



State of New Jersey
DEPARTMENT OF THE TREASURY
DIVISION OF PENSIONS AND BENEFITS
(609) 292-7524 TDD (609) 292-7718
www.state.nj.us/treasury/pensions

JON S. CORZINE
Governor

MAILING ADDRESS:
PO BOX 295
TRENTON, NJ 08625-0295


LOCATION:
50 WEST STATE STREET
TRENTON, NEW JERSEY

R. DAVID ROUSSEAU
State Treasurer

FREDERICK J. BEAVER
Director

October 2008

TO: Local Certifying Officers of the Public Employees' Retirement System

FROM: Florence J. Sheppard, 
Deputy Director, Division of Pensions and Benefits

SUBJECT: Enrollment of Elected Officials in the DCRP, exceptions for PERS members, and PERS waiver by Non-Veteran Elected Officials

This letter is being sent to remind employers of recent changes in the enrollment of **elected officials** and to address certain exceptions for officials who were in elected office prior to July 2007.

DCRP ENROLLMENT REQUIRED

As of July 1, 2007, Chapter 92, P.L. 2007, made State and local elected officials eligible for enrollment in the Defined Contribution Retirement Program (DCRP). Upon taking office, all newly elected officials earning an annual base salary of \$1,500 or more are to be enrolled in the DCRP. Enrollment is done through the employer by submitting a *DCRP Enrollment Application* to the Division of Pensions and Benefits.

- **DCRP Waiver** — in cases where the annual salary for the elected position is less than \$5,000, the elected official may choose to waive enrollment by submitting a *DCRP Waiver of Retirement Program Participation* within 30 days of the date that they become eligible for enrollment in the DCRP.

If the annual salary is **\$5,000 or more**, the elected official must be enrolled in the DCRP unless any of the following exceptions apply.

DCRP Enrollment Exception for Retirees

If the elected official is also a retired member of a State-administered retirement system (PERS, TPAF, PFRS, etc.), the elected official may either:

- Continue to receive the retirement benefit from the other retirement system but cannot be enrolled in the DCRP; **or**
- Suspend the retirement benefit from the other retirement system and enroll in the DCRP while serving in the elected office (upon termination of the elected office, the retirement benefit from the other retirement system would be reinstated). If the retiree chooses to enroll in the DCRP, the employer should begin the process of submitting a *DCRP Enrollment Application* to the Division of Pensions and Benefits.

DCRP Enrollment Exception for PERS Members

An elected official who was a member of the Public Employees' Retirement System (PERS) prior to July 1, 2007 based on service in an elected office, is eligible to remain a PERS member while continuously serving in the same elected office. If there is any break of service in that office, or if the official is elected to a different office, the official is required to be enrolled in the DCRP and cannot continue with PERS membership under the new elected office.

Employers should monitor the status of any elected official continuing under the PERS to assure that any re-election is to the same office. If the official is elected to a different office, upon taking office, the employer should begin the process of submitting a *DCRP Enrollment Application* to the Division of Pensions and Benefits (or offer the official the option to waive DCRP participation if the annual salary is less than \$5,000).

DCRP Enrollment Exception for Non-Veterans

Prior to July 2007, PERS enrollment rules required mandatory enrollment for any elected official who was also a veteran and earned an annual base salary of \$1,500 or more. However, if the elected official was not a veteran, **PERS enrollment was optional.**

Under the provisions of Chapter 92 and the establishment of the DCRP, the optional enrollment provision for a non-veteran elected official **no longer applies.** Furthermore, if a non-veteran official serving in an office prior to July 2007 had declined PERS enrollment, the official is currently not a PERS member and therefore does not meet the requirements for the DCRP enrollment exception for PERS members.

Any elected official who declined PERS membership because he or she was a non-veteran — and who is not a retiree — is required to enroll in the DCRP if re-elected to the same office after June 30, 2007 or if newly elected to a different office.

The Division of Pensions and Benefits is seeking the help of employers to identify any **non-veteran elected officials** who are not currently enrolled in either the PERS or the DCRP.

First, employers are asked to identify these officials, list them on the enclosed *Non-Veteran Elected Officials Roster*, and return that information to the Division.

Second, employers are asked to contact these officials and explain the following enrollment choices.

- If the official was serving in an elected office prior to July 2007, and continues to serve in the same term for that same elected office, the official may either enroll in the PERS **or** complete the enclosed *PERS Optional Enrollment Waiver* form and return it to the Division of Pensions and Benefits.

If enrolled in the PERS, the elected official will be eligible for the PERS exception to DCRP enrollment described earlier, and may continue in PERS membership while serving in the same office. (PERS membership will end if elected to a different office and the official will become eligible for DCRP enrollment.)

If **PERS enrollment is waived**, the official is not covered under the PERS exception. If re-elected to the same office, the official now becomes eligible for DCRP enrollment in the same way as any newly elected official. Similarly, if the official is elected to a different office, the official will become eligible for DCRP enrollment.

- If the official was serving in an elected office prior to July 2007, and has subsequently been re-elected to a new term in that same office (or a different elected office) **on or after** July 1, 2007, the official is not covered under the PERS exception and considered a new official for DCRP eligibility. If this is the case, the employer should begin the process of submitting a *DCRP Enrollment Application* to the Division of Pensions and Benefits based on the date when the new term of office began (or offer the official the option to waive DCRP participation if the annual salary is less than \$5,000).

The situations listed above are the only exceptions to DCRP enrollment of an elected official. If any current elected official is not a retiree and was newly elected to office **on or after** July 1, 2007, the employer should immediately begin the process of submitting a *DCRP Enrollment Application* to the Division of Pensions and Benefits if DCRP enrollment has not already occurred (or offer the official the option to waive DCRP participation if the annual salary is less than \$5,000).

ADDITIONAL INFORMATION

To find out more about the DCRP, see Fact Sheet #80, *DCRP for Elected and Appointed Officials*. The fact sheet is available for viewing or printing on our Web site at: www.state.nj.us/treasury/pensions/fact80.htm

The forms listed are enclosed with this letter or can be obtained online from the Employers' Pensions and Benefits Administration Manual (EPBAM) at: www.state.nj.us/treasury/pensions/epbam/index.htm

If you have any other questions about the information provided in this letter, you can 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

Enclosures

Non-Veteran Elected Officials Roster
PERS Enrollment Application
PERS Optional Enrollment Waiver
DCRP Enrollment Application
DCRP Waiver of Retirement Program Participation
Fact Sheet #80, DCRP for Elected and Appointed Officials

**State of New Jersey – Department of the Treasury
Division of Pensions and Benefits**

NON-VETERAN ELECTED OFFICIALS ROSTER

(Elected Officials who are not enrolled in the Public Employees' Retirement System)

The Division of Pensions and Benefits is asking employers to identify any non-veteran elected officials who are not presently enrolled in either the Public Employees' Retirement System (PERS) or the Defined Contribution Retirement Program (DCRP). Under the guidelines established in Chapter 92, P.L. 2007, any such official who was serving in an elected office prior to July 2007, and continues to serve in the same term for that same office, may either now enroll in the PERS **or** must complete a *PERS Optional Enrollment Waiver* form and return it to the Division of Pensions and Benefits.

INSTRUCTIONS

Identify any non-veteran elected officials who waived PERS enrollment, list them on this roster, and return the information to the Division of Pensions and Benefits. Employers should also notify any non-veteran elected officials of this opportunity to enroll in the PERS, provide them with the *PERS Optional Enrollment Waiver* form, and indicate the notification on this roster.

Location Name: _____ **PERS Location Number:** _____

Certifying Officer Name: _____ **Telephone Number: (_____)** _____

	Elected Official's Name	Social Security Number	Elected Position	Date Elected	Waiver Provided
1.	_____	_____	_____	_____	<input type="checkbox"/>
2.	_____	_____	_____	_____	<input type="checkbox"/>
3.	_____	_____	_____	_____	<input type="checkbox"/>
4.	_____	_____	_____	_____	<input type="checkbox"/>
5.	_____	_____	_____	_____	<input type="checkbox"/>
6.	_____	_____	_____	_____	<input type="checkbox"/>
7.	_____	_____	_____	_____	<input type="checkbox"/>

Certifying Officer Signature: _____ **Date:** _____

Return this completed form to:

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

New Jersey Division of Pensions and Benefits
ENROLLMENT APPLICATION

(Please follow the instructions on page 2 of this form)

DO NOT WRITE IN THIS BOX LOCATION NO. MEMBERSHIP NO.

Select Pension Fund: (Check one) [] Teachers' Pension and Annuity Fund [] Public Employees' Retirement System

APPLICANT INFORMATION: (Please Print or Type)

1. Name: Last First (no nicknames) Middle Maiden Surname and Surname Used During Previous Membership
2. Address: Street City State Zip Code
3. Social Security #: 4. Gender: [] Male [] Female
5. Date of Birth: / / 6. Daytime Phone: () -
7. (For Elected Official ONLY) Veteran Status: (a) Date of Induction (b) Date of Discharge
8. Is the applicant receiving a benefit from a New Jersey State-administered or local New Jersey retirement system at this time? [] Yes [] No
(If "Yes", please provide retirement system name)

EMPLOYER INFORMATION (Please Print or Type):

9. Employer Name:
10. County: 11. Location #: Bureau #: Payroll #:
If Applicable State Loc Only
12. Title/Position of Applicant:
13. Is the applicant currently employed by more than one public employer? [] No [] Yes (If "Yes", please provide name of employer(s))

14. (To be completed for TPAF applications only)
(a.) Date Employment Began: / / (Do not include temporary or substitute service)
(b.) Does position require a New Jersey State Certificate issued by the State Board of Examiners within the NJ Department of Education? [] Yes [] No
(c.) Does the applicant hold a certification issued by the State Board of Examiners within the NJ Department of Education? [] Yes [] No
(d.) For NJ Department of Education Only: Is the position Unclassified Professional? [] Yes [] No
15. (To be completed for PERS applications only)
(a.) Date Employment Began: / / (b.) Date of Regular or Permanent Appointment: / /
(c.) Is the applicant still considered temporary or provisional? [] Yes [] No

16. Current Annual Base Salary \$ 17. (Check one) [] 10-Month Position [] 12-Month Position

EMPLOYER CERTIFICATION

18. Name of Human Resources Representative Completing Application:
19. Phone Number: () - Ext.:
20. Certifying Officer: Print Name Signature Date: / /
Month Day Year

Note: If this application is not submitted on a timely basis, a late employer liability may be assessed. See instructions for beneficiary designation information

ENROLLMENT APPLICATION INSTRUCTIONS

(This application to be completed by enrolling employer)

APPLICANT INFORMATION

1. **Name** — Enter applicant's full name (last, first, and middle initial; no nicknames). If applicant has a previous membership under a maiden or other name, enter that name in the space provided.
2. **Address** — Enter applicant's current mailing address.
3. **Social Security Number** — Enter applicant's Social Security number.
4. **Gender** — Indicate applicant's gender.
5. **Date of Birth** — Enter applicant's date of birth. Proof of age is required at the time of retirement - if available, attach a photocopy of the applicant's proof of age to this application. **Do not delay submitting the *Enrollment Application* if proof of age is not available.** (Acceptable proof of age documents include: birth certificate; passport; naturalization or immigration papers; or certain other records, including baptismal records, military records, census records, school or business records, age recorded on marriage licenses, and insurance or children's birth records.)
6. **Daytime Phone Number** — Enter applicant's daytime phone number and extension (be sure to include the area code).
7. **Elected Official's Veteran Status** — For an elected official who is a veteran with active military service, enter dates of induction and discharge to determine date of enrollment in the system.
8. **Is the applicant receiving retirement benefits** — Indicate if the applicant is receiving a benefit from a New Jersey State-administered retirement system or local New Jersey retirement system, and give the system's name.

EMPLOYER INFORMATION

9. **Employer Name** — Enter the full employer name.
10. **County** — Enter county in which the employer resides.
11. **Location, Bureau, and Payroll Numbers** — Enter the appropriate location, bureau or payroll number, as applicable. This information should be as reported on your quarterly Report of Contributions (ROC).
12. **Title/Position of Applicant** — Enter title/position of applicant.
13. **Multiple Public Employers** — Indicate whether this applicant is employed by more than one public employer. If you answer "Yes", please indicate the full name of each employer.

14. (TPAF applicants only)

- (a.) **Date Employment Began** — Enter the date on which applicant started employment. Do not include temporary or substitute service.
- (b.) **New Jersey Certificate Required** — Indicate whether the title/position requires a New Jersey State Certificate issued by the State Board of Examiners within the NJ Department of Education.
- (c.) **Applicant has New Jersey Certificate** — Indicate whether the applicant holds a New Jersey Certificate issued by the State Board of Examiners within the NJ Department of Education.
- (d.) **Unclassified Professional** — For positions with the NJ Department of Education, indicate if the position is "Unclassified Professional".

15. (PERS applicants only)

- (a.) **Date Employment Began** — Enter the date on which applicant started employment.
- (b.) **Permanent Appointment Date** — Enter the date of the applicant's regular or permanent appointment.
- (c.) **Temporary or Provisional** — Indicate if the applicant is still considered a temporary or provisional employee.

16. **Base Salary** — Enter the annual base salary for the year, that is, the annual salary paid to the employee on the date the *Enrollment Application* is certified by the employer. Base salary is the contractual salary of the employee. Base salary should not include bonuses, overtime pay, stipends or longevity pay, or sick or vacation time paid in lump sum. Hourly or per diem rates should not be entered.

17. **10-12 Month Position** — Please indicate whether the position is a 10-month or 12-month position.

EMPLOYER CERTIFICATION

18. **Name of Person Completing Application** — Print the name of the human resources representative who completes this *Enrollment Application* for the applicant.
19. **Phone Number** — Enter employer telephone number for the person who completed this application (be sure to include the area code and extension).
20. **Certifying Officer** — The Certifying Officer should print his/her name, then **sign and date this application**. Unsigned applications will be returned.

Please Note: The newly enrolled member's estate will automatically be designated as the beneficiary for any death benefit payable. New members should register with the Member Benefits Online System (MBOS) to update their beneficiary information online — or submit a paper *Designation of Beneficiary* form.

**State of New Jersey – Department of the Treasury
Division of Pensions and Benefits**

PERS OPTIONAL ENROLLMENT WAIVER

For Non-Veteran Elected Officials

Chapter 92, P.L. 2007, removed the **optional** enrollment status in the Public Employees' Retirement System (PERS) for elected officials who were also not veterans. Unless an elected official was serving in office and enrolled in the PERS prior to July 1, 2007, the official is required to enroll in the Defined Contribution Retirement Program (DCRP) if re-elected to the same elected office after June 30, 2007 or if newly elected to a different elected office.

Under the guidelines established by Chapter 92, P.L. 2007, any non-veteran official who waived PERS enrollment while serving in an elected office prior to July 2007, and who continues to serve in the same term for that same office, may either now enroll in the PERS **or** must complete this *PERS Optional Enrollment Waiver* form and return it to the Division of Pensions and Benefits.

If you choose to enroll in the PERS:

See your employer to complete and submit a *PERS Enrollment Application* to the Division of Pensions and Benefits. If enrolled in the PERS, you will be eligible to continue your PERS membership if re-elected to the same office. You may also be eligible to purchase credit for service rendered prior to enrollment.

If you are elected to a different office you will become eligible for enrollment in the Defined Contribution Retirement Program. For more information see Fact Sheet #80, *DCRP for Elected and Appointed Officials*.

Note: An annual base salary of \$1,500 or more is required for enrollment of an elected official in either the PERS or the DCRP.

If you choose to continue to waive PERS enrollment:

If you choose to waive enrollment in the PERS, you must return this completed form to the Division of Pensions and Benefits.

Upon waiver, you cannot enroll in the PERS at a later date and if re-elected to the same office, or if you are elected to a different office, you will become eligible for enrollment in the Defined Contribution Retirement Program. For more information see Fact Sheet #80, *DCRP for Elected and Appointed Officials*.

Name: _____ Social Security Number: _____

Elected Office: _____ Employer/Location: _____

Telephone Number: (_____) _____

- As an elected official and a non-veteran, I choose to waive enrollment in the Public Employees' Retirement System (PERS). I further understand that by waiving enrollment at this time, I cannot enroll in the PERS at a later date, and that if re-elected to the same office or elected to a different office I will be eligible for immediate enrollment in the Defined Contribution Retirement Program (DCRP).**

Member Signature

Date

Please sign, date, and return this form to:

Enrollment Section, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625

NEW JERSEY DEFINED CONTRIBUTION RETIREMENT PROGRAM

ENROLLMENT APPLICATION **FOR ELECTED OR APPOINTED OFFICIALS**

(Please follow the instructions on page 2 of this form)

DO NOT WRITE IN THIS BOX	LOCATION NO.	IDENTIFICATION NO.
---------------------------------	--------------	--------------------

APPLICANT INFORMATION: *(Please Print or Type)*

1. Name: _____
First (no nicknames) Middle Last

2. Social Security Number: _____

3. Date of Birth: ____/____/____ 4. Gender: Male Female
Month Day Year

5. Daytime Phone: (____) _____

6. Address: _____
Street

City State Zip Code

7. Is the applicant receiving a benefit from a New Jersey State-administered or local New Jersey retirement system at this time?
 Yes No
(If "Yes", please provide retirement system name)

EMPLOYER INFORMATION *(Please Print or Type):*

8. Employer Name: _____

9. County: _____

10. PERS or TPAF Location #: _____ Payroll #: _____
State Loc Only

11. Date Elected or Appointed Service commenced: ____/____/____
Month Day Year

12. Current Annual Base Salary \$ _____

13. Title/Position of Applicant: _____

14. Is the applicant an Elected Official? Yes No

15. Is the applicant appointed by Special Resolution or Ordinance or by the Governor of New Jersey, as described in N.J.S.A. 43:15C-2? Yes No

16. Has the applicant *waived* participation in the Defined Contribution Retirement Program? Yes No

EMPLOYER CERTIFICATION

17. Phone Number: (____) _____ Ext.: _____

I certify that this employee and position meets the eligibility criteria for the retirement program under N.J.S.A. 43:15C-2.

18. Certifying Officer: _____ Date: ____/____/____
Print Name Signature Month Day Year

NOTE: SEE INSTRUCTIONS FOR BENEFICIARY DESIGNATION INFORMATION

ENROLLMENT APPLICATION INSTRUCTIONS

FOR ELECTED OR APPOINTED OFFICIALS

(This application to be completed by the enrolling employer)

APPLICANT INFORMATION

1. **Name** — Enter applicant's full name (first, middle initial, and last name).
2. **Social Security Number** — Enter applicant's Social Security number.
3. **Date of Birth** — Enter applicant's date of birth. Proof of age is required at the time of retirement - if available, attach a photocopy of the applicant's proof of age to this application. **Do not delay submitting the *Enrollment Application* if proof of age is not available.** (Acceptable proof of age documents include: birth certificate; passport; naturalization or immigration papers; or certain other records, including baptismal records, military records, census records, school or business records, age recorded on marriage licenses, and insurance or children's birth records.)
4. **Gender** — Indicate applicant's gender.
5. **Daytime Phone Number** — Enter applicant's daytime phone number and extension (be sure to include the area code).
6. **Address** — Enter applicant's current mailing address.
7. **Is the applicant receiving retirement benefits** — Indicate if the applicant is receiving a benefit from a New Jersey State-administered retirement system or local New Jersey retirement system, and give the system's name.

EMPLOYER INFORMATION

8. **Employer Name** — Enter the full employer name.
9. **County** — Enter county in which the employer is located.
10. **Location and Payroll Numbers** — Enter the appropriate location or payroll number, as applicable.
11. **Date Elected or Appointed Service Commenced** — Enter the date on which applicant began service in the elected or appointed position.
12. **Current Annual Base Salary** — Enter the annual base salary for the year, that is, the annual salary paid to the elected or appointed official on the date the *Enrollment Application* is certified by the employer. Base salary is the contractual salary of the official. Base salary should not include bonuses, overtime pay, stipends or longevity pay, or sick or vacation time paid in lump sum. Hourly or per diem rates should not be entered.
13. **Title/Position of Applicant** — Enter official title/position of applicant.
14. **Elected Official** — Indicate if the applicant is an Elected Official of the State of New Jersey or of a political subdivision thereof.
15. **Appointed Position** — Indicate if the applicant is appointed by Special Resolution or Ordinance or by the Governor of New Jersey, as described in N.J.S.A. 43:15C-2.
16. **Waiver** — **An elected or appointed official** who is eligible and required to participate in the Defined Contribution Retirement Program, and whose base salary is **less than \$5,000**, may elect to waive participation with regard to that office or appointment. The written waiver (*Waiver Form*) must be submitted within 15 days following the commencement of service in the office or appointment. For an elected or appointed official, the decision to waive participation is irrevocable for that office or appointment, and an elected or appointed official who waives participation cannot later choose to enroll based on that same office or appointment.

EMPLOYER CERTIFICATION

17. **Phone Number** — Enter employer telephone number for the person who completed this application (be sure to include the area code and extension).
18. **Certifying Officer** — The Certifying Officer should print his/her name, then **sign and date this application**. Unsigned applications will be returned.

BENEFICIARY DESIGNATION

The newly enrolled member's estate will automatically be designated as the beneficiary for any death benefit payable. New members who wish to name a specific beneficiary should submit a *Designation of Beneficiary* using the Member Benefits Online System (MBOS) — go to www.state.nj.us/treasury/pensions/mbosregister.htm for details; or submit a *Designation of Beneficiary* form to the Division of Pensions and Benefits.

NEW JERSEY DEFINED CONTRIBUTION RETIREMENT PROGRAM

WAIVER OF RETIREMENT PROGRAM PARTICIPATION FOR ELECTED OR APPOINTED OFFICIALS

(Please follow the instructions on page 2 of this form)

ELECTED OR APPOINTED OFFICIALS *(Read and sign below)*

As an elected or appointed official of the State, or political subdivision of the State, who is eligible to participate in the Defined Contribution Retirement Program, established under P.L. 2007, c. 92. (N.J.S.A. 43:15C-1 et seq.), I understand that if I meet the following criteria, I may waive participation in the retirement program:

A person eligible and required to participate in the Defined Contribution Retirement Program whose base salary is less than \$5,000 may, at the commencement of service in an employment, office, or position, irrevocably elect to waive participation with regard to that employment, office, or position.

I further acknowledge that this waiver is irrevocable and shall apply for the duration of my service in the employment, office, or position identified herein.

CERTIFICATION AND SIGNATURE *(Must be completed to waive participation)*

By signing this form, I acknowledge that I am waiving all rights and benefits that would otherwise be provided by the Defined Contribution Retirement Program with regard to my employment, office, or position with

_____ as _____
Name of Employer *Official Title*

I further acknowledge that this waiver is irrevocable and shall apply for the duration of my service in the employment, office, or position identified herein.

_____ *Name (Please Print)* _____ *Daytime Phone Number*

_____ *Signature* _____ *Date*

EMPLOYER CERTIFICATION

I certify that the individual named above and the position listed meet the eligibility criteria for the retirement program under N.J.S.A. 43:15C-2 and that the individual has voluntarily elected to waive participation.

Certifying Officer: _____ **Date:** ____/____/____
Print Name *Signature* *Month* *Day* *Year*

Phone Number: (____) _____ - _____ **Ext.:** _____

DCRP WAIVER FORM — INSTRUCTIONS

MEMBER INSTRUCTIONS

READ THE INFORMATION ABOUT WAIVER OF PARTICIPATION IN THE DCRP, then complete the Certification and Signature section. By signing this *Waiver Form* you indicate that you understand and agree to the conditions.

IN THE CERTIFICATION AND SIGNATURE SECTION:

- **Enter the Full Name of your Employing Entity and your Official Title or position.**
- **Print your Name** — Enter your full name (first, middle initial, and last name).
- **Enter your Daytime Phone Number** — Include area code, phone number, and extension.
- **Sign and Date this *Waiver Form*.** Unsigned waivers will be returned.
- **Submit the completed form to your employer.**

EMPLOYER INSTRUCTIONS

IF WAIVING PARTICIPATION, this completed form **must** be certified by the employer and submitted to the Division of Pensions and Benefits at the time employment commences.

RETURN THIS COMPLETED FORM TO:

**DEFINED CONTRIBUTION RETIREMENT PROGRAM
New Jersey Division of Pensions and Benefits
P O BOX 295
Trenton, New Jersey, 08625-0295**

DEFINED CONTRIBUTION RETIREMENT PROGRAM (DCRP)

Elected and Appointed Officials

The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007.

The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage.

ELIGIBILITY

Individuals eligible for membership in the DCRP include:

- **State or local officials** who are elected or appointed on or after July 1, 2007; and
- **Employees enrolled in the PERS or TPAF** on or after July 1, 2007, who earn salary in excess of established “maximum compensation” limits.

This fact sheet addresses DCRP membership for elected and appointed officials.

Employees enrolled in the PERS or TPAF should refer to Fact Sheet #79, *DCRP for PERS and TPAF Members*.

State and local officials who are *elected or appointed on or after July 1, 2007* are eligible for enrollment **only** in the DCRP.

- An **elected official** is any individual who holds a State or local (county, municipal, etc.) elected public office.
- A **State appointee** is any individual appointed by the Governor, including those requiring the advice and consent of the Senate, or pursuant to an appointment by the Governor to serve at the pleasure of the Governor only during his or her term of office.
- A **local appointee** is any individual appointed by the Governor, including those requiring the advice and consent of the Senate; or an individual appointed in a substantially similar manner by the governing body of a local public entity (county, municipality, school board, etc.).

Elected Officials

- An **elected official** who is already enrolled in the PERS *prior to* July 1, 2007 based on an elected office, will remain a PERS member while in that elected office.
- *On or after* July 1, 2007, a **newly elected official** will only be enrolled in the DCRP and cannot enroll in the PERS.
- If a **retired** member of another State-administered retirement system is elected to public office, the elected official may **either** continue to receive the retirement benefit from the former employment and would not be eligible for the DCRP, **or** suspend the retirement benefit from the former employment and enroll in the DCRP while in the elected office (upon termination of the elected office, the retirement benefit from the former employment would be reinstated).

Appointed Officials

- *On or after* July 1, 2007 a **newly appointed official** who does not have an existing PERS account will only be enrolled in the DCRP and cannot enroll in the PERS.
- An **appointed official** who is already enrolled in the PERS *prior to* July 1, 2007, will remain a PERS member while serving in the appointed position.
- Similarly, a regular employee enrolled in the PERS *prior to* July 1, 2007, who is appointed — without a break in membership — to a DCRP eligible position *on or after* July 1, 2007, will remain a PERS member while in the appointed position.
- An **appointed official** serving in a position that is otherwise eligible for membership in the TPAF, PFRS, SPRS, or JRS will not be enrolled in the DCRP. In these instances, application should be made to enroll in that other retirement system regardless of any former retirement system affiliations.

Note: Appointed titles that are ineligible for DCRP participation (see Chapter 92, P.L. 2007): Certified Health Officer, Tax Assessor, Tax Collector, Municipal Planner, Chief Financial Officer, Registered Municipal Clerk, Construction Code Official, Licensed Uniform Subcode Inspector, Qualified Purchasing Agent, or Certified Public Works Manager.

ENROLLMENT

The employer is responsible for enrolling an eligible elected or appointed official — as of the starting date in the elected or appointed office — by submitting a *DCRP Enrollment Application* to the Division of Pensions and Benefits, or using the online DCRP enrollment system available on the Employer Pensions and Benefits Information Connection (EPIC).

When enrolled, the elected or appointed official contributes 5.5% of the base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP with the Division of Pensions and Benefits. Member contributions are matched by a 3% employer contribution.

Salary Requirements and Waiver

A newly elected or appointed official must earn a minimum base salary of \$1,500.00 to be eligible to participate in the DCRP.

If the DCRP eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waive participation in the DCRP for that office or position by submitting a *DCRP Waiver Form* to the Division of Pensions and Benefits. However, the decision to waive participation is *irrevocable* for that office or position, and an elected or appointed official who waives participation cannot later choose to enroll based on that same office or position.

Vesting

If a newly elected or appointed official has an existing DCRP account, or is a member of another State-administered retirement system, the official is immediately vested in the DCRP. As a vested member, you have a right to a benefit at retirement based on both the employee and employer contributions to the DCRP.

If a newly elected or appointed official does not qualify for immediate vesting in the DCRP, the employee and employer contributions are held during the initial year of membership. Upon commencing the second year of DCRP membership, the member is fully vested. However, if a member is not eligible to continue in the DCRP for a second year of membership, the member may apply for a refund of the employee contributions from the DCRP, while the employer contributions will revert back to the employer.

RETIREMENT

Six months before retirement, a member should contact the employer and Prudential Financial for information regarding DCRP benefits and options.

A DCRP member may elect to receive all or a portion of his or her account in a lump-sum distribution, or in a variety of periodic payment methods. Please contact your administrative services provider for more information. **All returns of contributions and earnings are considered taxable in the year they are received;** therefore, the type of payout plan should be considered carefully prior to retirement.

There is no minimum retirement age under the DCRP. The member will automatically be considered retired, regardless of age, if there is any distribution of mandatory contributions.

A member may take a distribution at any time after termination of employment; however, if you return to public employment in New Jersey, you cannot participate in any State-administered retirement system.

Health Benefits at Retirement

It is important to note that service time from enrollment in the DCRP cannot be used to qualify for State Health Benefits Program (SHBP) coverage at retirement.

Please contact your employer's human resources office or benefits administrator to ask about health benefit coverage options available in retirement.

LIFE INSURANCE COVERAGE

While serving in an elected or appointed office, DCRP members are covered by employer-paid life insurance, payable to their designated beneficiaries in the amount of 1½ times the annual base salary on which DCRP contributions were based. This cover-

A PUBLICATION OF THE NEW JERSEY DIVISION OF PENSIONS AND BENEFITS

age is available without a medical examination to members under age 60. Newly enrolled members 60 years of age or older must undergo a medical examination to qualify.

DCRP members will continue to be insured for up to two years if on an approved leave of absence without pay for personal illness.

Note: The Internal Revenue Service classifies all life insurance coverage over \$50,000 as a fringe benefit subject to taxation. The amount of the life insurance coverage is not taxable, but the premium required to pay for the life insurance coverage is taxable. Members can elect to waive insurance coverage over \$50,000 at any time. For more information on this topic, see Fact Sheet #22, *Waiver of Non-Contributory Group Life Insurance over \$50,000*.

Upon retirement, life insurance under the DCRP reduces to 3/16 of the annual base salary on which DCRP contributions were based.

This life insurance coverage is available in retirement only to:

- Members age 60 or older if the member has completed 10 years of participation in the DCRP;
- Members of any age if the member has completed 25 years of participation in the DCRP.

The member must also have been an active employee in the twelve months immediately preceding the initial receipt of a retirement annuity payment.

Conversion

Other than the retired insurance benefit described above, life insurance coverage under the DCRP ceases 31 days after termination of employment. During the 31-day period following termination of employment, a member may convert existing group life insurance coverage (less any amount of coverage carried over into retirement) into an individual whole life policy, without medical examination. For

more information, see Fact Sheet #13, *Conversion of Life Insurance*.

LONG-TERM DISABILITY COVERAGE

A member is eligible for employer-paid long-term disability insurance coverage after one year of participation in the DCRP.

The member becomes eligible for the disability benefit after six consecutive months of total disability due to an occupational or nonoccupational condition.

To be considered totally disabled due to sickness or accidental bodily injury, the member must be unable to perform any and every duty pertaining to his/her occupation. The member need not be confined to home, but must be under a doctor's regular care.

If a member is totally disabled, the member is eligible to receive a regular monthly income benefit up to 60% of the base salary on which DCRP contributions were based during the 12 months preceding the onset of the disability. While disabled, the member's and the employer's mandatory contributions are automatically credited to the member's retirement account.

The monthly income benefit is offset by any other periodic benefit the member may be receiving, such as Workers' Compensation, short-term disability, or Social Security.

Eighteen months after the onset of long-term disability eligibility, the member must be unable to engage in any gainful occupation for which he or she is reasonably suited by education, training, or experience. Total disability is not considered to exist if the member is gainfully employed, incarcerated, or if the disability resulted from an act of war, or was intentionally self-inflicted.

Long-term disability benefits will be paid as long as the member remains disabled or until the member attains age 70. Should the member begin receiving payments under the retirement annuity, these benefits terminate.

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.
