



Retirement — How to Apply

Information for:
State Police Retirement System (SPRS)

MANDATORY RETIREMENT

Retirement from the State Police Retirement System (SPRS) is mandatory upon reaching age 55. If you do not file for retirement before your mandatory retirement date, you will be automatically retired by the Board of Trustees on a Service Retirement, effective the first day of the month immediately following your 55th birthday. Retirement benefits, however, are not payable until you have filed a retirement application with the New Jersey Division of Pensions & Benefits (NJDPB).

BEFORE YOU RETIRE

You should inquire about retirement at least six months in advance. This will give you enough time to review the benefits that are available to you in retirement.

Members of the SPRS can obtain an estimate of retirement benefits from their human resources representative.

SUBMITTING YOUR ONLINE APPLICATION

You must meet all of the eligibility requirements for retirement and cannot file for retirement more than one year before your retirement date (members eligible for a Deferred Retirement may file more than one year in advance upon termination of employment).

Paper applications are not accepted. You must file for retirement online using the Member Benefits Online System (MBOS), available on the NJDPB website: www.nj.gov/treasury/pensions This is an easy,

secure, and accurate way to apply for retirement. Be sure to carefully read the instructions and the fact sheets about retirement prior to submission.

All retirements are effective the first of a month. Your application must be received by the NJDPB before your retirement date. Under no circumstances can a retirement become effective prior to the date the application is received by the NJDPB.

It is your responsibility to file for retirement. Four to six months advance filing is recommended. Processing times vary and cannot begin until we have received all the necessary information from both you and your employer. Your employer will be notified that you have filed an application for retirement.

Direct deposit, also known as Electronic Funds Transfer (EFT), of your retirement check to a bank account is mandatory (except for foreign mailing addresses). You must provide your direct deposit information at the time you apply for retirement, or your retirement application will not be processed. You should make sure that you have your account type (checking or savings), bank routing number, and bank account number readily available to submit with your retirement application. You can make changes to an existing direct deposit any time after retirement; please allow approximately 60 days for changes to take effect.

If you have not furnished proof of your age to the NJDPB, you must do so when applying for retirement. If any documents are given under a maiden name, please identify them as such. Proof of age

documents include a copy of any of the following:

- Birth certificate — with visible seal;
- Passport;
- A U.S. Passport Card;
- A current digital New Jersey driver's license or identification card (for non-drivers) issued by the N.J. Motor Vehicle Commission;
- A current digital Pennsylvania or New York driver's license; or
- Naturalization or immigration papers.

Unacceptable documentation includes expired documentation, out-of-state drivers' licenses (except P.A. and N.Y.), hospital birth certificates, marriage certificates, census records, baptismal records, affidavits from older family members, or military records indicating your age.

You should submit your proof of age document using the Online Document Submission application available on MBOS. Or, if you are unable to submit online, you should mail photocopies of the proof of age documentation at the time you submit your online application to the New Jersey Division of Pensions & Benefits, Retirement Bureau, P.O. Box 295, Trenton, NJ 08625-0295.

If you retire 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 repay the loan through deductions from

your retirement allowance until the balance of the loan with interest is repaid. The monthly loan payment will be calculated to have the loan plus interest satisfied by your five-year loan payoff date.

TYPES OF RETIREMENT

The following types of retirement benefits are calculated using your Years of Service and Final Compensation.

- Years of Service means the amount of membership service you have credited to your SPRS account.
- Final Compensation — For an SPRS Tier 1 member enrolled on or before May 21, 2010, Final Compensation means the salary upon which contributions were based in the last 12 months of creditable service preceding retirement.

For an SPRS Tier 2 member enrolled after May 21, 2010, Final Compensation means the average salary upon which pension contributions were based for the last three years of service or any three fiscal years of membership preceding retirement that provides the largest possible benefit.

For all SPRS members, Final Compensation includes the value of the maintenance allowance for the same period.

There are several types of retirement for which you may qualify:

Service Retirement

This type of retirement is available at any age when you complete 20 years of creditable SPRS service. The amount of your annual retirement allowance is equal to 50 percent of your Final Compensation.

If you are retiring on a mandatory retirement at age 55 and you were an active member of the retirement system on August 29, 1985, P.L. 1985, c. 175 (Chap-

ter 175) guarantees you an annual retirement allowance of 50 percent of your Final Compensation, even if you have not completed 20 years of SPRS service.

Special Retirement

This type of retirement is available at any age to members who have 25 years or more of SPRS service credit. The amount of your annual retirement allowance is equal to 65 percent of your Final Compensation plus one percent for each year of creditable service over 25 years but not to exceed 30 years. The maximum allowance is, therefore, 70 percent of your Final Compensation.

Deferred Retirement

This type of retirement is available to SPRS members who have at least 10 years of service credit and are not yet 55 years of age when they terminate employment. The annual retirement allowance is two percent of Final Compensation for each year of service up to 25 years.

The effective date of a Deferred Retirement is the first of the month after you attain age 55. You must file an application to receive a Deferred Retirement, and you should file when you terminate covered employment.

If you are terminated for cause, you may not be eligible to receive Deferred Retirement benefits. The SPRS Board of Trustees will make that determination at the time you file your application.

Your group life insurance coverage is not in effect between the time you terminate employment and the effective date of your Deferred Retirement. If you die before your Deferred Retirement becomes effective, the beneficiary on your retirement application will receive a return of your contributions, unless a subsequent *Designation of Beneficiary* is submitted through MBOS. There is no other death benefit under these circumstances.

For information about converting your group life insurance to an individual policy at termination, see the *Conversion of Group Life Insurance* Fact Sheet available on our website.

You will not be able to continue coverage under the State Health Benefits Program (SHBP) Retired Group if you apply for a Deferred Retirement. However, you are entitled to continue coverage in the SHBP for up to 18 months after termination of employment in accordance with the federal Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) laws. If your retirement allowance becomes due and payable during the 18 months of extended COBRA coverage, you would qualify for coverage in the SHBP Retired Group. In this case, you must contact the NJDPB and request a health benefits offering letter within 60 days of your eligibility for the SHBP Retired Group coverage.

At any time before your Deferred Retirement becomes effective, you may change your mind and apply for a lump-sum withdrawal of your pension contributions. However, if you cancel your Deferred Retirement and withdraw your contributions, all rights and privileges of membership will end.

Disability Retirement

For information about Disability Retirement, see the *Disability Retirement Benefits* Fact Sheet for SPRS members.

SERVICE UNDER OTHER PENSION SYSTEMS

Only service rendered as a member of the SPRS, or credited as equivalent to SPRS service, may be used to satisfy the minimum creditable service requirements of the retirement types described above. This includes the creditable service of members appointed to the Division of State Police under N.J.S.A. 53:5A-5(c-d).

If you purchased or transferred service credit from another New Jersey State-administered retirement system, this service credit is considered equivalent to SPRS service, upon payment of any required rate differential between the former pension system and the SPRS, for members who retire effective November 1, 2019, or thereafter.

PAYMENT OF PENSION TO A SURVIVING FAMILY MEMBER

Upon your death as a retired member, your spouse, civil union partner or domestic partner, and/or child(ren) may be entitled to a monthly pension.

Spouse means a person to whom you are legally married. Documentation required for verification includes a copy of your government issued marriage certificate (if the marriage certificate is in a language other than English, an English translation must also be submitted), and a copy of your most recent tax return (Form 1040). A copy of the tax return is not required if the marriage occurs within 12 months of the date the member passed. Only the first page of the tax return is required and must include the spouse's name (financial data and all but the last four digits of Social Security numbers should be redacted to protect privacy). The tax return must show a "Married" filing status. If the subscriber and dependent spouse reside at separate addresses, both the subscriber's and the spouse's most recent tax return must be submitted. (If the subscriber or spouse submits a "Head of Household" filing status on their return, the other individual's return must have a "Married filing separately" filing status. Tax returns with a "Single" filing status will not be accepted.)

Civil Union Partner means a person of the same sex with whom you have entered into a civil union. Documentation required for verification includes a copy of the New Jersey certificate of civil union dated prior to October 2013, or a valid certification from another State or foreign jurisdiction that recognizes same-

sex civil union partners and a copy of the first page of both partners' N.J. tax return from the previous year that includes the partner (financial data and all but the last four digits of Social Security numbers should be redacted to protect privacy).

Domestic Partner is a same-sex domestic partner, as defined under P.L. 2003, c. 246 (Chapter 246), of any State employee or State retiree (or an eligible employee or retiree of a local public entity if the local governing body adopts a resolution to provide Chapter 246 pension benefits). Documentation required for verification includes a copy of the New Jersey certificate of domestic partnership dated prior to February 19, 2007, or a valid certification from another State or foreign jurisdiction that recognizes same-sex domestic partners and a copy of the first page of both partners' N.J. tax return from the previous year that includes the partner (financial data and all but the last four digits of Social Security numbers should be redacted to protect privacy).

Child means your unmarried child:

- Under the age of 18;
- 18 years of age or older and enrolled in high school; or
- Any age who, at the time of your death, is disabled because of mental or physical incapacity and is incapable of substantial gainful employment because of the impairment. This incapacity must last, or be expected to last, for a continuous period of not less than 12 months as determined by the SPRS Medical Review Board.

Retired Member Death Benefit

Upon your death as a retired member, your eligible surviving spouse or partner will receive an annual pension of 50 percent of your Final Compensation. This benefit is payable for the lifetime of the spouse/partner, or until the spouse/partner remarries or enters into a new civil union or domestic partnership.

If there is no eligible surviving spouse/partner or your spouse/partner dies, remarries, or enters into a new partnership, the following benefit is payable to eligible children:

- 50 percent of Final Compensation to three or more eligible children;
- 35 percent of Final Compensation to two eligible children; or
- 20 percent of Final Compensation to one eligible child.

GROUP LIFE INSURANCE

Most members of the retirement system are covered by group life insurance. When you retire, the amount of your group life insurance will be equal to 50 percent of your Compensation. Compensation means the last 12 months immediately preceding your death or retirement.

If a retiree was enrolled as a member of the SPRS on or after July 1, 1971, life insurance is payable only if the member retired with 10 or more years of pension membership credit or retired on a Disability Retirement.

Conversion

For most members, group life insurance is reduced at retirement. You have 31 days after termination of employment to convert the amount of insurance that was reduced to private individual insurance coverage. If you wish to supplement this coverage with either a conversion policy from the Prudential Life Insurance Company, or a policy from another insurance carrier, it is best to begin exploring your options at least four to six months prior to your retirement. However, you cannot file to convert your life insurance any earlier than six months prior to your retirement date.

For additional information, see the *Conversion of Group Life Insurance* Fact Sheet.

HEALTH BENEFITS

If you are covered by the SHBP at the time you retire, you will receive a letter approximately three months before your retirement date offering you enrollment in the SHBP Retired Group. See the *Health Benefits Coverage — Enrolling as a Retiree* Fact Sheet for additional information.

As an SPRS retiree, the State will pay for all or a portion of your health benefits coverage, and that of eligible dependents, during your lifetime if you:

- Retire on a benefit based on at least 25 years of service;
- Retire on an SPRS Disability Retirement; or
- Retire on an SPRS mandatory retirement at age 55 with at least 20 years of service — under the provisions of N.J.S.A. 53:5A-8(d).

CHANGING OR CANCELING YOUR RETIREMENT DATE

The following are some important points to remember if you consider changing your retirement to a later date or canceling your retirement:

- You may change or cancel your retirement within 30 days of your retirement date, or 30 days after the approval of your retirement by the Board of Trustees, whichever is later.

Note: You cannot cancel or change the date for a Disability Retirement once it has been approved by the Board of Trustees.

- If you change or cancel your retirement date, it is your responsibility to notify your employer to ensure that any active health benefits are not canceled and your employment remains uninterrupted.
- Changing or canceling your retirement date does not guarantee continued employment with your employer.

This fact sheet has been produced and distributed by:

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