A PUBLICATION OF THE NEW JERSEY DIVISION OF PENSIONS AND BENEFITS

Disability Retirement Benefits

Public Employees' Retirement System • Teachers' Pension and Annuity Fund

ORDINARY DISABILITY

To qualify for Ordinary Disability retirement benefits you must:

- have an active pension account (active membership ceases after discontinuance of service for more than two consecutive years[1]); and
- have 10 or more years of New Jersey service credit in the pension system (the purchase of out-of-state, military, and U.S. government civilian service cannot be used to attain the 10 years); and
- be considered totally and permanently disabled.

The *Application for Disability Retirement* includes forms for your physicians to complete and a release for any hospital records related to your disability.

Applicants may be examined by physicians selected by the retirement system.

If you qualify for an Ordinary Disability retirement benefit, the annual benefit is equal to 43.6 percent of your Final Average Salary (FAS) or 1.64 percent of the FAS for each year of service credit, whichever is higher.

“Final Average Salary” means your average salary for the three years immediately preceding your retirement on which pension contributions were taken. If your three last years are not your highest years of salary, your allowance may be calculated using your three highest fiscal years (July 1 to June 30) of salary. If this is the case, please indicate on your retirement application that you had higher fiscal years of salary.

[1]Special rules apply for former members who discontinued service after two years and terminated employment because of a disability. Contact the Division of Pensions and Benefits for more information.

ACCIDENTAL DISABILITY

To qualify for Accidental Disability retirement benefits you must:

- have an active pension account (active membership ceases after discontinuance of service for more than two consecutive years[1]);
- be an active member of the PERS or TPAF on the date of the traumatic event (see definition below);
- be considered totally and permanently disabled as a direct result of a traumatic event that happened during and as a direct result of carrying out your regular or assigned job duties;
- file an application within five years of the date of the traumatic event; and
- be examined by physicians selected by the retirement system.

A "Traumatic Event" has been defined by the courts as one in which the worker is involuntarily exposed to a violent level of force or impact which is not brought into motion by the worker.

To be eligible for Accidental Disability retirement benefits, the worker must demonstrate that:

- the injury was not induced by normal work effort;
- the worker met involuntarily with the object that was the source of the harm; and
- the source of the injury was a violent or uncontrollable power.

If you qualify for an Accidental Disability retirement benefit, you will receive 72.7 percent of your base salary at the time of the traumatic event. The *Application for Disability Retirement* includes forms for your physicians to complete and a release for any hospital records related to your disability.

If you apply for Accidental Disability retirement and are found by the Board of Trustees to be totally and permanently disabled, but not because of a traumatic event, you may be retired on an Ordinary Disability or offered a Service or Early Retirement (this depends on your age and service credit at the time the application was received).

APPLYING FOR DISABILITY RETIREMENT BENEFITS

An *Application for Disability Retirement* is only available from:

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

Applicants for disability retirement must submit all supporting hospital and physician records. All medical information is confidential and used only by the Board of Trustees in reviewing the claim.

The more complete the application, the faster it can be processed. It may take six months or more to process the application.

Your employer has the right to apply for an involuntary disability retirement on your behalf.

The approval of Workers' Compensation or Social Security Disability benefits has no bearing on your application for disability retirement from the retirement system.

If you retire with an outstanding loan balance, you must indicate on your retirement application how you wish to repay your loan balance. You may payoff the outstanding loan balance 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.

OTHER INFORMATION

Group Life Insurance

Most members of the retirement system are covered by group life insurance. If you are covered immediately prior to your retirement, you are entitled to reduced coverage in retirement as follows:

PERS Members

If you retire on a disability retirement, you are covered by group life insurance in the amount of 1½ times your final salary until age 60. At age 60 your life insurance coverage automatically reduces to 3/16 of your final salary.

TPAF Members

- If you retire on a disability retirement with contributory and noncontributory group life insurance, you are covered by group life insurance in the amount of 1¾ times your final salary until age 60, when your life insurance coverage automatically reduces to 7/16 of your final salary.
- If you retire on a disability retirement with noncontributory group life insurance *only*, you are covered by group life insurance in the amount of 1½ times your final salary until age 60, when your life insurance coverage automatically reduces to 3/16 of your final salary.

Conversion

When your group life insurance is reduced, you have 31 days to convert the amount of insurance reduced to private individual insurance coverage. Please see Fact Sheet #13, *Conversion of Life Insurance,* for more detailed information.

EMPLOYMENT AFTER RETIREMENT

All PERS and TPAF disability retirees who are under the age of 60, and those who are age 60 or older who retired on or after November 1, 1992, are subject to an annual earnings test. If your pension, when added to the earnings from employment, exceeds what your former position currently pays, your pension will be reduced dollar for dollar by the excess earnings over the current salary of your former position. Each year the Division of Pensions and Benefits may request copies of your previous year's federal tax return and *W-2s*.

If you return to employment in a position covered by the same retirement system from which you retired (and if the PERS position pays more than

$1,500 per year or the TPAF position pays more than $500 per year), you should expect to cancel your retirement and re-enroll in the retirement system. Contact the Division of Pensions and Benefits and request Fact Sheet #21, *Employment After Retirement (PERS)* or #28, *Employment After Retirement (TPAF)* on the procedures to follow when returning to public employment in New Jersey.

Health Benefits

Fact Sheet #11, *Enrolling in the State Health Benefits Program When You Retire,* provides information about continuing your health benefits coverage in retirement if you are eligible for State Health Benefits Program coverage. If you are not covered by the State Health Benefits Program, contact your employer about continuing your coverage.

Workers' Compensation

If you are receiving periodic Workers' Compensation benefits, your Accidental Disability Retirement allowance will be reduced dollar for dollar by the periodic benefit paid after your retirement date. Ordinary Disability retirement benefits are not affected by Workers' Compensation payments.

Fact Sheets

To obtain any of the fact sheets mentioned above, call our Benefit Information Library (BIL) at (609) 777-1931. You may request to have the fact sheets mailed or faxed. To receive a fact sheet by mail, enter the information selection number (see Mail below) for the fact sheet and after the recorded message, leave the requested mailing information. To have the fact sheet sent directly to your fax machine, select the Fax on Demand option and enter fax selection number along with the area code and number of your fax machine. The selection numbers are as follows:

Fact Sheet	Mail	Fax
Fact Sheet #11, *Enrolling in the State Health Benefits Program When You Retire*	#208	#8208
Fact Sheet #13, *Conversion of Life Insurance*	#245	#8245
Fact Sheet #21, *Employment After Retirement (PERS)*	#101	#8101
Fact Sheet #28, *Employment After Retirement* (TPAF)	#108	#8107

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