



# Retirement — How to Apply

Information for:  
Police and Firemen's Retirement System

## MANDATORY RETIREMENT

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

**\*Exceptions:** 1) *Elected officials are exempt from mandatory retirement from their elected position.* 2) *Under the provisions of P.L. 2022, c. 9, and as amended by P.L. 2025, c. 21, certain police and fire chiefs who attain the age of 65 during the period commencing April 12, 2022, and ending on April 30, 2027, may remain active members of the PFRS until the end of the calendar year in which they turn 67 provided the appointing authority approves, in writing, the retention and continued service of the member as the chief after the age of 65.*

## BEFORE YOU RETIRE

You should inquire about retirement at least six months before your retirement date. This will give you enough time to review the benefits that are available to you in retirement.

Members within two years of retirement can obtain an estimate of retirement benefits using the Member Benefits Online System (MBOS). To register with MBOS, please visit our website at: [www.nj.gov/treasury/pensions](http://www.nj.gov/treasury/pensions) Estimates obtained through MBOS provide the most accurate informa-

tion available by using the service and salary currently posted to your PFRS account.

## SUBMITTING YOUR ONLINE APPLICATION

You must meet all of the eligibility requirements for retirement and cannot submit your application more than one year before your retirement date (members eligible for a Deferred Retirement may file more than one year in advance upon termination of employment).

Paper applications are not accepted. The application must be submitted online using MBOS. This is an easy, secure, and accurate way to apply for retirement. Be sure to carefully read the instructions and the fact sheets about retirement prior to submission, which are available on our website.

All retirements are effective the first of a month. Your application must be received by the NJDPB before your retirement date. Under no circumstances can a retirement become effective prior to the date the application is received by the NJDPB.

It is your responsibility to file for retirement. Four to six months advance filing is recommended. Processing times vary and cannot begin until we have received all the necessary information from both you and your employer. Your employer will be notified that you have filed an application for retirement.

Direct deposit, also known as Electronic Funds Transfer (EFT), of your retirement check to a bank account is mandatory (except for foreign mailing

addresses). You must provide your direct deposit information at the time you apply for retirement, or your retirement application will not be processed. You should make sure that you have your account type (checking or savings), bank routing number, and bank account number readily available to submit with your retirement application. You can make changes to an existing direct deposit any time after retirement; please allow approximately 60 days for changes to take effect.

If you have not furnished proof of age to the NJDPB, you must do so when applying for retirement. If any documents are given under a maiden name, please identify them as such. Proof of age documents include a copy of any of the following:

- Birth certificate (with visible seal);
- Passport;
- A U.S. Passport Card;
- A current digital New Jersey driver's license or identification card (for non-drivers) issued by the N.J. Motor Vehicle Commission;
- A current digital Pennsylvania or New York driver's license; or
- Naturalization or immigration papers.

Unacceptable documentation includes expired documentation, out-of-state drivers' licenses (except New York and Pennsylvania), affidavits from older family members, census records, baptismal records, marriage certificates, hospital birth certificates, or military records.

You should submit your proof of age document using the Online Document Submission application available on MBOS. Or, if you are unable to submit online, you should mail photocopies of the proof of age documentation at the time you submit your online application to the New Jersey Division of Pensions & Benefits, Retirement Bureau, P.O. Box 295, Trenton, NJ 08625-0295.

If you retire with an outstanding loan balance, you must decide how you wish to repay your loan. You may pay the loan in its entirety prior to receiving any benefits, or repay the loan through deductions from your retirement allowance until the balance of the loan with interest is repaid. The monthly loan payment will be calculated to have the loan plus interest satisfied by your five-year loan payoff date.

## TYPES OF RETIREMENT

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

- Years of Service means the amount of membership service you have credited to your account.
- Final Compensation — For a PFRS Tier 1 member enrolled on or before May 21, 2010, Final Compensation means the salary upon which contributions were based in the last 12 months of creditable service preceding retirement.

For a PFRS Tier 2 member enrolled after May 21, 2010, and on or before June 28, 2011, or a PFRS Tier 3 member enrolled after June 28, 2011, Final Compensation means the average salary upon which pension contributions were based for the last three years of service or any

three fiscal years of membership preceding retirement that provides the largest possible benefit.

Final Compensation does not include extra pay for overtime or large increases in compensation paid primarily in anticipation of retirement.

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

### Service Retirement

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

Pursuant to P.L. 2021, c. 52 (Chapter 52), and amended by P.L. 2023, c. 92 (Chapter 92), Service Retirement is also available to members with 20 years of service, regardless of age, for those enrolled in the PFRS and who were still a member of the PFRS before April 19, 2021, the effective date of Chapter 52, and who retire no later than the first day of the 61st month following the effective date of Chapter 52 (May 1, 2026).

The benefit calculations are as follows:

- If you have less than 20 years of service credit, you will receive two percent of your Final Compensation for each year of service;
- If you have at least 20 but less than 25 years of service credit, you will receive 50 percent of your Final Compensation;
- If you are age 65 (mandatory retirement age) and have 20 or more years of service credit, you will receive 50 percent of your Final Compensation, plus three percent of your Final Compensation for each year of service over 20, up to 25 years, if enrolled in the PFRS as of January 18, 2000; or
- If you have at least 30 years of service credit, you will receive two percent per year of your average Final Compensation for the first 30 years

of service, plus an additional one percent of your average Final Compensation for each year of service credit over 30 years.

### Special Retirement

This type of retirement is available to members at any age who have 25 years or more of service credit in the PFRS.

For Tier 1 and Tier 2 members, the annual benefit is equal to 65 percent of your Final Compensation, plus one percent for each year of service over 25 years but not to exceed 30 years. The maximum allowance is therefore 70 percent of your Final Compensation.

For Tier 3 members, the annual benefit is equal to 60 percent of your Final Compensation plus one percent for each year of service over 25 years but not to exceed 30 years. The maximum allowance is therefore 65 percent of your Final Compensation.

### Deferred Retirement

This type of retirement is available to members who have at least 10 years of service credit and are not yet 55 years of age when they terminate employment. The annual benefit is equal to two percent of your Final Compensation for each year of service.

The effective date of a Deferred Retirement is the first of the month after you attain age 55. You must file a retirement application to receive a Deferred Retirement, and you should file the application when you terminate covered employment.

If you are terminated for cause, you may not be eligible to receive Deferred Retirement benefits. The Police and Firemen's Retirement System of New Jersey (PFRSNJ) Board of Trustees will make that determination at the time you file your application.

Your group life insurance coverage is not in effect between the time you terminate employment and when your Deferred Retirement becomes effective. If you die before your Deferred Retirement becomes effective, the beneficiary on your retirement application

will receive a return of your contributions, unless a subsequent *Designation of Beneficiary* is submitted through MBOS.

There is no other death benefit under these circumstances.

For information about converting your group life insurance to an individual policy at termination, see the *Conversion of Group Life Insurance Fact Sheet*.

If you are covered by the State Health Benefits Program (SHBP), you will not be able to continue coverage under the SHBP Retired Group if you apply for a Deferred Retirement. However, you are entitled to continue coverage in the SHBP employee group for up to 18 months after termination of employment in accordance with the federal Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) laws. If your retirement allowance becomes due and payable during the 18 months of extended COBRA coverage, you will qualify for coverage in the SHBP Retired Group. In this case, you must contact the NJDPB and request a health benefits offering letter within 60 days of your eligibility for the SHBP Retired Group coverage.

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

### Disability Retirement

For information about Disability Retirement see the *Disability Retirement Benefits Fact Sheet* for PFRS members.

### **PAYMENT OF PENSION TO A SURVIVING FAMILY MEMBER**

Upon your death as a retired member, your spouse, civil union partner or domestic partner, and/or child(ren) may be entitled to a monthly pension.

Spouse means a person to whom you are legally married. Documentation required for verification includes a copy of your government issued marriage certificate (if the marriage certificate is in a language other than English, an English translation must also be submitted), and a copy of your most recent tax return (Form 1040). A copy of the tax return is not required if the marriage occurs within 12 months of the date the member passed. Only the first page of the tax return is required and must include the spouse's name (financial data and all but the last four digits of Social Security numbers should be redacted to protect privacy). The tax return must show a "Married" filing status. If the subscriber and dependent spouse reside at separate addresses, both the subscriber's and the spouse's most recent tax return must be submitted. (If the subscriber or spouse submits a "Head of Household" filing status on their return, the other individual's return must have a "Married filing separately" filing status. Tax returns with a "Single" filing status will not be accepted.)

Civil Union Partner means a person of the same sex with whom you have entered into a civil union. Documentation required for verification includes a copy of the New Jersey certificate of civil union dated prior to October 2013, or a valid certification from another State or foreign jurisdiction that recognizes same-sex civil union partners and a copy of the first page of both partners' N.J. tax return from the previous year that includes the partner (financial data and all but the last four digits of Social Security numbers should be redacted to protect privacy).

Domestic Partner means a same-sex domestic partner, as defined under P.L. 2003, c. 246 (Chapter 246), 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 pension benefits. Documentation required for verification includes a copy of the New Jersey certificate of domestic partnership dated prior to February 19, 2007, or a valid certification from

another State or foreign jurisdiction that recognizes same-sex domestic partners and a copy of the first page of both partners' N.J. tax return from the previous year that includes the partner (financial data and all but the last four digits of Social Security numbers should be redacted to protect privacy).

Child means your unmarried child:

- Under the age of 18; or
- 18 years of age or older and enrolled in high school; or
- Any age who, at the time of your death, is disabled because of mental or physical incapacity and is incapable of substantial gainful employment because of the impairment. This incapacity must last, or be expected to last, for a continuous period of not less than 12 months as determined by the PFRS Medical Review Board.

### Retired Member Death Benefit

Upon your death as a retired member, your surviving spouse or partner is eligible to receive a pension benefit equal to 50 percent of your Final Compensation, plus 15 percent of your Final Compensation for one child or 25 percent of your Final Compensation for two or more children. This benefit is payable for the lifetime of the spouse/partner, or until the spouse/partner remarries or enters into a new civil union or domestic partnership.

If there is no eligible surviving spouse or partner, or your spouse/partner dies, remarries, or enters into a new partnership, the following benefit is payable to the eligible children:

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

## GROUP LIFE INSURANCE

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

When you retire, the amount of your group life insurance will be equal to 50 percent of your Compensation.

Compensation means the last 12 months immediately preceding your death or retirement.

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

### Conversion

For most members, group life insurance is reduced at retirement. You have 31 days after termination of employment to convert the amount of insurance that was reduced to private individual insurance coverage. If you wish to supplement this coverage with either a conversion policy from the Prudential Life Insurance Company, or a policy from another insurance carrier, it is best to begin exploring your options at least four to six months prior to your retirement. However, you cannot file to convert your life insurance any earlier than six months prior to your retirement date, and the conversion policy cannot become effective until 31 days after you terminate employment.

To estimate the cost of conversion to a private policy with Prudential, contact a Prudential agent or use the conversion calculator on the NJDPB website.

For additional information, see the *Conversion of Group Life Insurance* Fact Sheet.

## HEALTH BENEFITS

Employees who are covered by the SHBP through their employer will be offered SHBP coverage when they retire. In addition, some employers have agreed

to pay for the cost of coverage for retirees with 25 or more years of service credit (and in some cases retirees on Disability Retirements).

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

*The Health Benefits Coverage - Enrolling as a Retiree* Fact Sheet provides additional information about health benefits coverage in retirement.

If you are not covered by the SHBP, contact your employer about your options for continuing your health benefits coverage.

### Chapter 330

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

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

The eligibility of retired police officers and firefighters for benefits under Chapter 330 depends on the health benefits provided by the employer for retired police officers and firefighters as of the effective date of the law, July 1, 1998. These employer benefits are indicated in labor and other employment contracts, ordinances, and resolutions of the employers.

Additional information about Chapter 330 is available in the *Health Benefits Retired Coverage Under Chapter 330* Fact Sheet.

## CHANGING OR CANCELING YOUR RETIREMENT DATE

The following are some important points to remember if you consider changing your retirement to a later date or canceling your retirement:

- You may change or cancel your retirement up until 30 days immediately following your retirement date, or 30 days after the approval of your retirement by the Board of Trustees, whichever is later.

**Note:** You cannot change or cancel the date for a Disability Retirement once it has been approved by the Board of Trustees.

- If you change or cancel your retirement date, it is your responsibility to notify your employer to ensure that any active health benefits are not canceled and your employment remains uninterrupted.
- Changing or canceling your retirement date does not guarantee continued employment with your employer.

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*This fact sheet has been produced and distributed by:*

**New Jersey Division of Pensions & Benefits**  
**P.O. Box 295, Trenton, NJ 08625-0295**

(609) 292-7524

For the hearing impaired: TRS 711 (609) 292-6683  
[www.nj.gov/treasury/pensions](http://www.nj.gov/treasury/pensions)