

PFRS ENROLLMENT BY MEMBERSHIP TIER PENSIONABLE SALARY LIMITS

TIER 1 (Enrolled <i>on or before</i> May 21, 2010)	TIER 2 (Enrolled <i>after</i> May 21, 2010 and on or before June 28, 2011)	TIER 3 (Enrolled <i>after</i> June 28, 2011)
<p>The PFRS contribution rate for Tier 1 members enrolled <i>on or before</i> May 21, 2010, is applied to the full pensionable salary up to the “federal pensionable maximum.”*</p>	<p>The PFRS contribution rate for Tier 2 members enrolled <i>after</i> May 21, 2010, is applied to the pensionable salary up to a compensation limit based on the annual maximum wage for Social Security deductions (\$110,100 for 2012). Tier 2 members who earn in excess of the annual compensation limit will be enrolled in the Defined Contribution Retirement Program (DCRP) in addition to the PFRS. A contribution of 5.5 percent of the salary in excess of the limit (plus three percent from the employer) is forwarded to a DCRP account.</p>	<p>The PFRS contribution rate for Tier 3 members enrolled <i>after</i> June 27, 2011, is applied to the pensionable salary up to a compensation limit based on the annual maximum wage for Social Security deductions (\$110,100 for 2012). Tier 3 members who earn in excess of the annual compensation limit will be enrolled in the Defined Contribution Retirement Program (DCRP) in addition to the PFRS. A contribution of 5.5 percent of the salary in excess of the limit (plus three percent from the employer) is forwarded to a DCRP account.</p>

***Federal Pensionable Maximum** – Since the PFRS is a qualified pension plan under the provisions of the Internal Revenue Code, Section 401(a)(17), the current federal ceiling on pensionable compensation (\$250,00 for 2012) applies to the base salaries of PFRS members.

PFRS RETIREMENT BENEFITS BY MEMBERSHIP TIER

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SERVICE RETIREMENT	<p>Service Retirement eligibility requirements fall into two categories.</p> <ul style="list-style-type: none"> • A member in service and age 55 or older may retire without any required minimum years of service. • A member with at least 20 years of service may retire at any age provided the member was enrolled in the PFRS as of January 18, 2000. <p>The Tier 1 calculations for a Service Retirement are:</p> <ul style="list-style-type: none"> • Less than 20 years of service credit, the Annual Benefits equals 2 percent of Final Compensation for each year of service. • At least 20 years but less than 25 years of service credit, the Annual Benefit equals 50 percent of Final Compensation. • If age 65 (mandatory retirement age) with 20 or more years of service credit, the Annual Benefit equals 50 percent of Final Compensation, plus 3 percent of Final Compensation for each year of service over 20, up to 25 years, if enrolled in the PFRS as of January 18, 2000. • At least 30 years of service credit, the Annual Benefit equals 2 percent per year of average Final Compensation for the first 30 years of service, plus an additional 1 percent of average Final Compensation for each year of service credit over 30 years. 	<p>Service Retirement eligibility for Tier 2 members is:</p> <ul style="list-style-type: none"> • A member in service and age 55 or older you may retire without any required minimum years of service. <p>The Tier 2 calculations for a Service Retirement are:</p> <ul style="list-style-type: none"> • Less than 20 years of service credit, the Annual Benefit equals 2 percent of Final Compensation for each year of service. • At least 20 years but less than 25 years of service credit, the Annual Benefit equals 50 percent of your Final Compensation. • At least 30 years of service credit, the Annual Benefit equals 2 percent per year of average Final Compensation for the first 30 years of service, plus an additional one percent of average Final Compensation for each year of service credit over 30 years. 	<p>Service Retirement eligibility for Tier 3 members is:</p> <ul style="list-style-type: none"> • A member in service and age 55 or older you may retire without any required minimum years of service. <p>The Tier 3 calculations for a Service Retirement are:</p> <ul style="list-style-type: none"> • Less than 20 years of service credit, the Annual Benefit equals 2 percent of Final Compensation for each year of service. • At least 20 years but less than 25 years of service credit, the Annual Benefit equals 50 percent of your Final Compensation. • At least 30 years of service credit, the Annual Benefit equals 2 percent per year of average Final Compensation for the first 30 years of service, plus an additional one percent of average Final Compensation for each year of service credit over 30 years.

Tier 1 — Final Compensation means the salary upon which pension contributions were based in the **last 12 months** of creditable service preceding retirement.

Tier 2 and Tier 3 — Final Compensation means the *average* salary upon which pension contributions were based for any **three fiscal years** of membership preceding retirement that provides the largest possible benefit possible.

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DEFERRED RETIREMENT	<p>Available to members who have at least 10 years of service credit and are not yet 55 years of age when they terminate employment.</p> <p>The Deferred Retirement is effective on the first of the month after attaining age 55.</p> <p>The Annual Benefit for a Deferred Retirement equals 2 percent of Final Compensation for each year of service.</p>	<p>Available to PFRS members who have at least 10 years of service credit and are not yet 55 years of age when they terminate employment.</p> <p>The Deferred Retirement is effective on the first of the month after attaining age 55.</p> <p>The benefit calculation for a Deferred Retirement equals 2 percent of Final Compensation for each year of service.</p>	<p>Available to PFRS members who have at least 10 years of service credit and are not yet 55 years of age when they terminate employment.</p> <p>The Deferred Retirement is effective on the first of the month after attaining age 55.</p> <p>The benefit calculation for a Deferred Retirement equals 2 percent of Final Compensation for each year of service.</p>
SPECIAL RETIREMENT	<p>Available to Tier 1 members at any age, who have at least 25 years of service credit in the PFRS.</p> <p>The Tier 1 Annual Benefit for a Special Retirement equals 65 percent of Final Compensation plus 1 percent for each year of creditable service over 25 years <i>but not to exceed 30 years</i>.</p> <p>The maximum allowance is therefore 70 percent of your Final Compensation.</p>	<p>Available to Tier 2 members at any age, who have at least 25 years of service credit in PFRS.</p> <p>The Tier 2 Annual Benefit for a Special Retirement equals 65 percent of Final Compensation plus 1 percent for each year of creditable service over 25 years <i>but not to exceed 30 years</i>.</p> <p>The maximum allowance is therefore 70 percent of your Final Compensation.</p>	<p>Available to Tier 3 members of any age who have at least 25 years of service credit in the PFRS.</p> <p>The Tier 3 Annual Benefit for a Special Retirement equals 60 percent of Final Compensation plus 1 percent for each year of creditable service over 25 years <i>but not to exceed 30 years</i>.</p> <p>The maximum allowance is therefore 65 percent of your Final Compensation.</p>

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ORDINARY DISABILITY RETIREMENT	Upon Board approval the Annual Benefit is equal to 40 percent of your Final Compensation or 1.5 percent of Final Compensation for each year of service credit, whichever is higher.	Upon Board approval the Annual Benefit is equal to 40 percent of your Final Compensation or 1.5 percent of Final Compensation for each year of service credit, whichever is higher.	Upon Board approval the Annual Benefit is equal to 40 percent of your Final Compensation or 1.5 percent of Final Compensation for each year of service credit, whichever is higher.
INVOLUNTARY ORDINARY DISABILITY RETIREMENT	<p>The employer has the right to apply for an Involuntary Ordinary Disability Retirement on an employee's behalf* provided that all qualifications for Ordinary Disability Retirement are met</p> <ul style="list-style-type: none"> • Upon Board approval of an application by the employer* — and with at least 4 years of PFRS service, but less than 20 years, — the Ordinary Disability retirement is 40 percent of Final Compensation, or 1.5 percent of Final Compensation for each year of SPRS service, whichever is higher. • Upon Board approval of an application by the employer* — and with 20 or more years of service, — the Ordinary Disability retirement is 50 percent of Final Compensation, plus an additional 3 percent of Final Compensation for every year of SPRS service over 20 up to a maximum of 25 years. 	<p>The employer has the right to apply for an Involuntary Ordinary Disability Retirement on an employee's behalf* provided that all qualifications for Ordinary Disability Retirement are met</p> <ul style="list-style-type: none"> • Upon Board approval of an application by the employer* — and with at least 4 years of PFRS service, but less than 20 years, — the Ordinary Disability retirement is 40 percent of Final Compensation, or 1.5 percent of Final Compensation for each year of SPRS service, whichever is higher. • Upon Board approval of an application by the employer* — and with 20 or more years of service, — the Ordinary Disability retirement is 50 percent of Final Compensation, plus an additional 3 percent of Final Compensation for every year of SPRS service over 20 up to a maximum of 25 years. 	<p>The employer has the right to apply for an Involuntary Ordinary Disability Retirement on an employee's behalf* provided that all qualifications for Ordinary Disability Retirement are met</p> <ul style="list-style-type: none"> • Upon Board approval of an application by the employer* — and with at least 4 years of PFRS service, but less than 20 years, — the Ordinary Disability retirement is 40 percent of Final Compensation, or 1.5 percent of Final Compensation for each year of SPRS service, whichever is higher. • Upon Board approval of an application by the employer* — and with 20 or more years of service, — the Ordinary Disability retirement is 50 percent of Final Compensation, plus an additional 3 percent of Final Compensation for every year of SPRS service over 20 up to a maximum of 25 years.

*The employer must file a Resolution and/or an Official Letter with **all** involuntary disability applications. See the *PFRS Member Handbook* for details.

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SPECIAL DISABILITY RETIREMENT	<p>To qualify for a Special Disability Retirement you must:</p> <ul style="list-style-type: none"> • Be a PFRS member in service at the time the application is filed with the Division of Pensions and Benefits (an official leave of absence is considered in service); and • Have five or more years of New Jersey service credit; and • Receive a heart transplant. <p>The annual benefit calculation for a Special Disability Retirement is equal to 50 percent of Final Compensation.</p>	<p>To qualify for a Special Disability Retirement you must:</p> <ul style="list-style-type: none"> • Be a member in service at the time the application is filed with the Division of Pensions and Benefits (an official leave of absence is considered in service); and • Have five or more years of New Jersey service credit; and • Receive a heart transplant. <p>The annual benefit calculation for a Special Disability Retirement is equal to 50 percent of Final Compensation.</p>	<p>To qualify for a Special Disability Retirement you must:</p> <ul style="list-style-type: none"> • Be a member in service at the time the application is filed with the Division of Pensions and Benefits (an official leave of absence is considered in service); and • Have five or more years of New Jersey service credit; and • Receive a heart transplant. <p>The annual benefit calculation for a Special Disability Retirement is equal to 50 percent of Final Compensation.</p>
ACCIDENTAL DISABILITY RETIREMENT	<p>If approved, the annual benefit is equal to 2/3 of your annual compensation on which pension contributions were being made at the time of retirement or the date of the “traumatic event”, whichever provides the higher benefit.</p>	<p>If approved, the annual benefit is equal to 2/3 of your annual compensation on which pension contributions were being made at the time of retirement or the date of the “traumatic event”, whichever provides the higher benefit.</p>	<p>If approved, the annual benefit is equal to 2/3 of your annual compensation on which pension contributions were being made at the time of retirement or the date of the “traumatic event”, whichever provides the higher benefit.</p>

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