police officers and firefighters whose employers do not pay for health benefits for their retirees. Under this law, the State of New Jersey pays a portion of the retiree's SHBP premiums with the retiree paying the remainder.

If you participate in the SHBP due to the provisions of Chapter 330, and obtain health benefits coverage **from any other employment** (including employment in the private sector), you are not eligible for Chapter 330 coverage while that other coverage is in effect. This is true even if your retirement benefit is not affected by your employment. You should notify the Division of Pensions and Benefits, in writing that you have active coverage as an employee. When coverage from other employment ends, you are eligible to reenroll in Chapter 330 coverage as long as you notify the Division of the loss of other

coverage within 60 days. If you do not notify the Division within this time frame, you cannot reenroll for coverage until you become eligible for Medicare coverage. Should you die as an active employee, your spouse may only be eligible to pay for COBRA coverage from the active employer for 36 months.

If you are covered under the SHBP for reasons other than Chapter 330, returning to a position not covered by the PFRS will not affect your eligibility for coverage under the SHBP. Maintaining SHBP retired group coverage also does not affect your eligibility for active group health coverage associated with your new employment.

Social Security Benefits

There is an earnings test for people under age 65 receiving Social Security benefits. Check with the Social Security Administration at 1-800-772-1213 for information on earnings limits before accepting employment.

SPECIAL NOTICE FOR RETIREES IF REENROLLED TO A PFRS COVERED POSITION

If you are reenrolled in the PFRS after retirement, you are treated as an active member in all respects. Your retirement allowance is suspended as a result of a return to PFRS covered employment and no retirement or insurance benefits associated with your former retirement will be paid to your beneficiary should you die during your second membership. Once you retire again, the death benefits associated with retirement become effective.

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**POLICE AND FIREMEN'S RETIREMENT SYSTEM
NEW JERSEY DIVISION OF PENSIONS AND BENEFITS**

APPLICATION FOR RETIREMENT ALLOWANCE

**PLEASE READ THESE INSTRUCTIONS AND FACT SHEET #19 CAREFULLY
BEFORE COMPLETING THIS APPLICATION.**

PLEASE DETACH THE APPLICATION FROM THE BOOKLET BEFORE MAILING.

When to File — All retirements are effective on the first of the month. File this application with the Division of Pensions and Benefits before your retirement date or you will lose benefits. Four to six months advance filing is recommended. You must terminate employment before your retirement date. Mail your completed application to the New Jersey Division of Pensions and Benefits, PO Box 295, Trenton, NJ 08625-0295.

INSTRUCTIONS

Please print — black ink preferred — or type.

PART ONE: MEMBER INFORMATION

ITEM 1: MEMBERSHIP NUMBER — Enter your pension system membership number.

ITEM 2: SOCIAL SECURITY NUMBER — Enter your Social Security number.

ITEM 3: RETIREMENT DATE — Enter the date you wish to retire. The earliest retirement date available to you is the first of next month. Your application must be received by the Division of Pensions and Benefits prior to your retirement date.

ITEM 4: NAME — Enter your full name. If you are married, use your given name, not, for example, "Mrs. John Smith."

ITEM 5: 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 above. Provide your Social Security number and retirement date in the letter. Or, you may change your address over the Internet by using our online change of address form for pending retirees at: www.state.nj.us/treasury/pensions

ITEM 6 DATE OF BIRTH — Enter the month, day, and year of your birth. You should submit a copy of your birth or baptismal certificate if you have not already done so.

ITEM 7 AND ITEM 8: TELEPHONE NUMBERS — Enter your home and cell telephone numbers. Include your area code.

ITEM 9: HOME E-MAIL ADDRESS — Enter your home e-mail address, if you have one. E-mail

addresses are used to communicate with you about your retirement application, and are not released for any other purpose.

ITEM 10: EMPLOYER — Enter the name of the employer(s) from which you are retiring.

ITEM 11: TITLE/POSITION — Enter the title(s) or position(s) you held with the employer(s) listed above.

PART TWO: RETIREMENT INFORMATION

ITEM 12: PURCHASE INFORMATION — Mark whether or not you have applied for a recent purchase of service credit within the past six months.

ITEM 13: TYPE OF RETIREMENT — Mark the type of retirement for which you are applying. See Fact Sheet #19 for an explanation of each type.

PART THREE: MARITAL STATUS AND CHILDREN

ITEM 14: MARITAL STATUS — Mark the appropriate box to indicate your current marital status.

ITEM 15: NAME OF SPOUSE OR DOMESTIC PARTNER — If you are currently married or have entered into a domestic partnership, enter your spouse's or eligible domestic partner's full name.

Note: A domestic partner is defined for pension purposes under Chapter 246, P.L. 2003, as a person of the same sex with whom you have entered into a domestic partnership and received a *Certificate of Domestic Partnership* from the State of New Jersey (or a valid certification from another jurisdiction that recognizes same-sex domestic partners, civil unions, or similar same-sex relationships). If you are naming a domestic partner as a beneficiary, a photocopy

of your *Certificate of Domestic Partnership* is required by the Division of Pensions and Benefits before survivor benefits can be paid.

ITEM 16: SPOUSE'S OR DOMESTIC PARTNER'S SSN — Enter your spouse's or domestic partner's Social Security number.

ITEM 17: SPOUSE'S OR DOMESTIC PARTNER'S ADDRESS — Complete this item only if your spouse's or domestic partner's mailing address is different than yours.

ITEM 18: CHILDREN — List all unmarried child(ren) under the age of 18 (or older if still in high school), or of any age if disabled because of mental or physical incapacity and 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. Indicate the name, gender, and date of birth of each child. If you need to list more than three children, do so on a separate sheet of paper to be attached to this application.

PART FOUR: DESIGNATION OF GROUP LIFE INSURANCE BENEFICIARIES

You may name any person or persons as well as an institution, charity, your estate, etc., as a beneficiary for your group life insurance. If you designate an institution or charity, you must also include the institution's or charity's date of incorporation. You may also name multiple beneficiaries. The beneficiary you make on your retirement application designation is effective when your *Application for Retirement Allowance* is filed with the Division of Pensions and Benefits and supercedes any previous designation(s).

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, the attachments must also be signed.

Primary Beneficiary(ies) — List the full name, address, date of birth, and relationship to you of the individual(s)/entity(ies) you want to receive your life insurance proceeds. If you name more than one Primary 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 Division of Pensions and Benefits for assistance.

Contingent Beneficiary(ies) — List the full name, address, date of birth, and relationship to you of

the individual(s)/entity(ies) you want to receive your 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 Division of Pensions and Benefits for assistance.

MEMBER'S SIGNATURE AND DATE — Sign and date the application. Your application cannot be processed without your signature.

AUTHORIZATION FOR DIRECT DEPOSIT

Included in this packet is a form for initiating the direct deposit of your retirement checks. Please complete the *Authorization for Direct Deposit of Benefit Payment* form and send it to the Division of Pensions and Benefits along with your retirement application.

Signing up for direct deposit is a risk-free opportunity to have your retirement benefits available to you the first of every month. **Having your retirement check directly deposited into your checking or savings account eliminates the possibility of a check being lost or stolen. It normally takes 3-4 weeks to have a lost or stolen retirement check replaced.** It also makes it unnecessary for you to go to your bank during periods of inclement weather.

Upon verification of your account information with your bank, your retirement check will be directly deposited in your checking or savings account and you will receive a *Statement of Allowances and Deductions* in the mail. Thereafter, you will receive a *Statement of Allowances and Deductions* each December that summarizes your allowance and deduction information for the year. You will also receive the statement anytime there is a change to your financial information, bank information, or your address. Otherwise, monthly statements are not sent, however, your monthly allowance and deduction information is always available 24 hours a day, 7 days a week by calling the Division's Automated Information System at (609) 777-1777.

EMPLOYER CERTIFICATION

It is important that you notify your employer of your retirement plans since your employer must complete the *Certification of Service and Final Salary* included in this application package. Your retirement cannot be processed until the Division of Pensions and Benefits receives this certification.

CHANGE OF RETIREMENT

If, after you submit your application, you wish to change your retirement date or cancel the retirement process, you will need to complete the *Change of Retirement* form. If you are changing your retirement date please submit the form to your employer, so they can complete the salary certification on the back of the form; you or your employer should then

forward the form to the Division of Pensions and Benefits. Please note that a change of your retirement date must be submitted prior to your original effective retirement date.

If you are cancelling your retirement you may send the form directly to the Division of Pensions and Benefits.

**POLICE AND FIREMEN'S RETIREMENT SYSTEM
NEW JERSEY DIVISION OF PENSIONS AND BENEFITS
APPLICATION FOR RETIREMENT ALLOWANCE**

**PLEASE READ THE ATTACHED INSTRUCTIONS CAREFULLY BEFORE COMPLETING THIS APPLICATION.
PLEASE DETACH BEFORE MAILING THE APPLICATION.**

PART ONE: MEMBER INFORMATION (Please print - black ink preferred - or type.)

1. MEMBERSHIP NUMBER _____

2. SOCIAL SECURITY NO. _____ 3. RETIREMENT DATE _____
To be effective the first day of Month Year

4. NAME _____
Last First Middle

5. ADDRESS _____
Street Apt. No.

City State Zip

6. DATE OF BIRTH _____
Month Day Year

7. HOME PHONE (_____) _____ 8. CELL PHONE (_____) _____
Area Code Area Code

9. HOME E-MAIL ADDRESS _____

10. EMPLOYER _____

11. TITLE/POSITION _____

PART TWO: RETIREMENT INFORMATION

12. PURCHASE INFORMATION — Have you applied to purchase pension service credit within the past six months? YES NO

13. TYPE OF RETIREMENT — See enclosed Fact Sheet #19 for an explanation of each type.
 SERVICE SPECIAL DEFERRED

CONTINUE TO PART THREE ON NEXT PAGE

PART THREE: MARITAL STATUS AND CHILDREN

14. **MARITAL STATUS:** Single Married Domestic Partner Widowed Separated Divorced

15. **NAME OF SPOUSE OR DOMESTIC PARTNER**

_____ (_____)
Last First MI (Maiden Name)

16. **SPOUSE'S OR DOMESTIC PARTNER'S SSN** _____

17. **SPOUSE'S OR DOMESTIC PARTNER'S MAILING ADDRESS** (if different from yours)

_____ Street Address City State Zip Code

18. **CHILDREN:** List any unmarried children under 18 years of age. Be sure to indicate both the gender and birth date of each child (*see instructions for definition of children*).

Name _____
Last First MI Gender Date of Birth

Name _____
Last First MI Gender Date of Birth

Name _____
Last First MI Gender Date of Birth

PART FOUR: DESIGNATION OF GROUP LIFE INSURANCE BENEFICIARY

PRIMARY BENEFICIARY(IES)

BENEFICIARY NAME(S) **RELATIONSHIP** **BIRTH DATE** **SOCIAL SECURITY NUMBER (Optional)**

1. _____

ADDRESS _____

2. _____

ADDRESS _____

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

BENEFICIARY NAME(S) **RELATIONSHIP** **BIRTH DATE** **SOCIAL SECURITY NUMBER (Optional)**

1. _____

ADDRESS _____

2. _____

ADDRESS _____

(Attach additional sheets for 3 or more beneficiaries. Additional sheets must be signed and dated.)

MEMBER'S SIGNATURE

DATE

_____, 20____
I attest that the information provided on this application is true and correct.

STATE OF NEW JERSEY - DIVISION OF PENSIONS AND BENEFITS

AUTHORIZATION FOR DIRECT DEPOSIT OF BENEFIT PAYMENT

INSTRUCTIONS:

- A: Read the terms and conditions listed below.
- B: Enter your name, mailing address, pension membership number, Social Security number, and home telephone number.
- C: Mark the account type box, and print your financial institution's routing number, your account 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 or deposit slip and **return the completed form with your *Application for Retirement Allowance*.**

RECIPIENT INFORMATION — Please Print Legibly

Your Name: _____ Membership No: _____
 Your Address: _____ Social Security No: _____
 _____ Home Phone No: _____

TYPE OF PAYMENT: RETIREMENT PAYMENT

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

Name of Financial Institution

Street of Financial Institution

City, State, ZIP Code of Financial Institution

Your Signature and Date

Signature(s) of Other Persons On Account and Date(s)

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 New Jersey Division of Pensions and Benefits and the financial institution indicated to directly deposit my net retirement allowance payment 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 payment 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 Division of Pensions and Benefits. The change will be processed for the pay period following receipt of the notice by the Division. 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 Division of Pensions and Benefits of address changes immediately. I authorize the financial institution to provide the Division of Pensions and Benefits 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 allowance payments with due dates after the death of the benefit recipient withdrawn from the account. This liability is to the retirement system. 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 Division of Pensions and Benefits with my home address.

**POLICE AND FIREMEN'S RETIREMENT SYSTEM
NEW JERSEY DIVISION OF PENSIONS AND BENEFITS**

CERTIFICATION OF SERVICE AND FINAL SALARY — RETIREMENT

THIS FORM MUST BE COMPLETED BY EMPLOYING AGENCY — SEE INSTRUCTIONS ON REVERSE SIDE

1. Name of Member _____
2. Membership No. _____ 3. Social Security No. _____
- 4a. Employing Agency _____ 4b. Employer Location Number _____
5. Date service terminated _____ *Applicant will not render any service to, or earn salary from this agency after date service terminated.*

6. a) **Is the member currently on suspension?** NO YES *If yes, give date of suspension _____*
 Is the suspension PAID UNPAID

b) **Is the applicant facing disciplinary action or indictment?** No Yes *If you indicate YES for 6a or 6b, attach copies of the preliminary and final notices of disciplinary action or their equivalents or a copy of the indictment.*

7. List unpaid leaves of one month or more, without pay, within the last 12 working months.

REASON FOR ABSENCE	DATE OF ABSENCE (FROM - TO)	REASON FOR ABSENCE	DATE OF ABSENCE (FROM - TO)
	TO		TO
	TO		TO

8. Base salary subject to pension contributions for the last full year of service ending on the date of termination (*line 5 above*); please list number of months at the particular salary range and show a total of 12 months.

				TOTAL
# _____	months @ \$ _____	from _____	to _____	\$ _____
# _____	months @ \$ _____	from _____	to _____	\$ _____
# _____	months @ \$ _____	from _____	to _____	\$ _____
# _____	months @ \$ _____	from _____	to _____	\$ _____
TOTAL BASE SALARY PAID FOR LAST YEAR OF SERVICE				\$ _____

9. Has the member received a substantial salary increase in the last three years? NO YES *If yes, please provide a detailed explanation with documentation.*

10. Has there been any retroactive salary paid to the employee within the past three years? If so, please describe below:

AMOUNT OF PAYMENT	DATE OF PAYMENT	COVERING THE DATES (FROM - TO)	PENSION DEDUCTION	NEW ANNUAL BASE
\$		TO	\$	\$
\$		TO	\$	\$
\$		TO	\$	\$

11. The following deductions have been made or will be made from the member's base salary during the final two quarterly periods including the quarter in which service terminated (see QUARTERLY REPORT OF CONTRIBUTIONS).

State biweekly reporting agencies should attach a screen print of TREADHOC biweekly certification with salaries projected until termination date in lieu of Item 11.

QUARTER ENDING	BASE SALARY SUBJECT TO CONTRIBUTIONS THIS QUARTER	PENSION CONTRIBUTION	LOAN REPAYMENT	BACK DEDUCTIONS		ARREARS AND/OR PURCHASES	TOTAL PENSION DEDUCTIONS
				NO. PAYMENTS	AMOUNT		
	\$	\$	\$		\$	\$	\$
	\$	\$	\$		\$	\$	\$
	\$	\$	\$		\$	\$	\$

Completed by: _____ Phone Number _____

By signing this statement I am certifying, under penalty of perjury, to the truthfulness of the information contained herein.

Signature of Certifying Officer _____ Date _____

INSTRUCTIONS

This form must be completed by the employer when a member files an application for retirement benefits. Failure to provide this information will delay processing the member's retirement application.

ITEMS REQUIRING SPECIAL ATTENTION

- ITEM 6:** If the member was dismissed under suspension or formal indictment, place an (X) in the appropriate YES block. You must also indicate with an (X) if the suspension is paid or unpaid. If the YES box is indicated in 6a or 6b, copies of the preliminary and final notices of disciplinary action or their equivalents, or a copy of the indictment must be attached. This information is required before processing the retirement application.
- ITEM 8:** Indicate the following: (1) number of months, (2) amount of monthly base salary, (3) the beginning and ending dates of that salary, and (4) the total base salary for the period. A total of 12 months (10 months for those applicable) of salary must be indicated.
- ITEM 9:** If the member had a substantial salary increase within the last 3 years of membership, attach a detailed explanation of why this increase was granted, with documentation. This information is required before processing the retirement application.
- ITEM 10:** Indicate any retroactive salary increases within the last 3 years. Include: (1) amount of payment, (2) the date of payment, (3) the beginning and ending dates for each increase, (4) the pension deduction, and (5) the new annual base salary.
- ITEM 11:** Indicate the actual or projected base salary subject to pension contributions for the last two quarters preceding the termination date. It is important to indicate all deductions withheld (pension, loan, back deductions and arrears payments). Failure to do so could result in incorrect benefits being paid. The base salary should reflect the number of months worked in that quarter.

State employers must attach a screen print of the member's TREADHOC biweekly certification with salaries projected until termination date in lieu of completing Item 11.

WORKERS' COMPENSATION

An application for retirement will be accepted while the member is receiving periodic benefits under the Workers' Compensation law. Pension contributions must continue, if required, up to the effective date of retirement. Please attach an official statement of the Workers' Compensation award showing the amount of periodic benefits, with the beginning and ending dates of the benefits awarded. If the member is retiring under an **Accidental** Disability Retirement, the unpaid balance of the award on the date of retirement will be used to reduce the member's retirement allowance on a dollar-for-dollar basis.

**SUBMIT THIS CERTIFICATION TO: RETIREMENT BUREAU
DIVISION OF PENSIONS AND BENEFITS
PO BOX 295
TRENTON NJ 08625-0295**

State of New Jersey
Department of the Treasury
Division of Pensions and Benefits
PO Box 295, Trenton, NJ 08625-0295

CHANGE OF RETIREMENT POLICE AND FIREMEN'S RETIREMENT SYSTEM

These changes can only be made before the retirement is due and payable.

This form **cannot** be used to cancel your retirement or change the date of retirement to a future date after the Board of Trustees has approved a Disability Retirement.

Membership Number _____ Social Security Number _____

Name _____

Address _____

Check here if this is a new address.

I previously filed an *Application for Retirement Allowance* with the Division of Pensions and Benefits.

I wish to make the following change to that application (check box that applies):

Change Retirement Date — I wish to change the effective date of my retirement from:

_____ to _____ (May be any first of the month after the receipt date of the original *Application for Retirement Allowance*. **Your employer must complete the salary certification on the back of this form.**)

Cancel Retirement — I wish to cancel my retirement which was to be effective on

_____. I will continue in employment. (Canceling your retirement does not guarantee continued employment with your employer.) I understand that this application cannot be reinstated and that I must file a new retirement application when I apply again on a future date. I further understand that the beneficiaries designated on my retirement application will remain in effect until I change them by submitting a new *Designation of Beneficiary* form or a new retirement application.

Signature

Date

CHANGE OF RETIREMENT EMPLOYER CERTIFICATION

1. _____

NAME OF EMPLOYEE	NAME OF EMPLOYER
SOCIAL SECURITY NUMBER	EMPLOYER'S PHONE NUMBER
MEMBERSHIP NUMBER	EMPLOYER LOCATION NUMBER

The employee named above has elected to change his/her retirement date to the date shown on the front of this form.

- **If you have already submitted** a *Certification for Retirement* for the former date to the Division of Pensions and Benefits, please complete this form and return it to the Division.
- **If you have not already submitted** a *Certification for Retirement*, **YOU CANNOT USE THIS FORM.** Instead, you **must** complete a *Certification for Retirement* in it's entirety and return it with this Change Request form to the Division.

2. **Date employee's service terminated** (Applicant will not render any service to or earn salaries, wages, fees or other compensation from this agency after this date.) _____

3. **Base salary subject to pension fund contributions** paid for the last full year of service ending on the date of termination (line 2 above); please list number of months at a particular salary and show a total of 12 months for a 12-month employee or 10 months for a 10-month employee.

						TOTAL
#	_____ months @ \$	_____	from _____	to _____	\$ _____	
#	_____ months @ \$	_____	from _____	to _____	\$ _____	
#	_____ months @ \$	_____	from _____	to _____	\$ _____	
#	_____ months @ \$	_____	from _____	to _____	\$ _____	
TOTAL BASE SALARY PAID FOR LAST YEAR OF SERVICE						\$ _____

4. The following deductions have been made or will be made from the member's base salary during the final two quarterly periods including the quarter in which service terminated (see QUARTERLY REPORT OF CONTRIBUTIONS).

State biweekly reporting agencies should attach a screen print of TREADHOC biweekly certification with salaries projected until termination date in lieu of Item 4.

QUARTER ENDING	BASE SALARY SUBJECT TO CONTRIBUTIONS THIS QUARTER	PENSION CONTRIBUTION	LOAN REPAYMENT	BACK DEDUCTIONS		ARREARS AND/OR PURCHASES	TOTAL PENSION DEDUCTIONS
				NO. PAYMENTS	AMOUNT		
	\$	\$	\$		\$	\$	\$
	\$	\$	\$		\$	\$	\$

Name of Certifying Officer _____ Phone Number (____) _____

By signing this statement I am certifying, under penalty of perjury, to the truthfulness of the information contained herein.

Certifying Officer Signature _____ Date _____

