

# Your Retirement Checklist

All Funds

When planning for retirement, it is important to give yourself enough time to review your benefits and options. The time frames in this checklist are a guide, however, actual processing times vary and cannot begin until the Division of Pensions and Benefits receives all the necessary information and forms from both you and your employer.

## 6-8 MONTHS BEFORE RETIREMENT

- ✓ **Obtain a Retirement Estimate** — Members within 2 years of retirement can obtain an estimate of retirement benefits using the **Member Benefits Online System (MBOS)**. MBOS is a set of Internet based applications that allow registered members access to information about their pension. Register with MBOS at: [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions) (select "Online Member Services - MBOS").

To hear an estimate of retirement benefits over the phone, call the Division of Pensions and Benefits' Automated Information System at (609) 777-1777.

You may also submit a *Request for Retirement Estimate* form which is available on the Division's Web site (select "Forms and Publications"), or by calling (609) 292-7524. The form must be forwarded to the Division for manual processing. Please allow 4-6 weeks for processing and mailing.

If you provide us with the name and birth date of your beneficiary, we can estimate the payment options for your beneficiary.

## 4-6 MONTHS BEFORE RETIREMENT

- ✓ **Apply for retirement** — You cannot submit an application more than one year prior to your retirement date (members eligible for a Deferred Retirement may file more than one year in advance upon termination of employment).

Registered MBOS users can apply for retirement online. This is an easy and secure way to apply for retirement.

If you do not have Internet access you can obtain an *Application for Retirement Allowance* from your benefits administrator or the Division of Pensions and Benefits.

Whether you apply for retirement online through MBOS or by written application, be sure to carefully read the instructions and the available fact sheets about retirement prior to submission. (see page 4).

- ✓ **All members must provide proof of age** prior to retirement. Acceptable proofs of age include a photocopy of any of the following: birth certificate, baptismal certificate, passport, naturalization or immigration papers, or other records including military records, census records, school or business records, age recorded on marriage licenses and insurance, or children's birth records. Registered users can verify if proof of age is on file using MBOS.

If your proof of age is not already on file with the Division of Pensions and Benefits, you should attach a photocopy of your birth certificate, or other proof of age document, to your retirement application. (MBOS applicants should mail proof of age to the Retirement Bureau, Division of Pensions and Benefits, PO Box 295, Trenton, NJ 08625-0295.) Please also include your name, pension membership number, retirement date, and daytime telephone number on the photocopy.

- ✓ **For Public Employees' Retirement System (PERS) and Teachers' Pension and Annuity Fund (TPAF) only** — If you are choosing Options A, B, C, D, 2, 3, or 4, you must also submit proof of your beneficiary's birth date (see above for acceptable forms of proof). Please include your (the retiree's) name, pension membership number, retirement date, daytime telephone number, on the photocopy of your beneficiary's proof of age and attach it to your retirement application or mail it to the Division's Retirement Bureau (see paragraph above for

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address). **Your retirement application will not be processed until the Division receives the required copies of birth date evidence.**

- ✓ **PERS and TPAF only** — If applying for a **Veteran Retirement**, you must qualify as a veteran for pension purposes. Registered users can verify if veteran status is on file using MBOS. If you are not already listed as a veteran on the Division of Pensions and Benefits' records, you must send a photocopy of your military discharge (*Form DD 214*) to the NJ Department of Military and Veteran Affairs (NJDMAVA), at the following address:

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

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

- ✓ **If you have applied for a purchase of additional service credit** in the past six months, and are not submitting an online retirement application through MBOS, please write "Purchase Pending" across the top of your *Application for Retirement Allowance* prior to sending it to the Division.
- ✓ **The amount of your group life insurance coverage** through the retirement system decreases at retirement or terminates if you have less than 10 years of service credit. You may convert the dollar difference between the coverage you had before retirement and the coverage you will have after retirement to a non-group life insurance policy by applying to a Prudential Insurance Company agent **within 31 days of your termination of employment**. No physical examination is required to prove insurability. The cost of the coverage will be at the standard rate for someone your age. For further information about conversion, you can contact Prudential at 1-877-889-2070 or at 1-800-262-1112. You should contact other

insurance carriers and compare the available policies and costs before you decide to purchase the conversion policy.

- ✓ **Ask your employer** to submit a *Certification of Service and Final Salary* to the Division of Pensions and Benefits.
- Please note: Your employer will be notified that you have filed an application for retirement.**
- ✓ **Contact the NJ State Employees Deferred Compensation Plan** office at 1-866-NJSEDCP, or the **Supplemental Annuity Collective Trust (SACT)** office at (609) 633-2031, or the **Defined Contribution Retirement Program (DCRP)** at 1-866-653-2771, if you participate in these plans.
  - ✓ **You will receive a letter** from the Division of Pensions and Benefits acknowledging receipt of your retirement application. Included with the letter are answers to some frequently asked retirement questions.

### APPROXIMATELY 3 MONTHS BEFORE RETIREMENT

**You will receive a letter** offering you enrollment in the State Health Benefits Program (SHBP) or the School Employees' Health Benefits Program (SEHBP) if you are:

- ✓ A member already covered by the SHBP or SEHBP through their employer. (If you are not eligible for State-paid or employer-paid coverage, you may continue the coverage into retirement by paying the appropriate premium.);
- ✓ A member employed by a board of education or a county college who retiring with 25 or more years of service credit in one or more State- or locally-administered retirement system or who retire on a disability retirement, even if their employer did not participate in the SEHBP. This includes members who elected Deferred Retirement with 25 or more years of service credit in one or more State- or locally-administered retirement system. Eligibility is limited to full-time employees as defined by N.J.A.C. 17:9-4. The State pays for the health benefit cost if you qualify under this category;

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- ✓ Members eligible for Medicare who retired from full-time employment at a board of education, vocational/technical school, or special services commission that does not participate in the SEHBP, provided you are participating in the health benefit plan of your employer **and** are enrolled in Medicare Part A and Part B. You will be required to pay the full cost of the coverage;
- ✓ Part-time State employees and part-time faculty at institutions of higher education that participate in the SHBP or SEHBP if enrolled in the SHBP or SEHBP at the time of retirement. You will be required to pay the full cost of the coverage;
- ✓ A PERS or Alternate Benefit Program (ABP) member retiring from a school board of education or county college with 25 or more years of service credit in the pension fund or retiring on a disability retirement;
- ✓ A police officer, firefighter, or PERS Law Enforcement Officer (LEO) retiring with 25 years or more of service credit in the retirement system or retiring on a disability retirement, **and** whose employer does not provide any payment towards the retiree's health coverage or reimbursement of Medicare Part B premiums, may be eligible for retired group SHBP or SEHBP coverage under the provisions of Chapter 330, P.L. 1997 (see Fact Sheet #47, *Health Benefits Retired Coverage under Chapter 330*).

**Note:** Enrollment for coverage as a retiree in the SHBP or SEHBP is not automatic. **You must submit a health benefits *Retired Coverage Enrollment Application* to enroll.**

- ✓ If you are age 65 or older, contact the local Social Security Administration office for full Medicare enrollment. You must be covered by both Part A and Part B of Medicare to be eligible to enroll in the SHBP or SEHBP in retirement. Most Medicare eligible retirees, in the SHBP or SEHBP, and/or their Medicare eligible dependents, need not enroll in Medicare Part D prescription drug coverage. While some SHBP or SEHBP members who qualify for low income subsidy programs may find it beneficial to enroll in Medicare Part D, once you and/or a dependent enroll in a Medicare Part D plan, the

person enrolled in Medicare Part D will lose their SHBP or SEHBP prescription drug coverage. In addition, the SHBP and SEHBP will not cover the costs of any drugs that are not covered by the Medicare Part D plan.

- ✓ You may need to obtain a written statement from your employer certifying that you have been covered under an employer group health plan. The statement should indicate when and why coverage as an active employee will end.
- ✓ If you will not be eligible for post-retirement medical coverage through the SHBP or SEHBP, be sure to discuss any coverage options that are available to you with your employer.

#### **APPROXIMATELY 2 MONTHS BEFORE RETIREMENT**

- ✓ **You will receive a *Quotation of Retirement Benefits* letter** which shows your monthly retirement allowance with:
  - the option you selected; (for PERS and TPAF)
  - a quote of any outstanding loan balance with repayment options; and
  - a quote of any outstanding arrears (purchase) balance and/or shortages.
- ✓ **If you will be retiring 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
  - continue your monthly loan repayment schedule into retirement until the loan balance **plus interest** has been repaid.
- ✓ **Any outstanding arrears or shortages must be paid** before your retirement check can be issued. Failure to respond to these issues will delay your retirement benefits.

#### **APPROXIMATELY 1 MONTH BEFORE RETIREMENT**

- ✓ **Your retirement will be presented to the retirement system's Board of Trustees for approval.** You will receive a board approval letter and will have 30 days from the board approval

date or 30 days from your effective retirement date (whichever is later) to change your retirement date and or your option selection. If you make any changes after board approval, your new selection must again be approved by the Board of Trustees. This may delay your first check.

- ✓ **You may choose to cancel your retirement** within 30 days of your retirement date or 30 days of your board approval date (whichever is later). This request must be in writing to the Division of Pensions and Benefits. If you cancel or change your retirement date and submit a new application with a later retirement date, it is your responsibility to notify the employer to ensure your active health benefits (if any) are not canceled and that your employment remains uninterrupted. Canceling your retirement does not guarantee continued employment with your employer.
- ✓ If you are not eligible for health benefit coverage after retirement, you should discuss with your employer the possibility of continuing medical, prescription drug, dental, or vision coverage under the provisions of COBRA.

#### SHORTLY AFTER YOUR RETIREMENT DATE

- ✓ **You will receive a letter** confirming your retirement and death benefits called the *Statement of Retirement Allowance*. The letter will also supply figures needed in filing your income tax return. Keep this with your important papers.
- ✓ **Your first retirement check** cannot be issued earlier than 30 days following your retirement date. If processing of your retirement is delayed, your first check will be retroactive to the date of your retirement. Regular retirement checks are dated on the first of the month to cover the allowance for the previous month. For example, if you retire on July 1, your first retirement check would be due and payable on August 1 and is payment for the month of July.
- ✓ **Your retirement is not considered “bona fide”** until your retirement becomes “due and payable” and the employer/employee relationship is completely severed. This normally occurs after —

but is not limited to — a break in employment without pay of at least 30 days following your retirement date, or 30 days following the approval of your retirement by the retirement system’s Board of Trustees, whichever is later.

- ✓ **If you return to a position covered by the retirement system before the 30 days have elapsed** — on either a paid or voluntary basis — **or if you *pre-arrange*** with your employer to return to employment in any capacity, **or** if it is otherwise determined that your retirement is not “bona fide,” the employer/employee relationship is not completely severed and your retirement may be determined to be invalid. In this case you will remain an active employee and reenrolled in the retirement system. You will also be required to reimburse the retirement system for the amount of any retirement benefits you received from the date of retirement.
- ✓ **You will receive forms for withholding federal and New Jersey State income tax.** If you are a registered MBOS user you can make changes to your tax withholding online.
- ✓ **If you did not submit the *Authorization for Direct Deposit*** form when you applied for retirement, the form will be sent to you by mail. Direct deposit of your benefit payment to your bank account is **mandatory** (except for foreign mailing addresses).

You may also sign up for direct deposit, or make changes to an existing direct deposit, anytime after retirement using the Direct Deposit/Electronic Funds Transfer application available on MBOS. Please allow approximately 60 days for a new direct deposit or changes to begin.

#### FACT SHEETS ABOUT RETIREMENT

Listed below are fact sheets pertaining to retirement and related issues. These fact sheets are available on our Web site at: [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions) (select “Forms and Publications”). You can also obtain fact sheets from the Division’s Office of Client Services at (609) 292-7524.

#### Purchasing Service Credit

- #1, Purchasing Service Credit (PERS, TPAF & PFRS)

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**#2,** Estimating the Cost of Purchasing Service Credit (PERS & TPAF)

**#3,** Estimating the Cost of Purchasing Service Credit (PFRS)

**Retirement Planning**

**#4,** Applying for Retirement (PERS & TPAF)

**#5,** Pension Options (PERS & TPAF)

**#11,** Enrolling in Health Benefits Coverage When You Retire

**#17,** Veteran Status (PERS & TPAF)

**#18,** Cost-of-Living Adjustments (All Funds)

**#19,** Applying for Retirement (PFRS)

**#41,** Applying for Retirement (SPRS)

**#54,** Calculating Your Own Retirement Allowance (PERS & TPAF)

**#61,** Planning for Your Survivors - Pension Options (JRS)

**#64,** About Your Retirement Check

**#79,** Defined Contribution Retirement Program for PERS, TPAF, PFRS, and SPRS Members

**#80,** Defined Contribution Retirement Program for Elected and Appointed Officials

**#82,** Defined Contribution Retirement Program if Ineligible for PERS or TPAF

**Types of Retirement**

**#14,** Deferred Retirement (PERS, TPAF & PFRS)

**#15,** Disability Retirement Benefits (PERS & TPAF)

**#16,** Disability Retirement Benefits (PFRS)

**#39,** Disability Retirement Benefits (SPRS)

**#53,** Legislative Retirement Benefits (PERS)

**#62,** Prosecution Part (PERS)

**#63,** Workers' Compensation Judges Part (PERS)

**Taxation of Benefit Distributions**

**#7,** New Jersey State Employees Deferred Compensation Plan Distribution Options

**#12,** Taxation of Retirement Benefits

**#27,** The Taxability and Mandatory Withholding of Income Tax From Your Pension Distribution

**Employment after Retirement**

**#21,** Employment After Retirement (PERS)

**#28,** Employment After Retirement (TPAF)

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

**#57,** Employment After Retirement (SPRS)

**Health Benefits and COBRA Coverage**

**#11,** Enrolling in Health Benefits Coverage When You Retire

**#23,** Health Benefits Programs and Medicare Parts A & B for Retirees

**#30,** Continuation of Health Benefits Insurance Under COBRA

**#47,** Health Benefits Retired Coverage Under Chapter 330 (PFRS & Law Enforcement Officers of PERS)

**#73,** Retiree Dental Expense Plan

**Life Insurance/Death Benefits**

**#13,** Conversion of Group Life Insurance (All Funds)

**#58,** Group Life Insurance (PERS & TPAF)

**#59,** Group Life Insurance (PFRS)

**#68,** Designating a Beneficiary (All Funds)

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This fact sheet has been produced and distributed by:

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(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](mailto:pensions.nj@treas.state.nj.us)**

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