

# Pension News



A Newsletter Published for New Jersey's Retired Public Employees

## MBOS for Retired Members: Coming Soon to Your PC

In 2005, the Division of Pensions and Benefits introduced the Member Benefits Online System, or MBOS, a set of Internet based applications that active members of New Jersey State-administered retirement systems can register to use. Through MBOS, these members can access their pension account information online and complete a variety of tasks related to their membership and benefits using a home computer, such as designating their pension and group life insurance beneficiaries and applying for a pension loan.

In the very near future, the Division of Pensions and Benefits will expand the Member Benefits Online System, allowing *retired* New Jersey public employees to access their benefit account information, and

enabling them to complete a number of tasks related to their retired membership and benefits online. Anticipated MBOS applications that will become available to retired members and beneficiaries receiving a monthly benefit are described below.

### Retired Member Account Information

Individuals who sign up for MBOS will be able to view their retired member account information online, including all of the information normally provided on the *Statement of Allowances and Deductions* (check stub). The retired member's cost-of-living adjustment (COLA), pension allowance, and any deductions taken, like retired dental coverage, will be available to view in MBOS. Please note that when you register to

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## It's Never Too Late to Sign up for Direct Deposit

Sign up for Direct Deposit (Electronic Fund Transfer, or EFT) of your monthly retirement allowance today; then sit back and enjoy the convenience of this service! The *Authorization for Direct Deposit of Benefit Payment* is available on the Division's Web site, at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions) or by contacting the Division.

Soon, you will be able to sign up for Direct Deposit, or change your Direct Deposit information, via the Member Benefits Online System, or MBOS. See "MBOS for Retired Members" above to learn more about MBOS.

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## From the Director

Vast technological advances occur overnight in our fast-paced world, bringing innovative solutions for many common problems and tasks in the work environment. Researching the available technological developments in order to identify those that will best increase the efficiency of our service to you is an important but challenging job that must be carried out at the Division of Pensions and Benefits on a regular basis.

Two technological tools that have been incorporated into daily operations at the Division of Pensions and Benefits recently are described in this issue of the PensionNews. The Member Benefits Online System, or MBOS, which has been available to active members since 2005, is an online system that allows users to access their member account information and carry out a number of account related activities from their home computer, like applying for retirement or updating beneficiary information. The exciting news to share with you about MBOS is that it will be made available to our retired members in the near future. This means that soon, you will be able to enjoy the convenience of accessing your retired account information from a home computer and completing applications developed with retirees' needs in mind, such as making address changes or updating Direct Deposit information.

The Division's new Customer Relationship Management (CRM) System, which was rolled out in the fall of 2007, is a "behind the scenes" tool that uses technology to track all phases of our customer service to you. The CRM System increases efficiency by providing employees with a single repository of all client contacts.

As technology continues to provide new solutions to meet the needs of the public sector, we will look for ways to utilize these new tools to serve you better. We encourage you to become an active participant in the world of technology and to take advantage of all it has to offer.

*Frederick J. Beaver, Director  
Division of Pensions and Benefits*

## 2008 Check Mailing Dates, EFT Effective Dates

Retirement checks will be delivered to the United States Postal Service on the dates given below. Please add several days to the mailing dates listed for an approximate date of delivery to your home address. Electronic Fund Transfer, or EFT effective dates for monthly retirement allowance payments are normally on the first day of the month, unless the first falls on a Saturday, Sunday, or State holiday.

<u>CHECK DATE</u>	<u>MAIL DATE</u>	<u>EFT EFFECTIVE DATE</u>
2/1/2008	1/29/2008	2/1/2008
3/1/2008	2/27/2008	2/29/2008
4/1/2008	3/28/2008	4/1/2008
5/1/2008	4/28/2008	5/1/2008
6/1/2008	5/29/2008	5/30/2008
7/1/2008	6/27/2008	7/1/2008
8/1/2008	7/29/2008	8/1/2008
9/1/2008	8/28/2008	8/29/2008
10/1/2008	9/26/2008	10/1/2008
11/1/2008	10/29/2008	10/31/2008
12/1/2008	11/26/2008	12/1/2008
1/1/2009	12/29/2008	12/31/2008

## MBOS for Retired Members

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use MBOS, you will be required to provide your **retirement number**.

### **Direct Deposit**

Retired members who register for MBOS will be able to sign up for Direct Deposit (Electronic Fund Transfer, or EFT) of their benefit payment online. Members who are already receiving their retirement allowance via Direct Deposit (EFT) will be able to use MBOS to make updates to their Direct Deposit account information when changes occur.

### **Changing Tax Withholding Information**

Benefit recipients will be able to change the amounts withheld from their pension allowance for federal or New Jersey State income taxes through MBOS. The “Tax Withholding” application will display a three-year history of total pension allowance and federal and New Jersey State tax withholding amounts.

### **Change of Address**

Individuals who register for MBOS and subsequently need to update their address information on file with the Division of Pensions and Benefits will be able to log on to MBOS to make the address changes quickly and accurately.



## MBOS: Your Personal Information Is Secure

**A** number of measures are taken when you sign up to use MBOS, to ensure that the MBOS account you open is secure and to prevent any compromise of your personal information. Authorization codes are used when you first open your account, and you may not log on to MBOS without providing the log-on ID and password that you create. Thus, only YOU will be allowed to access your specific account information available through MBOS. Remember, MBOS is an optional service that you may decline to sign up for; the choice will be yours. If you sign up to use MBOS, we believe you will find it to be a fast, easy, and useful resource for obtaining the accurate information you need about your pension and health benefits.

**The Division of Pensions and Benefits will provide retirees with additional information about signing up for the Member Benefits Online System as soon as the system becomes available for use.** Retired members should also watch for updates in future newsletters and check our Web site, at: [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions)

### **Member Account Information in Writing**

This application will allow retirees to request letters and statements containing specific retired member account information, like a summary of benefits or income verification to obtain a mortgage or qualify for low-income housing.

### **State Health Benefits Program Coverage Information**

Retirees who are enrolled in the State Health Benefits Program (SHBP) will be able to view their present SHBP coverage information, as well as their SHBP coverage history (active, retired, and COBRA, where applicable).

## Your Power of Attorney Forms Are They on File and Up-to-Date?

A power of attorney, or POA, is a legal instrument or document used by one individual to nominate a person of trust as POA to act on his or her behalf in managing important legal or financial matters. The person you authorize to have power of attorney is often known as your “POA agent,” or “attorney-in-fact.” As the grantor, you can give your POA agent as many or as few powers as you wish, but your POA document must specify the exact powers you are designating to your POA agent. You can also choose to have the power of attorney authorization take effect immediately, or only in the event of illness, incapacitation, or travel abroad. A durable power of attorney is one that continues to be in effect even if you become mentally incapacitated.

There are a number of reasons why a retired New Jersey public employee might find it necessary to nominate an agent to have power of attorney to act on his or her behalf over the retired member’s benefits. One very common reason is to allow the POA agent to cash the pensioner’s retirement check and apply the proceeds to the member’s support, maintenance, and comfort. The Division of Pensions and Benefits makes a *Power of Attorney* form available for this specific purpose, on the Division’s Website: [www.state.nj.us/treas-ury/pensions](http://www.state.nj.us/treas-ury/pensions). Please note that the Division’s *Power of Attorney* can only be used for this specific purpose; the form must be signed by the POA agent and the retired member; and it needs to be on file with the Division.

The Division’s *Power of Attorney* document cannot be used to authorize power of attorney over other areas. A POA agent can only make changes to a member’s beneficiary designations\* or nominate himself or herself to become the member’s beneficiary if the member has filed a power of attorney document that explicitly grants either of these powers to the POA agent. Remember, the POA document must always specify the exact manner in which the “attorney-in-fact” is permitted to act on the member’s behalf.

If at any time you choose to authorize a person of trust to have power of attorney over an important legal or financial matter pertinent to your retired member benefits, you must:

- Make sure that the POA document states the specific power you are granting to your POA agent, and;
- Mail your completed and signed *Power of Attorney* form to the Division of Pensions and Benefits; PO Box 295; Trenton, NJ 08625-0295.

If you change your POA agent, or add or alter the powers designated to your POA agent, please be sure to submit the updated POA document(s) to the Division of Pensions and Benefits at the above address.

*\*Administrative code set forth by the Division of Pensions and Benefits stipulates that a POA agent may only change a member’s beneficiary information if the member’s Power of Attorney documents specifically state this right.*

### PensionNews on Audiotape Available

For members who are visually impaired or who have difficulty reading the printed version of the *PensionNews*, an audiotape version is available. It contains the same information as the printed newsletter, but makes this information accessible via cassette tape. To receive the *PensionNews* on audiotape, send your full name, address, and retirement number to: Editor, *PensionNews*; Division of Pensions and Benefits; PO Box 295; Trenton NJ 08625-0295; or send an e-mail to the Division, at [pensions.nj@treas.state.nj.us](mailto:pensions.nj@treas.state.nj.us)

# The Defined Contribution Retirement Program

## What You Should Know If Running for Public Office Is in Your Future

Under two new laws, Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, the Defined Contribution Retirement Program (DCRP) was established, effective July 1, 2007. State or local officials who are elected or appointed to a New Jersey public office on or after July 1, 2007 are eligible for membership in the DCRP. For **retired** members of a New Jersey State-administered retirement system who are elected to public office on or after July 1, 2007, enrollment in the DCRP is **optional**.

If you are a retired public employee elected to a New Jersey public office *on or after* July 1, 2007, understanding just how your enrollment in the DCRP would affect your retirement benefits is important in helping you choose whether or not DCRP enrollment is right for you.

- If you are a newly elected official\* and you decline enrollment in the DCRP, you will continue to receive your retirement benefit from your former employment while drawing a salary from the elected position; however, you will not be eligible for the benefits associated with DCRP membership during your employment or upon completion of service.
- If you are a newly elected official\* and you choose to become a member of the DCRP, the retirement benefit from your former employment is suspended, and you are enrolled in the DCRP. Your DCRP employer would make employer contributions and deduct member contributions from your salary as an elected official for the duration of the elected service, and you would be eligible for all DCRP member benefits, like group life insurance and long term disability coverage. Upon termination of the elected service, the retirement benefit from your former employment would be reinstated, and you would also be eligible for any retirement benefits available from your DCRP membership.

A retired public employee who is considering a run for New Jersey elected public office should weigh the advantages and disadvantages of DCRP membership to determine whether or not to enroll in the DCRP, if elected.

### When a Retired NJ Public Employee Is Appointed to Public Office

A retired member of another State-administered retirement system who is subsequently appointed to public office in New Jersey *on or after* July 1, 2007 must follow the “return to employment” rules and laws for the pension system from which retirement occurred. Retired members of the Public Employees’ Retirement System (PERS), Teachers’ Pension and Annuity Fund (TPAF), Police and Firemen’s Retirement System (PFRS), State Police Retirement System (SPRS), Judicial Retirement System (JRS), and the Alternate Benefit Program (ABP) may accept the appointment to New Jersey public office and earn a salary for it, but may not enroll in the DCRP; thus, they would not be eligible for any of the benefits associated with DCRP membership while serving in the appointed position or upon completion of service in the appointment.

For more information about “return to employment” issues like this, please consult the applicable fact sheet:

- Fact Sheet #21, *Employment after Retirement* (Public Employees’ Retirement System);
- Fact Sheet #28, *Employment after Retirement* (Teachers’ Pension and Annuity Fund);
- Fact Sheet #29, *Employment after Retirement* (Police and Firemen’s Retirement System);
- Fact Sheet #57, *Employment after Retirement* (State Police Retirement System).

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\* An elected official is any individual who holds a State or local (county, municipal, etc.) elected public office in New Jersey.

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## Improving Our Service to You, Behind the Scenes

**H**ave you ever contacted a public or private agency repeatedly to get help with a problem, only to get the run around or a promise of help, but no resolution follows? Your frustration only builds when you must explain your dilemma to a different customer service representative each time you call. Or perhaps you have been in the shoes of the dedicated customer service representative who listens to a customer's problem politely and processes it correctly, only to have the paperwork somehow disappear into your agency's structure. Despite the fact that you have performed your job correctly, you are the one who must politely intercept the angry comments from the same customer, who is calling to report the problem is not yet resolved, and to blame you.

Customer service issues like those described above have been around in both the private and public sector for many years, but achieving a comprehensive solution that best addresses the needs of clients and employees alike had remained elusive. The recent development of the Customer Relationship Management (CRM) System has given public and private agencies a new technological tool to help them manage their relationships with customers more efficiently — with improved customer service, more accountability, and less redundant work for employees.

What CRM Systems do is allow public and private agencies to track all customer data using a single system, so employees can view the exact status and history for a given customer's problem or request. Employees won't have to repeat steps already performed or give the customer a "best guess" about a problem's current status. Greater customer satisfaction also occurs because customers can learn the current status of a problem or request from any trained staff member at any time, without describing past communications and actions.

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### Using CRM to Process a Client's Request

***Customer Request:** A retired member who already receives his or her pension allowance via Direct Deposit wishes to change the Direct Deposit account information.*

- The retired member places a call to Client Services to request the Direct Deposit account information change.
- The counselor taking the call asks for the retired member's identifying information (name and Social Security number, membership number, or retirement number) and the reason for the call.
- The counselor uses the identifying information to access the CRM Activity Screen, records the date and reason for the call, and checks for prior activity related to the member's current request.
- If there is no prior activity, the counselor verifies the client's mailing address, and obtains the client's new Direct Deposit information (bank name, account number, and bank routing number).
- Next, the counselor accesses the CRM Service Request Application and inputs the client request, along with the updated Direct Deposit information provided by the retired member.
- The CRM System sends the service request to the operating unit responsible for making Direct Deposit changes, Retired Payroll.
- A staff member in Retired Payroll processes the member's Direct Deposit change and indicates the date of completion on the Service Request on record in the CRM System.
- If the retired member calls to inquire about the status of the Direct Deposit change, **any counselor can access the CRM System and provide the most up-to-date history and status information.**

## 2008 COLA Information Now Available

Beginning in the 25th month after retirement, retirees of the following New Jersey State-administered retirement systems are eligible for a cost-of-living adjustment, or COLA. Subsequent cost-of-living adjustments are computed annually, and the adjustment is reflected in the February 1st retirement check each year thereafter (payment for the month of January):

- Public Employees' Retirement System
- Teachers' Pension and Annuity Fund
- Police and Firemen's Retirement System
- State Police Retirement System
- Judicial Retirement System
- Consolidated Police and Firemen's Pension Fund
- Prison Officers' Pension Fund.

Eligible retirees will see their 2008 COLA beginning with their February 1, 2008 check. The new COLA amount will be listed on the *Statement of Allowances and Deductions* received with the February 1 payment, under the heading, "Current Earnings." Any other changes will also be indicated on the *Statement of Allowances and Deductions* document.

If you are currently receiving a monthly pension as the spouse or beneficiary of a deceased retired New Jersey public employee, you will continue to receive a cost-of-living adjustment as well. The COLA amount applied to your monthly survivor's benefit will be

based upon that deceased member's year of retirement. However, this does not apply to Judicial Retirement System widows or widowers receiving a survivor benefit (as opposed to an option benefit), or Consolidated Police and Firemen's Pension Fund widows, who have special COLA rules.

You can call the Automated Information System at any time, at (609) 777-1777, to hear your COLA and other allowance and deduction information over the phone. You must follow the prompts and enter your Social Security number to use this service. **And soon**, retired members who register to use the **Member Benefits Online System**, or MBOS, will be able to view their member account information, including their current COLA if they are eligible, through MBOS. (Please see "MBOS for Retired Members," page 1, for details.)

For additional COLA information, please refer to Fact Sheet #18, *Cost-of-living Adjustments*, which gives a step-by-step explanation of the COLA calculation; or Fact Sheet #64, *About Your Retirement Check*. Both fact sheets, and the online "Cost-of-living Adjustment Chart" (which provides the data needed to calculate your own specific COLA for 2008), are available on the Division's Web site:

[www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions)

*Please Note: In the case where a PERS, TPAF, or JRS retiree has chosen Option 1 at retirement, the Maximum Option amount is used in the COLA calculation.*

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## Improving Our Service to You, Behind the Scenes *(continued from page 6)*

CRM Systems are becoming more widely used by public and private agencies because of the customer service improvements they can bring, when used correctly. The Division of Pensions and Benefits has recently instituted use of one such CRM System to assist in managing its relationship and interactions with its clients — the active and retired public employees of New Jersey.

The example on page 6, "Using CRM to Process a Client's Request," outlines how a Division employee would use CRM to process a retired public employee's request to change the Direct Deposit information on file, illustrating how CRM allows the tracking of all actions and interactions, both internal and external. Information about the history and status of the problem at hand is available at any time, which is an extremely useful tool in any area of customer service.

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## GFOA Scholarship Information

The Government Finance Officers Association (GFOA) of New Jersey awards scholarships each year to children of deceased or disabled persons who have worked in government in the State of New Jersey. The GFOA scholarships are given to provide financial assistance in order to "encourage and promote the advancement of education" among these students. Your child may qualify for this scholarship if you are a government worker who has retired on a disability pension, or if you are the widow or widower of a deceased government worker.

For more information or to obtain a copy of the scholarship application, visit the GFOA of New Jersey Web site, at [www.gfoanj.org](http://www.gfoanj.org). Telephone calls will not be accepted for applications.

Mail completed applications to:

GFOA SCHOLARSHIP  
PO BOX 2018  
CLIFTON NJ 07015-2018.

**All applications must be received by March 31, 2008.**

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