



Application for Disability Retirement

**Public Employees' Retirement System
Teachers' Pension and Annuity Fund**

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

**PO Box 297
Trenton, New Jersey 08625-0297**

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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 Disability Retirement***
- ✓ ***Medical Examination by Personal or Treating Physician***
(you must submit two forms)
- ✓ ***Authorization to Disclose Health Information***
- ✓ ***Employer Certification for Disability Retirement***
- ✓ ***Authorization for Direct Deposit of Benefit Payment***
- ✓ A copy of your birth certificate if you have not already submitted it to the Division of Pensions and Benefits.
- ✓ A copy of your beneficiary's birth certificate if you are choosing Option A, B, C, D, 2, or 3.

**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**

Disability Retirement

Public Employees' Retirement System and Teachers' Pension and Annuity Fund

READ FACT SHEET #15

This booklet includes Fact Sheet #15, *Disability Retirement Benefits*. **Read this fact sheet first** to determine if you qualify for a disability 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 a disability 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 an Ordinary or Accidental Disability retirement from the Public Employees' Retirement System (PERS) or the Teachers' Pension and Annuity Fund (TPAF).

The forms and other documents indicated with a check mark “✓” (in the list below) 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 within 90 days of the Division's receipt of your retirement application.** Otherwise, your retirement application will be canceled and you will need to submit another application for a future retirement date.

This booklet contains:

- **Fact Sheet #15, *Disability Retirement Benefits*.**
- **Fact Sheet #5, *Pension Options*.**
- **Fact Sheet #13, *Conversion of Group Life Insurance*.**
- ✓ ***Application for Disability Retirement*** — to be completed by the employee.
- ✓ **Two *Medical Examination*** forms (relating to your disability) — to be completed by the treating physicians (if hospital records are available, only one *Medical Examination* form is required).

✓ ***Authorization to Disclose Health Information Records*** — to be completed by the employee and forwarded to hospital(s) — or employers for Workers' Compensation reports or evaluations, accident reports, or doctor reports. All hospital records obtained by the member should be included with the application.

✓ ***Employer Certification for Disability Retirement*** — to be completed by the employer.

✓ ***Authorization for Direct Deposit of Benefit Payment*.**

- ***Change of Disability Retirement Form*.**

You should also submit:

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

✓ **A copy of your beneficiary's birth certificate** if you are choosing Option A, B, C, D, 2, or 3.

DISABILITY RETIREMENT PROCESS

The process starts with the filing of your *Application for Disability Retirement* with the Division of Pensions and Benefits. All retirements start on the first of a month and your application must be received by the Division of Pensions and Benefits prior to your retirement date. Approximately two weeks after receipt of your application, the Division of Pensions and Benefits will send you an *estimate* of disability retirement benefits.

Disability retirements require approximately 6-8 months to process after the Division has received all the required forms. Submit your *Application for Disability Retirement* 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. At the time you submit your application, you should complete the other required forms (listed above) and give them where needed to your doctors, hospital, or employer.

Provide all the medical documentation you have on your disability. The more complete your medical documentation, the better able the Medical Review Board will be to make a fully informed determination. However, **at least two corroborating pieces of medical documentation are required: either statements from two physicians or a physician statement and documentation from a hospital.** Failure to submit ALL medical documentation will result in the delay of processing or the cancellation of your retirement application.

If you have only been treated by one doctor and have not been hospitalized for the disability, attach a note to your *Application for Disability Retirement* to advise us of this. We will arrange for another physician in your area to examine you and report back to us.

Your application and all medical information submitted in evidence will be reviewed by the retirement system's Medical Review Board prior to its submission to the Board of Trustees. If you are filing for an Accidental Disability, you will be scheduled for an examination by a physician appointed by the retirement system. When the Medical Review Board feels they have sufficient medical information to offer a determination, they will forward your application to the Board of Trustees with a recommendation. The Board will make a final determination on your application at its monthly meeting and the Division of Pensions and Benefits will notify you of the Board's decision.

If your retirement is approved, the Retirement Bureau will send you a quotation of your retirement allowance and life insurance. If you have requested an Accidental Disability retirement and it is denied, but you are found to be totally and permanently disabled, you will be retired on the basis of an Ordinary Disability **provided you meet the service credit requirements.** If your retirement is not approved, you will be informed of any type(s) of retirement for which you do qualify and what the appeal procedures are.

Important: *Approval of Workers' Compensation, temporary or partial disability benefits, or Social*

Security disability benefits has no bearing on your approval for disability benefits payable by the retirement system.

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, 1-866-NJSEDCP, to obtain further information regarding payment options with each of these plans.

YOUR FIRST RETIREMENT CHECK

If your disability retirement is approved, 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 PERS or TPAF Board of Trustees, whichever is later. This is when your retirement becomes "due and payable."

For example, a member who files an application well in advance for a June 1 retirement date, and is approved by the Board of Trustees at the May Board meeting, 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* and send it to the Division of Pensions and Benefits along with your retirement application.

CHANGING YOUR RETIREMENT

Prior to Board of Trustees Determination

You can change any aspect of your disability retirement application prior to Board of Trustees approval, including the retirement date.

After Board of Trustees Determination

Under New Jersey law, N.J.A.C.17:2-6.7(b) and 17:3-6.7(b), once the Board of Trustees approves a member for a disability allowance, the member cannot cancel the retirement and the application cannot be withdrawn, cancelled, or amended unless the member sends a letter to the Board of Trustees requesting a return to work and submits a statement from their physician(s) stating that the member can return to work. The Division will then schedule the member for an Independent Medical Examination, and all medical documentation will be submitted to the Medical Review Board for a recommendation. The Board of Trustees will make a final determination of whether the member is able to return to work.

You **cannot** file for a Service Retirement or an Early Retirement while awaiting processing of your disability application.

You can change only the option selection, the beneficiary, or retirement type within 30 days of the Board's approval date or the effective date of retirement, whichever is later.

In order to make any of the permitted changes, you must forward written notice to the Retirement Bureau of the Division of Pensions and Benefits within that specified time. Changes can be requested by letter or by using the *Change of Disability Retirement* form included in this booklet. If requesting a change of retirement date, your employer must also complete the salary and service certification on the back of the change form.

NOTE: *Changing or canceling your retirement DOES NOT GUARANTEE continued employment with your employer.*

BD-0019-0209

Disability Retirement Benefits

Public Employees' Retirement System • Teachers' Pension and Annuity Fund

ORDINARY DISABILITY

The processing of Ordinary Disability retirement benefits normally takes 6 to 8 months. To qualify for Ordinary Disability retirement benefits you must:

- have an active pension account (active membership ceases after discontinuance of pension contributions for more than two consecutive years¹ or withdrawal of member contributions from the retirement system); and
- have 10 or more years of New Jersey service credit in the pension system (**the purchase of out-of-state, military, and U.S. government civilian service cannot be used to attain the 10 years**); and
- be considered permanently and totally disabled (you must prove that you are physically or mentally incapacitated from performing your normal or assigned job duties or any other position with no possibility for significant improvement); and
- provide any and all medical reports or corroborating evidence on file that supports your disability.

If the medical documentation supplied by you is not sufficient to support your claim of disability, you may be required to be examined by physicians selected by the retirement system. The examination will be scheduled at no cost to you by the Division of Pensions and Benefits.

If you qualify for an Ordinary Disability retirement benefit, the annual benefit is equal to 43.6 percent of your Final Average Salary (FAS).

“Final Average Salary” means your average salary for the 36 months (30 months for members paid on a 10 month basis) immediately preceding your retirement on which pension contributions were taken. If

¹Special rules apply for former members who discontinued service after two years and terminated employment because of a disability. Contact the Division of Pensions and Benefits for more information.

your last 36 months are not your highest years of salary, your allowance may be calculated using your three highest fiscal years (July 1 to June 30) of salary. If this is the case, please indicate on your retirement application that you had higher fiscal years of salary.

Calculation Example: In the 36 months prior to retirement, a member's average salary was \$45,000. After approval of Ordinary Disability retirement benefits, the member would be entitled to an annual benefit of \$19,620 ($\$45,000 \times .436$) under the Maximum Option (see Fact Sheet #5, *Pension Options*, for an explanation of other options that provide for survivor benefits).

The retirement benefit is not reduced by any Social Security, Workers' Compensation, or private insurance benefits that may be payable. However, any Workers' Compensation award you receive may be reduced. See your employer for details.

Ordinary Disability retirement benefits are subject to federal tax to the same extent as other pensions; your benefits are not subject to New Jersey State income tax until you reach age 65.

ACCIDENTAL DISABILITY

The processing of Accidental Disability retirement benefits normally takes 6 to 8 months. To qualify for Accidental Disability retirement benefits you must:

- have an active pension account (active membership ceases after discontinuance of pension contributions for more than two consecutive years¹);
- be considered permanently and totally disabled (you must prove that you are physically or mentally incapacitated from performing your normal or assigned job duties or any other position with no possibility for significant improvement) as a “direct result of a traumatic event” (see definition on page 2), that happened during and as a direct result of carrying out your regular or assigned job duties;

- be an active member of the PERS or TPAF on the date of the “traumatic event” ;
- file an application within five years of the date of the “traumatic event”;
- be examined by physicians selected by the retirement system at no cost to you; and
- provide any and all accident reports, witness reports, and corroborating evidence on file for any and all accidents for which you are filing.

‘Direct Result of a Traumatic Event’ has been defined by the courts as an occurrence that is:

- identifiable as to time and place;
- undesigned and unexpected;
- caused by a circumstance external to the member (not the result of preexisting disease that is aggravated or accelerated by the work);
- occurred during and as a result of the member’s regular or assigned duties;
- was not the result of the member’s willful negligence; and
- results in the member’s permanent and total incapacitation from performing his or her usual or any other duty.

When there is an issue of mental incapacity, the member must also establish that:

- the disability results from direct personal experience of a terrifying or horror-inducing event that involves actual or threatened death or serious injury, or a similarly serious threat to the physical integrity of the member or another person; and
- the event that forms the basis for an accidental disability pension cannot be inconsequential and must be objectively capable of causing a reasonable person in similar circumstances to suffer a disabling mental injury.

If you qualify for an Accidental Disability retirement benefit, you will receive 72.7 percent of your base salary at the time of the traumatic event.

Calculation Example: On the date of the traumatic event that caused the member’s disability, a mem-

ber’s annual salary was \$45,000. After approval of Accidental Disability retirement benefits, the member would be entitled to an annual benefit of \$32,715 ($\$45,000 \times .727$) under the Maximum Option (see Fact Sheet #5, *Pension Options*, for an explanation of other options that provide for survivor benefits).

If you are receiving periodic Workers’ Compensation benefits, your Accidental Disability retirement benefits will be reduced dollar for dollar by the periodic benefits paid after your retirement date. The retirement benefit is not reduced by any Social Security or private insurance benefits that may be payable.

The Division of Pensions and Benefits reports your Accidental Disability retirement benefit as exempt from federal income tax; your benefits are not subject to New Jersey State income tax until you reach age 65.

If you apply for Accidental Disability retirement and are found by the Board of Trustees to be permanently and totally disabled, but not because of a traumatic event or the event was not the primary cause of your disability, you will be retired on an Ordinary Disability if you have 10 years of New Jersey service in the retirement system. You may be offered a Service or Early Retirement depending on your age and service credit at the time the application is received.

APPLYING FOR DISABILITY RETIREMENT BENEFITS

The *Application for Disability Retirement* can be submitted online using the **Member Benefits Online System** (MBOS). Before you can begin using the system, you must be registered with MBOS. Registration is free. To begin the MBOS registration process go to our Web site at:

www.state.nj.us/treasury/pensions/mbosregister.htm

You can also obtain an *Application for Disability Retirement*:

- by printing the application from the Division of Pensions and Benefits Web site at: www.state.nj.us/treasury/pensions
- by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, NJ 08625-0295;

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- by contacting the Office of Client Services at (609) 292-7524; or
- by e-mail request to:
pensions.nj@treas.state.nj.us

The *Application for Disability Retirement* includes forms for your physicians to complete and a release for any hospital records related to your disability. Applicants for disability retirement must submit all supporting hospital and physician records using the forms provided with the application. Two forms of medical documentation are required; i.e. a statement from two treating physicians or one statement and records from a hospital stay related to the disability. Applications and supporting documents should be submitted to:

**Division of Pensions and Benefits
Disability Review Unit
PO Box 297
Trenton, NJ 08625-0297**

All medical information is kept confidential and used only by the Board of Trustees in reviewing the claim.

You must pay for the cost of any medical documentation that may be required to prove your claim.

For example, if you had a hospital stay due to your disability and the hospital charges for the duplication of medical records from your stay, you would be responsible for any cost involved. The more complete the application, the faster it can be processed.

OTHER INFORMATION

In order to be eligible to receive either Ordinary or Accidental Disability retirement benefits, you must terminate all retirement system covered employment prior to your retirement date.

Your employer has the right to apply for an involuntary disability retirement on your behalf.

The approval of Workers' Compensation or Social Security disability benefits has no bearing on your application for disability retirement from the retirement system.

If you retire with an outstanding loan balance, your monthly loan repayment schedule will continue into retirement until the loan balance plus interest has been repaid.

Group Life Insurance

Most members of the retirement system are covered by group life insurance. If you are covered immediately prior to your retirement, you are entitled to reduced coverage in retirement as follows:

PERS Members

If you retire on a disability retirement, you are covered by group life insurance in the amount of 1½ times your final salary until age 60. At age 60 your life insurance coverage automatically reduces to 3/16 of your final salary.

TPAF Members

- If you retire on a disability retirement with contributory and noncontributory group life insurance, you are covered by group life insurance in the amount of 1¾ times your final salary until age 60, when your life insurance coverage automatically reduces to 7/16 of your final salary.
- If you retire on a disability retirement with noncontributory group life insurance *only*, you are covered by group life insurance in the amount of 1½ times your final salary until age 60, when your life insurance coverage automatically reduces to 3/16 of your final salary.

Conversion

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

Employment after Retirement

Since Ordinary and Accidental Disability benefits are considered retirement benefits, you no longer accumulate pension membership credit in the retirement system after approval by the Board of Trustees. Normally, all PERS and TPAF disability retirees are subject to an annual earnings test. If your pension, when added to the earnings from any employment, exceeds what your former position currently pays, your pension will be reduced dollar for dollar by the excess earnings over the current salary of your

former position. Each year the Division of Pensions and Benefits may request copies of your previous year's federal tax return, *W-2* forms, and *Form 4506T*.

If you are a disability retiree, before you can return to active service in a PERS or TPAF 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 Board of Trustees.
4. Be approved for return to active service by the Board of Trustees.

When you return to active service your original account and membership tier are restored — provided that you will earn at least the minimum annual salary required for enrollment in your PERS or TPAF membership tier. Deductions for pension begins and you are treated as an active employee in all respects. Upon subsequent retirement, you will receive a benefit based on total service.

Health Benefits

Fact Sheet #11, *Enrolling in Health Benefits Coverage When You Retire*, provides information about continuing your State Health Benefits Program (SHBP) or the School Employees' Health Benefits Program (SEHBP) coverage in retirement.

If you are not covered by the SHBP or the SEHBP, contact your employer about continuing your coverage.

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 and Forms

The fact sheets, forms, and other publications mentioned above are available from your employer, by contacting the Division of Pensions and Benefits, or over the Internet at:

www.state.nj.us/treasury/pensions

Member Benefits Online System

Active employees and retirees can access information about their benefits using the Member Benefits Online System (MBOS). MBOS is a set of Internet based applications that allow registered members quick and safe access to specific information about their own pension. You can log on or register for MBOS at: www.state.nj.us/treasury/pensions (select "Online Member Services - MBOS").

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.

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Pension Options

Public Employees' Retirement System • Teachers' Pension and Annuity Fund

ESTIMATING YOUR RETIREMENT ALLOWANCE

If you are within two years of retirement, you may obtain an estimate of your retirement benefits online using the **Member Benefits Online System (MBOS)**. Estimates obtained through MBOS provide the most accurate information available by using the service and salary information currently posted to your account. Before you can begin using the system, you must be registered with MBOS. Registration is free. To begin the MBOS registration process go to: www.state.nj.us/treasury/pensions/mbosregister.htm

You can also obtain a retirement estimate by completing a *Request for Retirement Estimate* form, available from your employer or the Division of Pensions and Benefits. And you may also call the Division of Pensions and Benefits' Automated Information System at (609) 777-1777 to hear an estimate of your retirement benefits over the phone. Please have your Social Security number available when you call.

If you provide us with the birth date of your beneficiary, we will estimate not only the Maximum Option but also the alternate payment options described in this fact sheet. (Telephone estimates are not available for members of the PERS Prosecutors Part, Workers' Compensation Judges, or PERS Law Enforcement Officers-LEOs.)

If you are more than two years from retirement, you may calculate your own retirement allowance using the online retirement estimate calculator on the Division of Pensions and Benefits Web site: www.state.nj.us/treasury/pensions, or using the worksheet and instructions in Fact Sheet #54, *Calculating Your Own Retirement Allowance*.

PENSION PAYMENT OPTIONS

When planning for retirement, you must be familiar with the pension payment options available to you from the retirement system. You should also consider your financial needs in retirement, your health, your beneficiary's health, the need to provide survivor benefits, life insurance benefits, and income from other sources such as Social Security benefits, investments, etc.

When you apply for retirement, you will have to choose one of nine ways to receive your retirement benefits. Please be sure you understand the different payment options available to you because, **once you have made your choice and your retirement becomes due and payable (usually when your first check is issued), you cannot change your payment option.**

Maximum Option - No Pension Benefit to a Beneficiary

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

If you die before receiving, through your retirement allowance, the amount that you paid into the retirement system while working (including interest on those contributions), the balance of your contributions will be paid to your beneficiary.

OPTIONS OTHER THAN THE MAXIMUM

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

Option A - 100% to Beneficiary - Increase to Maximum Option

Option A, also called a 100% joint and survivor benefit, provides a lifetime monthly payment to you. If your beneficiary is living at the time of your death, your beneficiary will receive 100% of your monthly retirement allowance for life. If your beneficiary dies before you, your retirement

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allowance will increase to the Maximum Option. You can name only one beneficiary for this benefit and your beneficiary can never be changed after retirement.

Option B - 75% to Beneficiary - Increase to Maximum Option

Option B, also called a 75% joint and survivor benefit, provides a lifetime monthly payment to you. If your beneficiary is living at the time of your death, your beneficiary will receive 75% of your monthly retirement allowance for life. If your beneficiary dies before you, your retirement allowance will increase to the Maximum Option. You can name only one beneficiary for this benefit and your beneficiary can never be changed after retirement.

Option C - 50% to Beneficiary - Increase to Maximum Option

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

Option D - 25% to Beneficiary - Increase to Maximum Option

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

Option 1 - Reducing Retirement Reserve to a Beneficiary

Option 1 provides a lifetime monthly payment to you. Your retirement allowance is reduced from what you could collect under the Maximum Option. It is also different from the Maximum Option in that it *may* provide a lump-sum payment to your beneficiary after your death. At the time of your retirement, the amount expected to be paid to you in retirement benefits over your lifetime is calculated. This is called your retirement reserve. If you die before you receive monthly retirement benefits equal to your retirement reserve, your beneficiary is entitled to the balance.

The balance will be paid in a lump sum or the beneficiary may request payment in equal monthly payments over 5, 10, 15, or 20 years or as a life annuity.

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

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

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

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

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

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

Option 2 - 100% to Beneficiary - Permanent Reduction

Option 2, also called a 100% joint and survivor benefit, provides a lifetime monthly payment to you. If your beneficiary is living at the time of your death, your beneficiary will receive 100% of your monthly retirement allowance for life. You can name only one beneficiary for this benefit and your beneficiary can never be changed

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after retirement. This is similar to Option A except that if your beneficiary dies before you, you will continue to receive the reduced retirement allowance you had been receiving under this option.

Option 3 - 50% to Beneficiary - Permanent Reduction

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

Option 4 - Choice of Amount to Beneficiary - Permanent Reduction

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

Age Limits on Nonspouse Beneficiaries

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

For Options 2, A, or B, if you are naming a beneficiary who is not your spouse, Internal Revenue Service regulations restrict the age of your beneficiary.

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

For Options 2 and A (100% to beneficiary):

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

For Option B (75% to beneficiary):

- If you are age 70 or older at retirement, your non-spouse beneficiary can be no more than 19 years younger than you.

Pension Benefit to Beneficiary Upon Death of Retiree

	None	Lump Sum	100% of Retirement Allowance	75% of Retirement Allowance	50% of Retirement Allowance	25% of Retirement Allowance
Maximum	X					
Option A			X			
Option B				X		
Option C					X	
Option D						X
Option 1		X				
Option 2			X			
Option 3					X	
Option 4 [†]				X	X	X

[†]Under Option 4 you can name any dollar amount less than your allowance to be paid to a beneficiary.

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

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

Proof of Age Documentation

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

Power-of-Attorney and Option Selection

A person acting on behalf of a member, other than a legal guardian, cannot choose a pension option other than the Maximum Option (and cannot name themselves as a life insurance beneficiary). However, a person with legal **Power-of-Attorney** on behalf of a retiring member can:

- Apply for retirement on behalf of a member;
- Choose any Pension Option; and
- Name themselves as the beneficiary for that Pension Option.

Note: For the Group Life Insurance, the Power-of-Attorney documentation must specifically state that the person acting as Power-of-Attorney has the right to designate or change beneficiaries for group life insurance and, additionally, must specifically grant them the right to name themselves.

WHAT HAPPENS TO RETIREE ALLOWANCE IF BENEFICIARY DIES BEFORE RETIREE?

Under Options 2, 3, and 4, if your beneficiary dies before you, your retirement allowance remains at the reduced option level. Under Options A, B, C, and D, if your bene-

ficiary dies before you, your retirement increases to the Maximum Option. Options A through D provide a smaller retirement allowance to you and your beneficiary, when compared to similar Options 2, 3, and 4, to pay for the larger retirement allowance you would collect if your beneficiary dies before you.

Retiree Allowance Upon Death of Beneficiary

	Stays at Reduced Option Allowance	Increases to Maximum Allowance
Maximum	N/A	N/A
Option A		X
Option B		X
Option C		X
Option D		X
Option 1	X	
Option 2	X	
Option 3	X	
Option 4	X	

LIFE INSURANCE AFTER RETIREMENT

Most members of the Public Employees' Retirement System (PERS) and Teachers' Pension and Annuity Fund (TPAF) are covered by group life insurance while employed. At retirement, those members will receive a reduced life insurance benefit to be paid to their beneficiary upon their death, provided that they have credit for at least 10 years of service in the pension plan.

You may want to leave a pension option benefit to your beneficiary in addition to the life insurance.

ADDITIONAL INFORMATION

If, after reading this fact sheet, you have questions about your pension options, contact the Division of Pensions and Benefits Office of Client Services at (609) 292-7524, or send e-mail to:

pensions.nj@treas.state.nj.us

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Workers' Compensation

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

The receipt of Workers' Compensation is designed to compensate employees who suffer work-related injuries or illnesses. Workers' Compensation payments may be paid in lump sums or in weekly payments over a period of time (periodic payments). Workers' Compensation benefits paid in lump sums or made for medical treatments and expenses do not affect pensions. Therefore, this publication deals only with payment of temporary and permanent disability benefits paid as a periodic benefit through Workers' Compensation.

WORKERS' COMPENSATION AWARDS "WITH PAY"

If an employer keeps an employee on regular payroll and/or the insurance company pays the employer (not the member) the equivalent of the member's full salary, then all pension deductions should be taken from that payment, including loan and (purchase) arrears deductions. It is as though the member is still active in all respects for pension purposes. Full contributions/repayments would be remitted monthly, and full service credit, salary, contributions, and other deductions would be reported quarterly on the Report of Contributions (ROC).

If a periodic Workers' Compensation award "with pay" is for only a percentage of the member's regular salary, the member still contributes the normal amount of pension deductions and is reported at the full base salary in effect prior to the leave on the ROC.

Employer Augmented Workers' Compensation Awards

Some employers augment Workers' Compensation awards that are for less than full base salaries. When an employer augments or compensates for the remaining portion of the member's full salary, the member is treated as "with pay", the member's full contributions and regular deductions are withheld

from the employer's salary payment, and the member is reported for full salary and deductions on the ROC.

For example: an insurance company pays a Workers' Compensation award of 70 percent of base salary directly to the member. The employer elects to augment the award amount by the remaining 30 percent of base salary. The employer would deduct pension contributions and repayments (loans, etc.) for 100 percent of salary from the 30 percent check.

WORKERS' COMPENSATION AWARDS "WITHOUT PAY"

If the only payment the employee is receiving is a check directly from the insurance company, this is considered by the Division of Pensions and Benefits to be Workers' Compensation "without pay."

Normally, no pension credit can be given for periods of time when an employer reports no salary or pension contributions for a member. However, if a member is receiving Workers' Compensation payments, the member's employer may be responsible for payment of the member's pension contributions even though the member is not collecting salary. If required, the contribution is based on the salary a member was receiving before the Workers' Compensation payments began. This enables the member to receive credit in the retirement system for that period of time.

The Division of Pensions and Benefits previously treated temporary and permanent disability benefits paid as periodic benefits through Workers' Compensation differently. The New Jersey Supreme Court decision, James v. Board of Trustees of the Public Employees' Retirement System, 164 NJ 396, 753 A. 2d 1061 (2000) eliminated the distinction between temporary and permanent Workers' Compensation awards for pension purposes for those receiving Workers' Compensation **without pay**. The court held that an employee who receives

periodic Workers' Compensation benefits must be retained on payroll and have pension contributions made by the employer. Employers are not responsible for arrears payments (usually purchases), pension loan payments, or back deductions. Once the periodic benefits for Workers' Compensation cease, so does the employer's liability for pension contributions.

The court in James also recognized valid terminations from employment as a means of terminating the employer's requirement to pay pension contributions. Therefore, the employer's obligation to make pension contributions for members receiving Workers' Compensation ceases when:

1. The employee voluntarily files for a retirement allowance that is subsequently approved;
2. The employer files an involuntary disability retirement application for the employee that is subsequently approved;
3. The employee voluntarily resigns from employment for reasons other than the inability to perform the job's functions due to the incident that was the basis for the Workers' Compensation claim; or
4. The employee is terminated by the employer for reasons unrelated to a Workers' Compensation award.

When the Division receives notification of a Workers' Compensation award, and the employer has not been making or forwarding employee contributions, the Division will bill the employer for those contributions. If an employer has been making payments of employee pension contributions and ceases to do so due to the reasons listed in items 3 or 4 (above), the employer must notify the Division in writing of the reasons for the cessation of payments.

GROUP LIFE INSURANCE AND WORKERS' COMPENSATION

Most PERS and TPAF members are covered under both **noncontributory** and **contributory** group life insurance while employed.

Noncontributory group life insurance will remain in effect while the employer is making pension

contributions for the member. This includes periods while the PERS or TPAF member is receiving Workers' Compensation.

Public Employees' Retirement System (PERS)

While a member of the PERS is receiving Workers' Compensation, the employer is not required to pay **contributory** group life insurance premiums. In order for a member to continue the contributory portion of group life insurance, the member must remit premiums in advance. Premiums may either be remitted directly to the Division of Pensions and Benefits (see Remittance of Premiums below), or the employer may permit the member to pay the premium through the employer.

Teachers' Pension and Annuity Fund (TPAF)

N.J.S.A. 18A:66-53j provides that a member of the TPAF who is receiving Workers' Compensation is not required to make contributions for continuation of the **contributory** group life insurance benefit.

Leave of Absence Without Pay

For any period of time that a PERS or TPAF member is **without pay prior to the receipt of a Workers' Compensation award**, the employer should place the member on an **official leave of absence**. An official leave of absence requires documentation to establish the nature of the leave and the continuing relationship between the employer and the member.

During an official leave of absence without pay, group life insurance continues in full force under the following conditions:

- While on an official leave of absence for **personal illness, noncontributory** and **contributory** group life insurance continues for up to two years. In this case, contributions from the member are not necessary to continue contributory group life insurance.
- While on an official leave of absence for **personal reasons** (also family leave), **noncontributory** and **contributory** group life insurance continues for up to 93 days. In this case, contributions from the member are are necessary to continue contributory group life insurance. After the 93-day period, the member has the option to convert group life insurance

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to a private policy (see Fact Sheet #13, *Conversion of Group Life Insurance*), or else group life insurance coverage will end.

Remittance of Premiums

Direct remittance of contributory group life insurance premiums requires the use of a *Contributory Group Life Insurance Remittance* card. This card is available from your employer, by contacting the Division of Pensions and Benefits, or it may be printed by visiting our Web site at: www.state.nj.us/treasury/pensions

Remittance should be done immediately upon leaving the employer's payroll. If a member does not make these optional premium payments, contributory group life insurance is suspended until the member returns to the employer's regular payroll.

If you have any questions on the continuation of contributory group life insurance, please contact your employer or the Division of Pensions and Benefits, Office of Client Services at (609) 292-7524.

HEALTH BENEFITS AND WORKERS' COMPENSATION

When an employee has a Workers' Compensation award pending, or is receiving an award of periodic benefits under Workers' Compensation or the Second Injury Fund, the employee is considered active in all respects for State Health Benefits Program or School Employees' Health Benefits Program coverage. Health benefits coverage will continue in force for the employee and all eligible dependents covered under the employee's health benefits coverage level selection. If the employee shares in the cost of health benefit premiums, the employee receiving Workers' Compensation "without pay" must pay the employer in advance for his or her share of the premiums. If the Workers' Compensation award is "with pay", the premium share may continue to be deducted from the employee's paycheck. When an employee ceases being an employee, for any of the four valid termination reasons stated in the section on Workers' Compensation "Without Pay", the health benefits coverage as an employee shall end. The member may then be eligible for coverage

continuation under federal COBRA laws or possibly as a retiree.

RETIREMENT AND WORKERS' COMPENSATION

Ordinary and Accidental Disability retirement allowances are subject to reductions.

If you are approved for Ordinary Disability retirement benefits and receive a Workers' Compensation award, your Workers' Compensation award may be reduced by the amount of your Ordinary Disability retirement benefit. If you have any questions concerning this issue, please contact your attorney or union representative.

In the case of Accidental Disability retirement, the retirement benefit is reduced on a dollar-for-dollar basis. The following are examples of when a Workers' Compensation award would reduce a retiree's disability retirement allowance:

- If the retiree receives a periodic payment award, the weekly dollar amount of the award is converted to a monthly dollar amount, which reduces the pension portion of an Accidental Disability retirement allowance dollar-for-dollar for as long as the retiree receives the award. The reduction is applied only to Workers' Compensation benefits payable from the retiree's retirement date or later, and does not include such payments before the retirement date. Any assessments, such as attorney fees or court costs charged to the retiree are not subject to the reduction.
- If a retiree receives a Second Injury Fund award, this amount will also be subject to the same dollar-for-dollar offset.

A retiree's disability retirement allowance is not reduced by monies received under the award for medical coverage or by a "Section 20" lump-sum award (not the same as a lump-sum payment).

A retiree's Cost-of-Living Allowance (COLA) is also not affected by reductions in the pension portion of the retiree's retirement benefit. The COLA continues to be based upon the retiree's full pension benefit amount regardless of the Workers' Compensation offset.

NOTIFYING THE DIVISION

Either the member or the member's employer must notify the Division of Pensions and Benefits that a Workers' Compensation claim is pending. Once a judge has reviewed the claim and a Workers' Compensation award has been granted, a copy of the award must be sent to the Division of Pensions and Benefits.

Questions regarding the impact of Workers' Compensation on pension benefits may be directed to the Division of Pensions and Benefits at (609) 292-7524.

General questions regarding Workers' Compensation should be addressed to the Human Resources office of the member's employer.

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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 reason 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 Division of Pensions and Benefits Web site 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, you pay premiums at 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) at 1-800-524-0542, through any of Prudential's local offices, or if you live in New Jersey at 1-800-262-1112. You will need your group insurance policy number, as follows:

- G-14800 - This is the policy number for the basic (noncontributory) group life insurance for the following retirement systems: ABP¹, PERS², TPAF³, JRS⁴, PFRS⁵, SPRS⁶, DCRP⁷
- 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 (however, you cannot file to convert your life insurance any earlier than six months prior to your retirement date).*

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

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

⁷DCRP — Defined Contribution Retirement Program

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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 is best to begin exploring your options four to six 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*

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 retirement system and begin to receive retirement benefits (age 60 for Tier 1 and Tier 2 or age 62 for Tier 3 of the PERS or TPAF; age 60 for JRS; age 55 for PFRS or SPRS).

You have a 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 you may purchase will be the difference between the amount of coverage you had while employed and the amount of coverage you will automatically receive when you begin to receive retirement benefits.

Disability Retirement*

If you are approved for a disability retirement you will be automatically 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 you had while employed.

**Does not apply to the ABP or the DCRP.*

You will have the option to purchase a conversion policy up until the day you reach normal retirement age for your retirement system. The maximum amount of coverage you may purchase will be the difference between the amount of noncontributory coverage you had while employed and the amount of coverage 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 when you terminate 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 purchasing a conversion policy, you must discontinue your individual conversion policy. Otherwise, you are required to submit satisfactory proof of insurability before you can be covered again in full under a group life insurance policy.

The Division of Pensions and Benefits cannot provide premium rates for converted life insurance policies. Please contact a Prudential agent for this information.

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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 beneficiary). **Table A** is used because benefits are payable to the retiree **only**. The \$12,000 is divided by 260 which produces a monthly tax-free amount of \$46.15. The balance of the monthly pension is subject to federal income tax.

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

HOW LONG WILL THE NON-TAXABLE PORTION CONTINUE?

For those who retired after December 31, 1986 the monthly 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

Retirees can now quickly and easily change their tax withholdings online using the Member Benefits Online System (MBOS). Find out more about MBOS at: www.state.nj.us/treasury/pensions

To change your withholding you must submit a new *Form W-4P* or *NJ W-4P* to the Division of Pensions and Benefits. Forms can also be found on the Internet at: www.state.nj.us/treasury/pensions. If you do not have Internet access, you can contact the Division of Pensions and Benefits at (609) 292-7524 to obtain 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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**PUBLIC EMPLOYEES' RETIREMENT SYSTEM AND TEACHERS' PENSION AND ANNUITY FUND
NEW JERSEY DIVISION OF PENSIONS AND BENEFITS**

APPLICATION FOR DISABILITY RETIREMENT

**PLEASE READ THESE INSTRUCTIONS AND FACT SHEET #15 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. Six to eight 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, Disability Review Unit, PO Box 297, Trenton, NJ 08625-0297.

INSTRUCTIONS

Please print — black ink preferred — or type.

PART ONE:

ITEM 1: PENSION FUND - Indicate the pension fund of which you are a member, the Public Employees' Retirement System (PERS), or the Teachers' Pension and Annuity Fund (TPAF).

ITEM 2: MEMBERSHIP NUMBER - Enter your pension fund membership number shown on your annual statement. If you are not sure of your number, contact your personnel or payroll office.

ITEM 3: SOCIAL SECURITY NUMBER - Enter your Social Security number.

ITEM 4: DATE OF BIRTH - Insert 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. *(Do not delay filing the application if this document is not readily available).*

ITEM 5: NAME - Enter your full name.

ITEM 6: 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 7 AND 8: TELEPHONE NUMBERS - Enter your home and work telephone numbers. Include your area code.

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

PART TWO:

ITEM 10: RETIREMENT DATE - Enter the date you wish to retire. All retirements are effective on the first of a month. The earliest retirement date available to you is the first of the month following the Division's receipt of your application. Your application must be received in this office prior to your retirement date. Your first retirement check will be dated no earlier than the first of the month after your retirement date or 30 days after approval by the PERS or TPAF Board of Trustees, whichever is later.

ITEM 11: TYPE OF DISABILITY RETIREMENT - Indicate the type of retirement for which you are applying. See Fact Sheet #15, *Disability Retirement Benefits* (included in this booklet), for an explanation of each type. If you are requesting an Accidental Disability retirement, enter the date(s) of the accident(s) which caused the disability.

ITEM 12: WORKERS' COMPENSATION - Indicate if a Workers' Compensation claim has been filed, and if so please provide a copy of the award. Please see Fact Sheet #45, *Workers' Compensation*, for additional information.

ITEM 13: SALARY INFORMATION - **If applying for an Ordinary Disability Retirement**, your retirement allowance is based on the last three years of salary or the three fiscal years (July - June) during which your earnings were the highest. If your last three years were your highest years of salary, check "Yes." If you earned more during previous years than you did during your last three years, check "No" and indicate the dates of the three highest fiscal years.

ITEM 14: PURCHASE INFORMATION - If you have applied to purchase service credit within six months of your filing this retirement application, check "yes." Purchases of Out-of-State, Military, or U.S. Government service cannot be used to qualify for a disability retirement.

ITEM 15: APPLICANT'S SUPPORTING STATEMENT - Enter the title or position you currently hold; then state in layman's terms why you are no longer able to perform your job. Be as specific as possible. If you need more space write "see attached" and label the additional page(s), "Disability Description." These additional pages must be signed and dated. Supporting medical information must be submitted prior to your application being approved.

ITEM 16: DESCRIPTION OF ACCIDENT - **Complete this item only if you are filing for an Accidental Disability.** Briefly describe what happened in the accident(s) that caused your disability. List any witnesses to the accident(s) and attach a copy of any accident reports that were filed.

ITEM 17 AND 18: SPOUSE, CIVIL UNION PARTNER OR DOMESTIC PARTNER'S NAME AND ADDRESS - If you are currently married or have entered into a civil union or domestic partnership,* provide your spouse's or partner's name. Provide your spouse or partner's address if it is different from your address entered in item 6.

PART THREE:

CHOOSE A RETIREMENT PAYMENT OPTION - See Fact Sheet #5, *Pension Options* (included in this booklet), for an explanation of the available payment options. **Mark only one box.**

MAXIMUM OPTION AND OPTION 1 - If you select the Maximum Option or Option 1, name a beneficiary (or beneficiaries) in the space provided. Please include the beneficiary's full name, relationship to you (if not related, write "friend"), date of birth, Social Security number (optional), and mailing address.

Even if you choose the Maximum Option, it is to your benefit to name a beneficiary. The beneficiary named in this section will receive any undistributed pension contributions and any issued, but uncashed pension checks remaining at your death. The beneficiary will also receive any Option 1 benefits that may be payable if you selected that option.

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

If you choose the Maximum Option, you must sign the application in the space indicated to acknowledge your understanding that **no monthly benefit is payable to a spouse, partner or other beneficiary upon your death.** The law also requires that the Division notify your spouse or partner* if you choose the Maximum Option. If you are currently married or have entered into a civil union or domestic partnership, please enter your spouse or partner's name and mailing address (if different than yours) in items 17 and 18.

PART FOUR:

ADDITIONAL OPTIONS THAT PROVIDE A MONTHLY PAYMENT TO A SURVIVING BENEFICIARY - **To provide a monthly benefit to a spouse or other beneficiary**, you may choose one of the following options: A, B, C, D, 2, 3, or 4. Selecting an option other than the Maximum Option will reduce your retirement allowance to provide a benefit to a beneficiary upon your death. The higher your beneficiary's allowance, the more your allowance will be reduced. Your option selection is irrevocable (cannot be changed under any circumstances) once your retirement becomes "due and payable" (see *Your First Retirement Check* on page 2).

* "Spouse" means a person of the opposite sex to whom you are legally married. A photocopy of the *Marriage Certificate* is required for verification. "Civil Union Partner" is a person of the same sex with whom you have entered into a Civil Union. A photocopy of the *New Jersey Civil Union Certificate* or a valid certification from another jurisdiction that recognizes same-sex civil unions is required for verification. "Domestic Partner" is a same-sex domestic partner, as defined under Chapter 246, P.L. 2003, the Domestic Partnership Act, of any state employee, State retiree, or an eligible employee or retiree of a local public entity if the local governing body adopts a resolution to provide Chapter 246 benefits. A copy of the *New Jersey Certification of Domestic Partnership* dated prior to February 19, 2007 or a valid certification from another jurisdiction that recognizes same-sex domestic partners is required for verification.

Name your beneficiary in the space provided.

- If you select Option A, B, C, D, 2, or 3, you may name only one person as a beneficiary.
- If you select Option 4, you may name multiple beneficiaries to share the benefit. A separate beneficiary designation area is provided if you choose this option (to name 3 or more beneficiaries, list the beneficiary information on an additional sheet, sign it, and attach it to your application).

Please include the beneficiary's full name, relationship to you (if not related, write "friend"), date of birth, Social Security number (optional), and mailing address.

For Options A, B, C, D, 2, 3, or 4, please also attach a photocopy of the beneficiary's birth certificate.

The designation of beneficiary becomes effective when your *Application for Disability Retirement* is received by the Division of Pensions and Benefits.

If you do not understand your payment options, call the Division of Pensions and Benefits for assistance at (609) 292-7524.

MEMBER'S SIGNATURE AND DATE - Sign and date the option selection page where appropriate. Your application cannot be processed without your signature.

PART FIVE:

DESIGNATION OF GROUP LIFE INSURANCE BENEFICIARY - Most members of the retirement systems are covered by group life insurance. See Fact Sheet #15, *Disability Retirement*, for more information about group life insurance coverage while on a disability retirement.

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

You may also name multiple beneficiaries for this benefit. You may change your group life

insurance beneficiary at any time. For additional details about special designations see Fact Sheet #68, *Designating a Beneficiary*, which is available from the Division of Pensions and Benefits or on our Web site.

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

Primary Beneficiary(ies) - List the full name, relationship to you (if not related, write "friend"), birth date, Social Security number (optional), and address 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, relationship to you (if not related, write "friend"), birth date, Social Security number (optional), and address 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.

The designation of beneficiary becomes effective when your *Application for Disability Retirement* is received by the Division of Pensions and Benefits.

The amount by which your group life insurance is reduced at retirement **may be converted** at retirement to a non-group policy. Conversion must be done **within 31 days** of the termination of employment. If you need further information about conversion, see Fact Sheet #13,

Conversion of Group Life Insurance (included in this booklet).

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

MEDICAL EXAMINATION FORM INSTRUCTIONS

The Division of Pensions and Benefits needs two pieces of medical evidence to determine your eligibility for disability retirement. We require the *Medical Examination by Treating Physician* forms from at least two doctors who treated you for your disability or from one doctor if a separate record of treatment for the disability will be sent by a hospital. Complete Part One of the *Medical Examination by Treating Physician* form and give it to your doctor(s) to complete the rest. It is your responsibility to ensure your doctors complete and forward the forms to the Division of Pensions and Benefits.

AUTHORIZATION TO DISCLOSE HEALTH INFORMATION FORM INSTRUCTIONS

This form is required if your disability included any hospitalization, Workers' Compensation awards, employee's personnel records, or employer's doctor's evaluations.

EMPLOYER CERTIFICATION

It is important that you notify your employer of your retirement plans since your employer must complete the *Employer Certification for Disability Retirement*. The Division will request the certification from your employer. Your retirement cannot be processed until the Division of Pensions and Benefits receives this certification.

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. (Past and current payment information can also be seen on the Member Benefits Online System MBOS)

CHANGING OF DISABILITY RETIREMENT

The *Change of Disability* form is included in the event that you need to make a change to your application for disability retirement. Changes to disability retirement is subject to restrictions. See the form and the information provided in this packet for additional information. If you are making changes to your disability retirement the *Employer Certification* on the back of the *Change of Disability Retirement* form must be completed.

15. APPLICANT'S SUPPORTING STATEMENT

I declare that I am **incapacitated** for further service as a _____
Title of Position

due to the following reasons: _____

16. DATE AND DESCRIPTION OF ACCIDENT

16(a) (Accidental Disability Only) Date of the injury. _____

16(b) (Accidental Disability Only) Describe in detail the events leading up to your injury. _____

16(c) (Accidental Disability Only) List all known witnesses to your injury. With respect to each witness, describe his/her location/proximity to you at the time of your injury.

16(d) (Accidental Disability Only) Describe in detail all the factors contributing to your injury.

16(e) (Accidental Disability Only) Attach to your application all available reports/documents, relating to your injury, including but not limited to accident reports, witness statements, and medical reports.

MEMBER'S NAME _____ MEMBERSHIP NUMBER _____

17. SPOUSE, CIVIL UNION, OR DOMESTIC PARTNER'S NAME _____
(If naming a partner, submit a photocopy of your *Civil Union Certificate* or *Certificate of Domestic Partnership* along with this application)

18. SPOUSE, CIVIL UNION, OR DOMESTIC PARTNER'S ADDRESS (If different from yours) _____

PART THREE: FOR THE MAXIMUM OPTION OR OPTION 1 ONLY *(Additional payment options are listed on the following page)*

Indicate whether your choice for a method of payment is the Maximum Option or Option 1. Maximum Option and Option 1 beneficiaries share the benefit equally. Refer to Fact Sheet #5, *Pension Options* (in this booklet) for an explanation of each option. You will receive a monthly retirement allowance for your lifetime, regardless of which option you choose. You cannot change your payment option once your retirement becomes "due and payable" (see *Your First Retirement Check* on page 2)

MARK ONLY ONE BOX.

MAXIMUM OPTION — NO PENSION BENEFIT TO BENEFICIARY — Largest allowance paid to you with no pension benefit paid to a beneficiary upon your death. _____
(You must sign here)

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

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

PRIMARY 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.

SIGN THIS PAGE IF SELECTING THE MAXIMUM OPTION OR OPTION 1 AND THEN CONTINUE TO PART FIVE OTHERWISE, CONTINUE TO PART FOUR ON THE NEXT PAGE FOR ADDITIONAL PAYMENT OPTIONS

PART FOUR : OPTIONS THAT PROVIDE A MONTHLY PAYMENT TO A SURVIVING BENEFICIARY

If you did not select the Maximum Option or Option 1 indicate your choice, on this page for method of payment. Refer to Fact Sheet #5, *Pension Options* (in this booklet) for an explanation of each option. You will receive a monthly retirement allowance for your lifetime, regardless of which option you choose. **Choosing an option other than the Maximum will reduce your retirement allowance to provide a monthly benefit to a beneficiary upon your death.** The higher your beneficiary's allowance, the more your allowance will be reduced. You cannot change your payment option once your retirement becomes "due and payable" (see *Your First Retirement Check* on page 2).

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

MARK ONLY ONE BOX — if you selected the Maximum Option or Option 1 on the previous page, you cannot select one of the options listed below.

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

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

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

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

BENEFICIARY NAME	RELATIONSHIP	BIRTH DATE	SOCIAL SECURITY NUMBER <i>(Optional)</i>
ADDRESS _____			

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

OPTION 4 BENEFICIARIES (Attach an additional sheet for 3 or more beneficiaries. Additional sheets must be signed and dated.)

BENEFICIARY NAME	RELATIONSHIP	BIRTH DATE	SOCIAL SECURITY NUMBER <i>(Optional)</i>
1. _____			
ADDRESS _____			

ENTER AMOUNT \$ _____ (can be no more than the Option 2 allowance).

2. _____			
ADDRESS _____			
ENTER AMOUNT \$ _____ (can be no more than the Option 2 allowance).			

MEMBER'S SIGNATURE

DATE

_____, 20____

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

SIGN THIS PAGE AND CONTINUE TO PART FIVE ON THE NEXT PAGE

MEMBER'S NAME _____

MEMBERSHIP NUMBER _____ SOCIAL SECURITY NUMBER _____

PART FIVE: DESIGNATION OF GROUP LIFE INSURANCE BENEFICIARY(IES)

Members with 10 or more years of membership credit or who retire on a disability retirement are covered by group life insurance at retirement. This section is used to name a beneficiary(ies) for your group life insurance, if any. Please be sure to name both a Primary and Contingent beneficiary. **Complete this section even if the beneficiary you name is the same as in Part Three.** This designation becomes effective when received by the Division of Pensions and Benefits.

PRIMARY INSURANCE BENEFICIARY(IES)

	BENEFICIARY NAME(S)	RELATIONSHIP	BIRTH DATE	SOCIAL SECURITY NUMBER (Optional)
1.	_____	_____	_____	_____
	ADDRESS _____			
2.	_____	_____	_____	_____
	ADDRESS _____			
3.	_____	_____	_____	_____
	ADDRESS _____			
4.	_____	_____	_____	_____
	ADDRESS _____			

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

	BENEFICIARY NAME(S)	RELATIONSHIP	BIRTH DATE	SOCIAL SECURITY NUMBER (Optional)
1.	_____	_____	_____	_____
	ADDRESS _____			
2.	_____	_____	_____	_____
	ADDRESS _____			
3.	_____	_____	_____	_____
	ADDRESS _____			
4.	_____	_____	_____	_____
	ADDRESS _____			

MEMBER'S SIGNATURE _____

DATE _____

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

**Return this application to:
Division of Pensions and Benefits
PO Box 297
Trenton, NJ 08625-0297**

State of New Jersey — Department of the Treasury
Division of Pensions and Benefits • PO Box 297 • Trenton, NJ 08625-0297 • (609) 292-7524

MEDICAL EXAMINATION BY PERSONAL OR TREATING PHYSICIAN

This form must be filed in support of an *Application for Disability Retirement* and is restricted to the confidential use of the retirement system.

PART ONE — APPLICANT (COMPLETE PART ONE BEFORE PRESENTING THIS FORM TO THE PHYSICIAN.)

Name: _____ Date of Birth: _____
Last, First, Middle Initial Month, Day, Year

Social Security Number: _____ Member Number: _____

Job Title: _____

PART TWO — PHYSICIAN (PLEASE TYPE OR PRINT CLEARLY.)

Please complete this form in its entirety. You may include copies of office notes to provide additional documentation but **each question must be answered on this form**. An incomplete form will be returned to the member and will delay processing of the application.

1. Treating member since _____ to _____
Month, Day, Year Month, Day, Year

2. Date of last physical examination _____ (Please attach a copy of the examination results.)
Month, Day, Year

3. How long have you been treating the member for the accident, injury, or condition that directly relates to their disability? From _____ to _____
Month, Day, Year Month, Day, Year

4. Physical Findings:

5. Related laboratory, cardiographic, x-ray or other diagnostic data: (Please attach copies of narrative reports. No films please.)

6. Diagnosis:

7. Have you treated the member for this condition before the member was considered disabled?

NO YES (If YES, please indicate treatment and results of that treatment.)

8. Is the applicant now totally and permanently disabled and no longer able to perform his or her job duties and/or any other job?

NO YES (If YES, please explain in what way the applicant's symptoms or physical findings prevent him or her from working.)

9. a) Is the applicant's disability likely to be stable or progressive? STABLE PROGRESSIVE

b) If progressive, is death imminent? NO YES

c) Is there a possibility that the applicant might improve to a degree to perform the applicant's job duties? NO YES

10. Is the applicant permanently and totally disabled as a direct result of an accident that occurred during the performance of the applicant's regular assigned duties?

NO YES (If YES, please explain the casual relationship)

(PLEASE TYPE OR PRINT CLEARLY.)

Physician's Name: _____ Degree: _____

Address: _____

_____ Phone: (____) _____

Specialty: _____ NJ License Number: _____

Signature of Physician _____ Date _____

State of New Jersey — Department of the Treasury
Division of Pensions and Benefits • PO Box 297 • Trenton, NJ 08625-0297 • (609) 292-7524

MEDICAL EXAMINATION BY PERSONAL OR TREATING PHYSICIAN

This form must be filed in support of an *Application for Disability Retirement* and is restricted to the confidential use of the retirement system.

PART ONE — APPLICANT (COMPLETE PART ONE BEFORE PRESENTING THIS FORM TO THE PHYSICIAN.)

Name: _____ Date of Birth: _____
Last, First, Middle Initial Month, Day, Year

Social Security Number: _____ Member Number: _____

Job Title: _____

PART TWO — PHYSICIAN (PLEASE TYPE OR PRINT CLEARLY.)

Please complete this form in its entirety. You may include copies of office notes to provide additional documentation but **each question must be answered on this form.** An incomplete form will be returned to the member and will delay processing of the application.

1. Treating member since _____ to _____
Month, Day, Year Month, Day, Year

2. Date of last physical examination _____ (Please attach a copy of the examination results.)
Month, Day, Year

3. How long have you been treating the member for the accident, injury, or condition that directly relates to their disability? From _____ to _____
Month, Day, Year Month, Day, Year

4. Physical Findings:

5. Related laboratory, cardiographic, x-ray or other diagnostic data: (Please attach copies of narrative reports. No films please.)

6. Diagnosis:

7. Have you treated the member for this condition before the member was considered disabled?

NO YES (If YES, please indicate treatment and results of that treatment.)

8. Is the applicant now totally and permanently disabled and no longer able to perform his or her job duties and/or any other job?

NO YES (If YES, please explain in what way the applicant's symptoms or physical findings prevent him or her from working.)

9. a) Is the applicant's disability likely to be stable or progressive? STABLE PROGRESSIVE

b) If progressive, is death imminent? NO YES

c) Is there a possibility that the applicant might improve to a degree to perform the applicant's job duties? NO YES

10. Is the applicant permanently and totally disabled as a direct result of an accident that occurred during the performance of the applicant's regular assigned duties?

NO YES (If YES, please explain the casual relationship)

(PLEASE TYPE OR PRINT CLEARLY.)

Physician's Name: _____ Degree: _____

Address: _____

_____ Phone: (____) _____

Specialty: _____ NJ License Number: _____

Signature of Physician

Date

State of New Jersey — Department of the Treasury
Division of Pensions and Benefits • PO Box 297 • Trenton, New Jersey 08625-0297 • (609) 292-7524

EMPLOYER CERTIFICATION FOR DISABILITY RETIREMENT

1. Retirement System (Check appropriate fund) [] PERS [] TPAF [] PFRS [] SPRS [] JRS

2. NAME OF EMPLOYEE, NAME OF EMPLOYER, TITLE / POSITION, EMPLOYER'S ADDRESS, SOCIAL SECURITY NUMBER, EMPLOYER'S ADDRESS (Continued), MEMBERSHIP NUMBER, EMPLOYER'S PHONE NUMBER

3. 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.)

4. EMPLOYEE STATUS [] Full-Time [] Part-Time
Is there an alternate job/position available to the member? [] NO [] YES

5. AUTHORIZED LEAVE OF ABSENCE
[] Paid Sick Leave - Dates from to
[] Paid Personal Leave - Dates from to
[] Unpaid Sick Leave - Dates from to
[] Unpaid Personal Leave - Dates from to
[] Temporary Disability Insurance - Dates from to

6. UNAUTHORIZED LEAVE OF ABSENCE — Dates from to

7. a) Is the member currently on suspension? [] NO [] YES If yes, give date of suspension
Is suspension [] PAID or [] UNPAID
b) Is the applicant facing disciplinary action? [] NO [] YES If yes, attach copies of the preliminary and final notices of disciplinary action or their equivalents, or any settlement agreement in lieu of disciplinary action.
c) Is the applicant facing indictment? [] NO [] YES If yes, attach a copy of the indictment.

8. Was applicant dismissed? [] NO [] YES If yes, give reason and date

TYPE OF DISABILITY RETIREMENT (Select One) — [] ORDINARY [] ACCIDENTAL (Give dates of accident(s) below)
1) 2) 3) 4)

Is this an Involuntary Disability Retirement? [] NO [] YES
If yes, please provide a written statement of grounds for requesting an involuntary retirement.

9. Is there any other job/position available to member? [] NO [] YES If yes, attach a description of the available job/position

10. IF THE EMPLOYEE IS FILING FOR AN ACCIDENTAL DISABILITY RETIREMENT, PLEASE COMPLETE THE SECTION BELOW

a) Did this accident occur during the performance of the employee's duties? [] NO [] YES
b) Is a record of this accident on file? [] NO [] YES If yes, attach copy of accident report, including any witness statements.
c) Was this accident a result of the employee's negligence? [] NO [] YES
d) Has the employee filed a claim for Workers' Compensation? [] NO [] YES
If yes, dates of periodic payments from to

NAME OF WORKERS' COMPENSATION CARRIER
ADDRESS CLAIM NUMBER

EMPLOYER CERTIFICATION FOR DISABILITY RETIREMENT

11. Base salary subject to pension fund contributions paid for the last full year of service ending on the date of termination (line 3 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 \$ _____

12. Has member received a significant annual salary increase in the last 3 years of employment? NO YES *If yes, please provide a detailed explanation with documentation such as salary guides and employment contracts and ruling body minutes.*

13. Has there been any retroactive salary paid to the employee within the past three years? NO YES *If yes, please describe below:*

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

14. 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 13.

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		
	\$	\$	\$		\$	\$	\$
	\$	\$	\$		\$	\$	\$

✓ CHECKLIST — The following items must accompany this form:

- _____ 1. **Current Job Description (If question #9 is answered YES, include description of any other available jobs.)**
- _____ 2. **Copies of indictments, convictions, and/or preliminary and final notices of disciplinary action. (If Question #7 is answered yes.)**
- _____ 3. **Copies of accident reports, incident reports, witness statements, medical records relating to the incident, and other related documents.**
- _____ 4. **Copies of Workers' Compensation awards.**

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 _____

NOTE: If a member of the retirement system qualifies for periodic benefits payable under the Workers' Compensation law during the course of active employment, regular pension contributions must be paid to the system by the employer. The payments are computed on the base salary paid immediately prior to the receipt of Workers' Compensation benefits. These payments are credited to the member's account in the system and will be treated as employee contributions for all benefit or claim purposes.

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 the financial institution's account number, routing number, and name and address where indicated. Be sure to double-check your account and 9-digit routing numbers before submitting this form — inaccurate information will delay processing of this application or your payment.
- D: You and all other parties to this account must sign the form.
- E: Attach a VOIDED check or deposit slip and **return the completed form with your *Application for Disability Retirement*.**

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 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.

BD-0019-0209

State of New Jersey
Department of the Treasury
Division of Pensions and Benefits
PO Box 297, Trenton, NJ 08625-0297

CHANGE OF DISABILITY RETIREMENT

Changes to your Retirement Application can only be made 30 days after the retirement date or 30 days after the Board approval date, whichever is the later.

Check one: Public Employees' Retirement System Teachers' Pension and Annuity Fund

Membership Number _____ Social Security Number _____

Name _____

Address _____

Check here if this is a new address.

I previously filed an *Application for Disability Retirement* 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 Disability Retirement*. **Your employer must complete the salary certification on the back of this form.**)

Once your Disability Retirement is approved by the Board of Trustees, you may only change your retirement option, you cannot cancel your retirement date, and your application cannot be withdrawn.

Change Option Selection — I wish to change my option selection from:
_____ to _____. I understand that the beneficiaries on file with the Division of Pensions and Benefits will remain in force unless I submit a *Designation of Beneficiary* form along with this application. I understand that once my retirement is due and payable, no further change in option will be permitted. My signature indicates that I understand that if I choose the Maximum Allowance, there are no pension benefits payable to my spouse or other beneficiary.

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 DISABILITY RETIREMENT EMPLOYER CERTIFICATION

1. _____

NAME OF EMPLOYEE	NAME OF EMPLOYER
SOCIAL SECURITY NUMBER	EMPLOYER'S PHONE NUMBER
MEMBERSHIP 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 Disability 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 Disability Retirement*, you cannot use this form. Instead, you **must** complete a *Certification for Disability Retirement* in its 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 _____

BD-0019-0209