

## Retirement Checklist ABP

### **A pre-retirement checklist for employees in the Alternate Benefits Plan**

This checklist applies to employees enrolled with the following providers that are authorized to offer annuity investments:

AIG VALIC (973) 285-8200 or 1-800-448-2542;

AXA Financial (Equitable), 1-866-786-0856;

The Hartford, 1-800-243-7782, ext. 54400;

ING Life Insurance and Annuity Co., 1-877-0321;

MetLife (formally Travelers/CitiStreet), 1-800-545-0108 or (732) 602-0500;

Teachers Insurance and Annuity Association/College Retirement Equities Fund (TIAA/CREFF), 1-800-842-8412.

#### **Determine your retirement date.**

Request the following information and/or material before your retirement dates:

What you will need	When you will need it
A retirement illustration from your carrier	12 months before retirement
Social Security earnings record	6 months before retirement
Retirement forms package	3 months before retirement

Ask your carrier about such things as asset allocation, Rollover IRAs, retirement income options, Long Term Care, etc (see Member Handbook)

Confirm your beneficiary designation (s). Be prepared to submit proof of your birth date. If you claim 25 years of credited service, confirm it with SHBP.

\*Employees who were hired effective September 1, 1972, receive service credit for July and August 1972, and therefore have twenty-five years of service credit as of June 30, 1997. If you run into problems regarding service claims for July and August of 1972, please call the Council office at (908) 964-8476.

Call your Human Resources Department to discuss retirement related issues, e.g., Health Benefits, Medicare, COBRA, Life Insurance. \*Obtain forms.

You may view and print your annual Social Security Earnings Statement online at [www.socialsecurity.gov/myaccount](http://www.socialsecurity.gov/myaccount). When you're ready to file for Social Security, or sign up for traditional Medicare, Parts A and B, apply online at [www.socialsecurity.gov](http://www.socialsecurity.gov)

## Retirement Checklist ABP

ENROLLMENT IN THE STATE HEALTH BENEFITS PROGRAM AS A RETIREE IS NOT AUTOMATIC. – YOU NEED TO CHECK WITH YOUR HR DEPARTMENT PRIOR TO RETIREMENT TO OBTAIN THE CORRECT APPLICATION; ENROLLMENT IN MEDICARE IS A MUST AT AGE 65.

<http://www.state.nj.us/treasury/pensions/shbp1.shtml#hbshare>

Calculate your budget. Your carrier has materials to enable you to prepare a cash flow analysis.

Find out about taxation of your income in retirement. Request Fact Sheet #12 from the Division of Pensions and more from the Division of Taxation or visit their websites (below). If you are moving out of state, review that state's tax laws with regard to pension income exclusion. If you wish federal withholding, you need to file a W-4P form.

\*You can obtain fact sheets directly from the Division of Pensions on these subjects. Ask for fact sheets #11, 12, 22, 26, 30, and 36. All these and more fact sheets are available online by going directly to this link: <http://www.state.nj.us/treasury/pensions/pubslst1.htm#fact>

Important telephone numbers and websites

Division of Pensions and Benefits: (609) 292-7524 to speak to counselors and order fact sheets

Visit: [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions) for a detailed discussion of your pension, health benefits and fact sheets.

The Social Security and Medicare number: (800) 722-1213. For the deaf and hard of hearing call: 1-800-325-0778 The website is: [www.ssa.gov](http://www.ssa.gov)

The New Jersey Division of Taxation number is: (609) 292-6400 or (800) 323-4400 in New Jersey. The web site is: [www.state.nj.us/treasury/taxation](http://www.state.nj.us/treasury/taxation).

\*Article XXII F.3 For employees who intend to retire in June, the last [salary] payment will be made to the employee's retirement program prior to June 30, if one month's notice is provided to the College/University.

**LETTER OF AGREEMENT IV**  
**HEALTH BENEFITS IN RETIREMENT**

**A.** The State agrees to assume upon retirement the full cost of the Health Benefits coverage for State employees and their dependents including the cost of charges under Part B of the Federal Medicare Program for eligible employees and their spouses, but not including survivors, for employees who accrue 25 years of pension credit service, as provided under the State plan, by July 1, 1997, and those employees who retire for disability on the basis of fewer years of pension credit in the State plan by July 1, 1997.

**B.** Those employees who accrue 25 years of pension credit service or retire on a disability retirement during the period from July 1, 1997 through June 30, 2000 are eligible to receive the following when they retire:

1. Employees in this group who elect to enroll in the Managed Care/Point of Service (NJ PLUS), which shall be succeeded by the PPO described in Article XIX (of the parties July 1, 2007 to June 30, 2011 collective negotiations agreement) or any of the approved HMO Plans shall not have to contribute to the cost of any premium for health insurance coverage.

2. Employees in this group who elect to enroll in the Traditional Plan or after that plan is no longer available on or about April 1, 2008 in the successor plan and earn \$40,000 or more in base salary in the year they retire shall pay the difference between the cost of the Traditional Plan or after that plan is no longer available on or about April 1, 2008 the successor plan and the average of the cost to the State of the Managed Care/Point of Service (NJ PLUS) and the approved HMO Plans for health insurance coverage.

3. Employees in this group who elect to enroll in the Traditional Plan or after that plan is no longer available on or about April 1, 2008 in the successor plan and earn less than \$40,000 in base salary in the year they retire shall pay 1% of their annual base pay at retirement but not less than \$20.00 a month for health insurance coverage.

4. Employees in this group shall receive Medicare Part B reimbursement after retirement up to a cap of \$46.10 per month per eligible employee and the employee's spouse.

**C.** Those employees who accrue 25 years of pension credit service or retire on a disability retirement during the period from July 1, 2000 through June 30, 2007 are eligible to receive the following when they retire:

1. Employees in this group who elect to enroll in the Managed Care/Point of Service (NJ PLUS) which shall be succeeded by the PPO describe in Article XIX (of the parties July 1, 2007 to June 30, 2011 collective negotiations agreement) or any of the approved HMO Plans in retirement shall not have to contribute to the cost of any premium for health insurance coverage.

2. Employees in this group who elect to enroll in the Traditional Plan or after that plan is no longer available on or about April 1, 2008 in the successor plan shall pay 25% of the premium cost for health insurance coverage.

3. Employees in this group shall receive Medicare Part B reimbursement after retirement up to a cap of \$46.10 per month per eligible employee and the employee's spouse.

**D.** Employees who accrue 25 years of pension credit service on or after July 1, 2007 and on or before June 30, 2011 or who retire on a disability pension after July 1, 2007 and on or before June 30, 2011, will be eligible to receive post retirement medical benefits ("PRM") in accordance with the terms set forth in the parties' 2007-2011 collective negotiations agreement. Such employees will be eligible to participate in the PPO described in Article XIX (of the parties July 1, 2007 to June 30, 2011 collective negotiations agreement) or an HMO plan.

The retiree shall pay 1.5% of his/her pension benefit as a contribution to share the cost of PRM. For retirees

in the ABP, their 1.5% contribution shall be calculated based upon a pension benefit that is deemed to equal 50% of the highest annual base salary for that retiree as certified by the respective College/University. Such contribution shall be waived until a Retiree Wellness Program is developed by the State for this group of retirees and such waiver shall continue in force if the retiree participates in the Retiree Wellness Program. Participation shall mean that the retiree completes the designated HRA form at the time of retirement, participates in the annual health assessment, and participates in any individualized health counseling, follow-up, or program developed for that individual. There shall be an annual verification from the appropriate person at the Retiree Wellness Program that the retiree is participating as required.

For the period starting at retirement after July 1, 2007, and until the traditional plan and NJ Plus are no longer available for current employees, which is scheduled to occur effective April 1, 2008, the retiree shall be eligible to enroll in NJ Plus or an HMO at no premium share cost and in the traditional plan at 25% premium share paid by said retiree until the new plans are available. When the PPO that succeeds NJ Plus is in effect, neither the traditional plan nor its successor plan shall be available to said retiree. From that date forward, the retiree shall be eligible to enroll in the PPO described in Article XIX (of the parties July 1, 2007 to June 30, 2011 collective negotiations agreement) or in an HMO in accord with the provisions of Article XIX with the 1.5% contribution and with the Retiree Wellness program waiver option as described in this paragraph.

**E.** Those employees who accrue 25 years of pension credit or retire on a disability retirement on or after July 1, 2007 will be subject to the provision of Paragraph D above, unless superceded by collective negotiations or law.

**F.** Those employees who have 20 or more years of creditable service on June 28, 2011 and who accrues 25 years of pension service credit or retire on a disability retirement on or after July 1, 2011, will contribute 1.5% of the monthly retirement allowance toward the cost of post retirement medical benefits as is required by law. Those employees who have fewer than 20 years of creditable service on June 28, 2011 and who accrue 25 years of pension credit or retire on a disability retirement on or after July 1, 2011 will contribute toward the cost of post retirement medical benefits in accordance with P.L. 2011, c. 78. Pursuant to P.L. 2011, c. 78, the Retiree Wellness Program will not apply to employees who accrue 25 years of pension credit or retire on a disability retirement on or after July 1, 2011.

**G.** All retirees who elect approved HMOs may choose only one family policy, regardless of retirement date.

**H.** Employees hired on or after July 1, 1995 will not receive any reimbursement for Medicare Part B after retirement.

**I.** Employees who elect deferred retirement are not entitled to health benefits under this provision.

**J.** Violations of this Letter of Agreement are not subject to the grievance/arbitration procedure of Article VII of this Agreement. The Union and employees do not waive any other legal rights they have to enforce the provisions of this Letter of Agreement.

## **ALTERNATE BENEFIT PROGRAM (ABP) COMMON QUESTIONS AND ANSWERS**

### **What is the ABP?**

ABP provides retirement annuities, noncontributory life insurance, and long term disability insurance for certain higher education employees.

### **Who is eligible for ABP?**

Eligibility is limited to full-time officers; full-time, part-time, or adjunct faculty; and administrative personnel who are required to possess a bachelor's degree at state or county colleges and certain other state agencies involved with higher education. This includes visiting professors and faculty paid by federal grant. **Note:** A retiree from any New Jersey State-administered retirement system is *ineligible to participate* in the Alternate Benefit Program.

### **What is higher education?**

The term used for describing the State and County colleges, universities, the Commission on Higher Education, and the Office of Student Assistance.

### **Is the ABP a state-administered retirement plan?**

Yes.

### **How is the retirement allowance calculated?**

ABP retirement benefits are based on the value of the member and employer contributions plus any interest or accumulation on those contributions (not years of service and salary). Payout is made by the various investment companies authorized by the ABP which receive member and employer contributions monthly while the member is employed. There is no disability retirement but there is long-term disability insurance.

### **How can an ABP member purchase service credit?**

Since members are accumulating dollars, not service credit, there is no purchase permitted.

### **Can an ABP member continue State Health Benefits Program coverage in retirement?**

Yes. Those with 25 years of service credit receive state-paid health benefits. Others can authorize health benefits deductions from their investment carrier.

### **Does the ABP offer active life insurance coverage?**

Yes. The ABP provides noncontributory life insurance in an amount equal to 3-1/2 times annual salary.

### **Are contributions tax sheltered?**

Employee contributions, employer contributions, and investment income (if any) are tax sheltered.

### **How much does my employer contribute?**

8% of the member's contractual base salary up to a maximum salary of \$141,000 as established by Chapter 31, P.L. 2010.

### **How much do I contribute?**

You must contribute at least 5% of base salary.

### **May I contribute more?**

Yes, up to the maximum amount allowable under the IRS rules.

### **May I take a loan?**

Yes. Each carrier provides loans and can provide you with specific information on loan provisions (contact your carrier).

### **When do I vest?**

If you transfer from PERS or if you have an existing annuity contract with an authorized carrier, you are immediately vested. Participants not meeting these specific criteria vest after 12 months of continuous participation. Contact the ABP Office at (609) 777-0887 for specific dates.

### **What investment choices do I have?**

You may choose among six authorized carriers offering various annuity investments approved by the Division of Pensions and Benefits for ABP participants. Contact the carriers for more information.

### **Do I have income loss protection through a disability plan?**

Yes, the ABP offers you employer-paid coverage through a group disability plan. You are eligible after 12 months of continuous ABP participation.

### **Is there a minimum retirement age with the ABP?**

No. You may begin collecting your annuity any time after termination of employment. However, if you take any distribution you will be considered retired by the ABP.

### **What if I want to return to employment after retirement from the ABP?**

We will send you Fact Sheet #38, which provides this information.

### **I am currently a member of PERS and am considering transferring to the ABP. What considerations should affect my decision?**

We publish a booklet titled "*Considerations for Choosing Between PERS and ABP*". It is available from your employer or on the Division of Pensions and Benefits Web site.

## COMMON QUESTIONS AND ANSWERS — ALTERNATE BENEFIT PROGRAM (ABP)

### WHAT ARE THE NAMES OF THE COLLEGES AND AGENCIES THAT ARE ELIGIBLE TO PARTICIPATE IN THE ABP?

<p>ATLANTIC CAPE Community College          BERGEN Community College          BROOKDALE Community College          BURLINGTON County College          CAMDEN County College          (The) COLLEGE of New Jersey          COMMISSION on Higher Education          County College of MORRIS          CUMBERLAND County College          DEPARTMENT of Education          (limited positions — refer to ABP Section)          ESSEX County College</p>	<p>GLOUCESTER County College          HUDSON County Community College          KEAN University of NJ          MERCER County Community College          MIDDLESEX County College          MONTCLAIR State University          New JERSEY CITY State University          NJ INSTITUTE OF TECHNOLOGY          OCEAN County College          OFFICE OF Student Assistance          PASSAIC County Community College          RAMAPO College of NJ</p>	<p>RARITAN Valley Community College          RICHARD STOCKTON State College of NJ          ROWAN University of NJ          RUTGERS, The State University          SALEM Community College          SUSSEX County Community College          THOMAS EDISON State College          UNION County College          UNIVERSITY OF MEDICINE AND          DENTISTRY OF NJ          WARREN County Community College          WILLIAM PATERSON University of NJ</p>
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### WHO ARE THE CURRENT SEVEN AUTHORIZED CARRIERS FOR THE ABP?

<p>AXA Financial (Equitable)          333 Thornall Street, 8th Floor          Edison, NJ 08837          1-866-786-0856  <a href="http://www.equitable.com/nj">www.equitable.com/nj</a></p>	<p>ING Insurance and Annuity Co.          581 Main Street, 4th Floor          Woodbridge, NJ 07095          1-877-873-0321  <a href="http://www.ingretirementplans.com">www.ingretirementplans.com</a></p>	<p>Prudential Retirement Services          30 Scranton Office Park          Scranton, PA 18507          1-855-NJABP11 or          (1-855-652-2711)  <a href="http://www.prudential.com">www.prudential.com</a></p>	<p>VALIC          135 Route 202/206, Suite 13          Bedminster, NJ 07921          (908) 470-4110  <a href="http://www.americangeneral.com/njabp">www.americangeneral.com/njabp</a></p>
<p>The Hartford/Gitterman &amp; Assoc.          Wealth Management, LLC.          70 Wood avenue South,          3rd Floor          Iselin, NJ 08830          (848) 248-4877  <a href="http://retire.hartfordlife.com">retire.hartfordlife.com</a></p>	<p>MetLife (formerly          Travelers/CitiStreet)          581 Main Street, Sixth Floor          Woodbridge, NJ 07095          1-800-545-0108 or          (732) 602-0500  <a href="http://www.travelersla.com">www.travelersla.com</a></p>	<p>Teachers Insurance and Annuity          Association/College Retirement          Equities Fund (TIAA/CREF)          155 Village Blvd, Suite A          Princeton, NJ 08540          1-800-842-8412  <a href="http://www.tiaa-cref.org">www.tiaa-cref.org</a></p>	



**Application for Retirement**

**Alternate Benefits Program**

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

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

## Things You Should Know At Retirement

### When Can I Retire?

**There is no minimum retirement age under the ABP.** A member may take a cash distribution, or begin collecting an annuity, from the investment carrier to which contributions have been remitted, at any time after termination of employment.

**However**, once a member takes a distribution, including a rollover of any amount to an IRA, the member is automatically considered retired, regardless of age, and cannot participate in any State-administered retirement system.

### Age Limits, Distributions

Lump-sum cash distributions to members under the age of 55 are limited to the member's contributions and earnings. The remaining employer contributions and earnings are available only when a member reaches age 55 or thereafter.

### Distribution: Lump Sum, Fixed Term Annuity, or Life Annuity

At retirement, a member may elect to receive all or a portion of his/her account in a lump-sum distribution, or as a fixed term or life annuity. The types of payout plans vary from carrier to carrier and should be a major consideration when the member selects a carrier at the time of enrollment or transfer.

All returns of contributions and earnings are considered taxable in the year they are received.

### What happens If I Delay Distribution?

A member may delay collecting a benefit from his or her 401(a) contracts following termination of employment. The employer should make the member aware that; **if the member terminates ABP employment and then delays taking a distribution (retirement) for a period of time greater than twelve months, the member is no longer eligible for retired group life insurance benefits under the ABP**, even if the other eligibility requirements for ABP retired group life insurance coverage are met.

### Do I qualify for State or Employer-paid Health Insurance Benefits at Retirement?

Under a Chapter 209, P.L. 2001, members who accumulate a total of 25 or more years of non-concurrent pension credit in ABP or multiple pension funds may be eligible for State or employer-paid coverage at retirement, as long as they meet the following requirements:

- Be eligible for employer-paid health benefits coverage immediately prior to retirement or separation from the last contributing employer in the retirement system, for retirees of the State, school boards, county colleges, or participating local employers who have agreed by resolution to pay for the coverage of their retirees (see below), and;
- Notify the Division of Pensions and Benefits that they have a total of 25 or more years of non-concurrent service in more than one public retirement system in New Jersey. Contact the Division's Office of Client Services at [pensions.nj@treas.state.nj.us](mailto:pensions.nj@treas.state.nj.us) or call (609) 292-7524. For more information about the State Health Benefits Program or the School Employees' Health Benefits Program visit [www.state.nj.us/treasury/pensions/health-benefits.shtml](http://www.state.nj.us/treasury/pensions/health-benefits.shtml)
- In order to qualify for retired health benefits, you are **required** to take a minimum distribution **within 30 days of your retirement date**. You must contact your financial carrier for the necessary forms.

ALTERNATE BENEFIT PROGRAM  
NEW JERSEY DIVISION OF PENSIONS AND BENEFITS  
APPLICATION FOR RETIREMENT ALLOWANCE

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

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

1. Social Security No. (optional) \_\_\_\_\_

2. Name \_\_\_\_\_  
Last First Middle

3. Address \_\_\_\_\_  
Street Apt. No.  
\_\_\_\_\_  
City State Zip

4. Home Phone (\_\_\_\_\_) \_\_\_\_\_ 5. Work Phone (\_\_\_\_\_) \_\_\_\_\_

6. Home E-mail Address \_\_\_\_\_

7. Date of Birth — \_\_\_\_\_  
Month Day Year

8. Retirement Date — For immediate disbursement \_\_\_\_\_  
Month Year

9. Have you filed an application for retirement benefits with your carrier?  YES  NO

10. Is the distribution from a Supplemental Retirement Annuity?  YES  NO

11. Investment Carrier(s):

- |  |  |
|--|--|
| _____ AXA Financial (Equitable)                                      | _____ MetLife (formerlyTravelers/CitiStreet) |
| _____ The Hartford/Gitterman & Associates<br>Wealth Management, LLC. | _____ Prudential Life Insurance Company      |
| _____ ING Life Insurance and Annuity Company                         | _____ TIAA/CREF                              |
|  | _____ VALIC                                  |

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

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

- I understand that I must meet all of the eligibility requirements for retirement and **cannot submit an application more than one year before my retirement date.**
- I understand that my employer will be notified that I have filed an application for retirement.
- I understand that if I cancel or change my retirement date and submit a new application with a later retirement date, **it is my responsibility** to notify my employer to ensure that any active health benefits are not canceled and that my employment remains uninterrupted.
- I understand that changing or canceling my retirement date does not guarantee continued employment with my employer.
- I understand that I cannot make pre-arrangements with my employer to return to employment in any capacity.

**MEMBER'S SIGNATURE**

**DATE**

\_\_\_\_\_, 20\_\_\_\_

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

**SIGN THIS PAGE AND HAVE YOUR EMPLOYER COMPLETE PART THREE ON NEXT PAGE**

ALTERNATE BENEFIT PROGRAM  
NEW JERSEY DIVISION OF PENSIONS AND BENEFITS  
APPLICATION FOR RETIREMENT ALLOWANCE

MEMBER'S NAME \_\_\_\_\_ SOCIAL SECURITY NO \_\_\_\_\_

**PART THREE: CERTIFICATION BY EMPLOYING AGENCY - *Please print or type clearly.***

1. **Employing Institution** \_\_\_\_\_

2. **Employee's Membership Number** \_\_\_\_\_

3. **Last day employee worked** (month, day, year) \_\_\_\_\_

4. **Highest annual base salary for last 5 years of employment** (for Health Benefits purposes) \_\_\_\_\_

5. 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 or recently been considered for disciplinary action or indictment?**  NO  YES  
*If yes, attach copies of the preliminary and final notices of disciplinary action or their equivalents or a copy of the indictment.*

\_\_\_\_\_  
Signature of Certifying Officer

\_\_\_\_\_  
Date

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**FOR DIVISION USE ONLY:**

**Years of Service** \_\_\_\_\_ **Highest Base Salary (preceding 5 years)** \_\_\_\_\_