



Judicial Retirement System (JRS) Member Guidebook



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JRS General Information

FOREWORD

The *New Jersey Judicial Retirement System (JRS) Member Guidebook* provides a summary description of the benefits of the plan and outlines the rules and regulations governing the plan. The *JRS Member Guidebook* should provide you with all the information you need about your JRS benefits. However, if there is a conflict with statutes governing the plan or regulations implementing the statutes, the statutes and regulations will take precedence. Complete terms governing any employee benefit program are set forth in the New Jersey Statutes Annotated. Regulations, new or amended, are published in the New Jersey Register by the State Office of Administrative Law supplementing the New Jersey Administrative Code. This guidebook, containing current updates, is available for viewing on our website at: www.nj.gov/treasury/pensions While at the New Jersey Division of Pensions & Benefits (NJDPB) website, be sure to check for JRS-related forms, fact sheets, and news affecting the JRS.

The purpose of this guidebook is to provide you with information about the retirement system to assist you in making decisions concerning you and your family's future. If you have questions concerning your retirement system benefits, please see the "Contacting the New Jersey Division of Pensions & Benefits (NJDPB)" section for information on contacting the Human Resources Office of the Administrative Office of the Courts (AOC) or a counselor at the NJDPB.

Since this is your guidebook, we would appreciate any comments or suggestions for improvement that you might have. Please send them to the address listed below:

**New Jersey Division of Pensions & Benefits
ATTN: Office of Communications
P.O. Box 295
Trenton, NJ 08625-0295**

THE RETIREMENT SYSTEM

The JRS was established on June 1, 1973, after the repeal of the laws that had provided benefits to certain members of the judiciary and their beneficiaries since 1948.

For administrative purposes, the State House Commission acts as the Board of Trustees.

This guidebook is available for viewing on the NJDPB website, as well as JRS-related forms, fact sheets, and news.

CONTACTING THE NEW JERSEY DIVISION OF PENSIONS & BENEFITS (NJDPB)

Telephone Numbers

- To speak with a Judges Benefits Aide in the Human Resources Office of the AOC, call (609) 815-2900 ext. 54815.
 - To speak with a pensions representative about your JRS benefits, call (609) 690-4859 weekdays between 8:00 a.m. and 4:00 p.m. (except State holidays).
 - To speak with a counselor about your State Health Benefits Program coverage, call (609) 292-7524 weekdays (except State holidays). The most current hours of operation can be found on our website.
- If you are hearing impaired and require the services of a relay operator, please dial 711 and provide the operator with the following phone number: (609) 292-6683. You will then be connected to a Client Services phone representative for assistance.
- To speak with a plan representative about the NJSEDCP, also known as Deferred Comp, call Prudential at 1-866-NJSEDCP (1-866-657-3327) weekdays between 8:00 a.m. and 9:00 p.m. (ex-

cept State holidays). A plan representative will answer your questions and provide enrollment and distribution forms.

- To speak with a plan representative about the Supplemental Annuity Collective Trust (SACT), call (609) 292-7524 weekdays (except State holidays). The most current hours of operation can be found on our website. SACT representatives will answer your questions and provide enrollment and distribution forms.

Internet, Email, and Mailing Address

General information and most publications of the NJDPB can be found on the NJDPB website. You can email the NJDPB at: pensions.nj@treas.nj.gov

Our postal address is:

**New Jersey Division of Pensions & Benefits
P.O. Box 295
Trenton, NJ 08625-0295**

On all correspondence, be sure to include your membership number or last four digits of your Social Security number.

PLAN INFORMATION

Name of Plan

The Judicial Retirement System of New Jersey (JRS).

Administration

The JRS is a defined benefit plan administered by the NJDPB.

Provisions of Law

The JRS was established by New Jersey Statute and can be found in the New Jersey Statutes Annotated, Title 43, Chapter 6A. Changes in the law can only be made by an act of the State Legislature. Rules govern-

ing the operation and administration of the system may be found in Title 17, Chapter 10 of the New Jersey Administrative Code.

Funding

The funds used to pay benefits come from three sources: State contributions, employee contributions, and investment income from those contributions.

Plan Year

For record-keeping purposes, the plan year is July 1 through June 30.

Service of Legal Process

Legal process must be served on the Attorney General of New Jersey pursuant to New Jersey Court Rules, R. 4:4-4(7).

Employment Rights Not Implied

Membership in the JRS does not give you the right to be retained in service for the judiciary, nor does it give you a right of claim to any benefit you have not accrued under terms of the system.

Benefits and provisions of the JRS are subject to changes by the legislature, courts, and other officials. While this guidebook outlines the benefit and contribution schedules of the JRS, it is not a final statement. Complete terms governing any judicial benefit program are set forth in the New Jersey Statutes Annotated. Regulations, new or amended, are published in the New Jersey Register by the State Office of Administrative Law supplementing the New Jersey Administrative Code.

Enrollments

OVERVIEW

Eligibility Criteria

If you are a member of the State Judiciary, you are required to join the JRS as a condition of employment. The JRS covers the Chief Justice and Associate Justices of the State Supreme Court, as well as all judges of the Appellate Court, Superior Court, and Tax Court of the State of New Jersey.

Enrollment/Certification of Payroll Deductions

Both you and the AOC must complete the *JRS Enrollment Application* to enroll you in the retirement system. The AOC will send the completed application to the NJDPB for processing.

When enrollment processing is complete, you and the AOC will receive a *Certification of Payroll Deductions* showing the date deductions will begin, your rate of contribution, and any back deductions that may be due. You may wish to keep the *Certification of Payroll Deductions* on file with your other important papers so that you have a record of your enrollment in the retirement system.

Proof of Age

All members of the JRS must provide documentation that proves their age. If possible, you should provide your proof of age to the NJDPB when you enroll; however, it does not delay the processing of your enrollment application if you do not. Proof of age will be required to be eligible to retire.

Acceptable evidence of your age includes a photocopy of:

- Birth certificate — with visible seal;
- Passport or 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 military records indicating your age, expired documentation, out-of-state driver's licenses except P.A. and N.Y., hospital birth certificates, marriage certificates, census records, baptismal records, or affidavits from older family members.

Public Information and Restrictions

Most of the information maintained by the retirement system, including member salary and/or pension benefit information, is considered a public record under N.J.S.A. 47:1A-1 et seq., the Open Public Records Act (OPRA). However, certain personal information such as a member's address, telephone number, Social Security number, pension membership number, beneficiary information while the member is living, and medical information is restricted from public access.

Further restrictions to personal health information exist under the privacy provisions of the federal Health Insurance Portability and Accountability Act (HIPAA). Members may be required to provide specific written authorization for the release of medical information to a third party who is not a doctor, hospital, or business partner of the NJDPB or the health benefit programs. Information about HIPAA is available on the NJDPB website.

The NJDPB has implemented additional protection for members in accordance with the New Jersey Identity Theft Prevention Act, N.J.S.A. 56:11-28 et seq. Security Freeze procedures are available to restrict access

to the accounts of members who are, or have a serious risk of becoming, victims of identity theft. Additional information is available in the *Identity Theft and Your Benefits* Fact Sheet.

Member Contribution Rate

N.J.S.A. 18A:66-29, the Pension and Health Benefit Reform Law, increased the JRS member contribution rate over seven years to bring the total contribution rate to 12 percent of base salary as of July 1, 2017.

Increases in the member contribution rate also increase the minimum repayment amount for pension loans or for the cost of a purchase of service credit, if certified after the effective date of the rate change.

Federal Pensionable Maximum — Since the JRS is a qualified pension plan under the provisions of the Internal Revenue Code (IRC), Section 401(a)(17), the current federal ceiling on pensionable compensation applies to the base salaries of JRS members.

Tax Deferral — Since January 1987, all mandatory pension contributions to the JRS have been federally tax deferred. Under the 414(h) provisions of the IRC this reduces your gross wages subject to federal income tax. Purchases of service credit are voluntary and are not tax deferred unless funded by a rollover from another tax-deferred plan. See the "Rollover for Purchase Payment" section.

BENEFITS FROM OTHER SYSTEMS

Membership in the JRS requires that you cease membership in any other New Jersey State-administered retirement system prior to JRS enrollment; you cannot join any other retirement system while a member of the JRS. If you are a member of another New Jersey State-administered retirement system at the time you become a judge, you can:

- Withdraw all your contributions to the prior retirement system;
- Transfer your membership by depositing all contributions from the prior retirement system into the JRS, provided the prior account has not expired, by filing an *Application for Interfund Transfer*; or
- If eligible to either receive or defer retirement benefits in another retirement system, you can enroll in the JRS and receive a portion of the benefits, when due and payable, based upon your own contributions to the other retirement system. However, if you later elect to receive benefits from the JRS, you forfeit your right to all other retirement benefits from the prior system. (You are entitled to a refund of your contributions you made to the prior system, reduced by the value of any benefit you have already received.)

If at the time you become a judge you are already receiving a retirement allowance or pension from another retirement system, you must either:

- Enroll in the JRS and waive retirement benefits from the other retirement system (you are entitled to a refund of your contributions you made to the prior system, reduced by the value of any benefit you have already received); or
- Waive enrollment in the JRS and continue to receive the full benefit from the other retirement system. If you waive enrollment in the JRS, you cannot be enrolled in the JRS at a later date. You must file a written notification indicating your irrevocable intention not to enroll in the JRS. Such waivers must be filed with the JRS within 90 days from the date of your appointment.

Information regarding these options will be explained in writing at the time of your enrollment in the JRS to assist you in making the decision that best meets your needs.

SERVICE CREDIT

Since retirement benefits are based in part on accumulated service credit, it is important that you receive the correct amount of credit for the amount of time you work. Your service and contributions are reported bi-weekly.

- You receive judicial service credit equal to one bi-weekly pay period for each pay period a full pension contribution is made.
- You receive non-judicial service credit for any service (other than prior judicial service) which you are able to transfer from another State-administered, defined benefit retirement system into the JRS at the time of enrollment.

You may also be eligible to purchase prior service. See the “Purchasing Service Credit” section.

Credit for Military Service After Enrollment

The federal Uniformed Services Employment and Re-employment Rights Act of 1994 (USERRA) provides that a member who leaves employment to serve on active duty is entitled to certain pension rights upon return to employment with the same employer. If the member makes the pension contributions that would have been normally required upon return and within the specific time frames specified under USERRA, the military service will count for vesting, retirement eligibility, the calculation of the retirement benefit, and, if applicable, health benefits eligibility, as though the employee had not left.

When an employee returns from uniformed military service to JRS-covered employment, the employer should notify the NJDPB no later than 30 days after the employee’s return by submitting a *Request for USERRA-Eligible Service* form. Once notified, the NJDPB will provide the employee with a quotation for the cost of the service.

There is a time-sensitive element to the USERRA purchase which differs from other purchase provisions available to JRS members. For additional information, see the *USERRA — Military Service After Enrollment* Fact Sheet.

Purchasing Service Credit

OVERVIEW

Since your retirement allowance is based in part on the amount of service credit posted to your account at the time of retirement, it may help you to purchase additional service credit if you are eligible to do so.

Only active members of the retirement systems are permitted to purchase service credit. An active member is one who has not retired or withdrawn. In no case can you receive more than one year of service credit for any calendar or fiscal year. "Service" means public service rendered for which pension credit is allowed on the basis of contributions made by the State. Public employment covered pursuant to the Defined Contribution Retirement Program (DCRP) is not eligible for purchase.

TYPES OF SERVICE ELIGIBLE FOR PURCHASE

The following types of service may be eligible for purchase:

- **Former Membership** in a New Jersey State-administered, defined benefit retirement system may be purchased at any time during your membership in the JRS.
- **Previous Service** rendered in an office, position, or employment of the State of New Jersey, or of a county, municipality, board of education, or public agency of the State of New Jersey.
- **Military Service After Enrollment** rendered after October 13, 1994, may be purchased under the requirements of USERRA at full cost. However, under N.J.A.C. 17:1-3.10, USERRA-eligible service will only be used toward vesting, retirement eligibility, the calculation of the retirement benefit, and, if applicable, health benefits eligibility, if the employee pays the required pension contributions that would have been required if the employee had not left.

Note: There is a time-sensitive element to this purchase. See the *USERRA — Military Service After Enrollment* Fact Sheet.

You will receive judicial service credit for the purchase of eligible judicial service. You will receive non-judicial service credit for the purchase of eligible non-judicial service.

COST AND PROCEDURES FOR PURCHASING SERVICE CREDIT

The cost of a purchase is based on three factors:

- A purchase factor based on your nearest age at the time the NJDPB receives your purchase application (see the "JRS Purchase Rate Chart");
- The higher of either your current annual salary or highest fiscal year salary (July - June) posted to your membership account; and
- The years and months of service being purchased.

The cost of the purchase will rise with an increase in your age and/or salary.

Partial Purchases

You may purchase all or part of any eligible service. If you make a partial purchase, you may purchase any remaining eligible service at a later date. The cost of any later purchase will be based upon your age and the annual salary or highest fiscal year salary at the time of your subsequent request to purchase.

Estimating the Cost of a Purchase

To estimate the cost of a purchase, multiply the higher of your current annual salary or highest fiscal year salary times the purchase factor corresponding to your nearest age; see the "JRS Purchase Rate Chart." The result is the cost of one year of service. Multiply this cost by the appropriate number of years being purchased.

Note: The cost of a purchase of Military Service After Enrollment under USERRA is based on the required pension contributions for the period of military service.

JRS Purchase Rate Chart			
Age	Purchase Factor	Age	Purchase Factor
40	.0298	56	.0939
41	.0324	57	.0969
42	.0352	58	.0994
43	.0383	59	.1017
44	.0416	60	.1035
45	.0453	61	.1043
46	.0492	62	.1051
47	.0535	63	.1059
48	.0582	64	.1067
49	.0633	65	.1075
50	.0688	66	.1083
51	.0738	67	.1091
52	.0786	68	.1100
53	.0829	69	.1108
54	.0870	70	.1116
55	.0906		

APPLYING TO PURCHASE SERVICE CREDIT

You may obtain a quotation of the cost of purchasing additional service credit by writing to the New Jersey Division of Pensions & Benefits, Judicial Retirement System, P.O. Box 295, Trenton, NJ 08625-0295. In your correspondence be sure to include the dates of the service you are requesting to purchase, the former employer's name and address, the name of the retirement system, and the job title you held.

Upon receipt of your request and all required supporting documentation, a quotation of cost will be calculated if all purchase eligibility criteria are met. Processing times vary and a request cannot be completed until the

NJDPB receives all required verification of eligibility.

After the NJDPB verifies employment, you will receive a *Purchase Cost Quotation Letter* indicating the cost of any service approved for purchase. You must respond to the quotation letter within the specified time period.

When you agree to purchase a certain amount of service credit, the NJDPB assumes that you will complete the purchase and credits your account with the entire amount of service, even if you are paying the cost through payroll deductions. Any estimates of retirement allowance you receive are based on the full amount of credit you agreed to purchase.

You may pay the cost of purchasing service credit:

- In one lump-sum payment;
- By having extra payroll deductions withheld from your pay. The minimum deduction is equal to one-half of your normal rate of contribution to the retirement system over a maximum period of 10 years, and includes interest at the assumed rate of return of the retirement system;
- By paying a single down payment and having the remainder paid through payroll deductions; or
- With a direct rollover or trustee-to-trustee transfer of tax-deferred funds from a qualified retirement plan (see the “Rollover for Purchase Payment” section).

If you retire before completing a purchase, you may choose to receive prorated credit for the amount of service you have paid for, or you can pay the balance at the time of retirement to receive full service credit. See the “Unsatisfied Balances” section.

A member who authorizes a purchase of service credit through payroll deductions may cancel those deductions at any time. No refunds will be made of any lump-sum payments, partial payments, or installment

payments. The member will receive prorated service credit for the service purchased to the date installment payments cease.

If you have an outstanding arrears obligation for the purchase of additional service credit, interest may be assessed if there is a lapse of two years or more in payments toward the purchase.

Rollover for Purchase Payment

Members may pay for all or part of a purchase by transferring or rolling over tax-deferred funds from an eligible or qualified retirement savings plan. The types of plans from which a transfer or rollover can be made are:

- 401(a) qualified plan (including 401(k) plan) and 403(a) qualified annuity;
- 403(b) - Tax-Sheltered Annuity Plan;
- 457(b) - State and Local Government Deferred Compensation Plan; or
- IRA - With tax-deferred funds:
 - Traditional IRA;
 - SIMPLE IRA (must have been open for two or more years);
 - Simplified Employee Pension (SEP) Plan;
 - Conduit IRA; or
 - Rollover IRA.

Note: The NJDPB cannot accept rollovers from a Roth IRA or a Coverdell Education Savings Account (formerly known as an Education IRA).

Additional information on requesting a transfer or rollover of tax-deferred funds for the purchase of service credit is included in the *Purchase Cost Quotation Letter* you receive upon the NJDPB’s determination of your eligibility to purchase service.

Loans

OVERVIEW

If you are an active contributing member of the JRS, you may be eligible to borrow from your pension account.

Loans are governed by the following conditions:

- **Service Credit** — You must have three years of pension service credit posted to your retirement system account. Pension contributions are posted to your account on a quarterly basis. It normally takes 45 days after the end of a quarter for your contributions to be posted to your account. For example, if you enrolled in the retirement system on February 1, 2015, you would not have three years posted to your account until May of 2018, when we update the quarter in which you will attain three years.
- **Number of Loans Per Year** — You may borrow twice in any calendar year. This is determined by the date of the check, not the date of the request. For example, if you make a request for a loan on December 28th but the check is dated January 6th, the loan is considered your first for the new year.
- **Loan Amount** — The minimum amount you may borrow is \$50, and loan amounts then increase in increments of \$10.

The maximum you may borrow is one-half of your contributions that are posted to your account, up to a maximum loan balance of \$50,000, whichever is less, when added to the highest balance of any loan in the last 12 months.
- **Interest Rate** — Interest is charged on the declining balance of the loan at a commercially reasonable rate set annually by the New Jersey State Treasurer. The current interest rate is posted on the NJDPB website.

When you borrow, you will have the same interest rate for the life of your loan unless you borrow again in a different calendar year, after the interest rate has changed. Every time you borrow, the entire outstanding balance is re-certified at the current year's interest rate. The new loan must be repaid within five years of the original loan date.

The interest rate is determined using the Prime Rate as of December of the previous year plus 2.5 percent.

- **Administrative Fee** — An administrative processing fee applies to all pension loans. The administrative processing fee is set annually and is based on the actual costs associated with administering the pension loan program. The current administrative processing fee is posted on the NJDPB website.
- **Loan Repayment** — Loans must be repaid within five years. The minimum deduction toward the repayment of a loan is equal to the JRS contribution rate (see the "Member Contribution Rate" section). The maximum allowable deduction toward the repayment of your loan is 25 percent of your base salary. Provided that the minimum loan repayment amount will repay the loan balance within five years, the minimum repayment amount of a loan will be similar whether you borrow \$500 or \$5,000; however, the repayment of a larger loan will continue for a longer period of time than for a smaller loan.

Loan repayments will increase to more than the minimum deduction if the entire loan balance cannot be paid within the five year requirement, or if you have an outstanding loan and take another loan.

If you have an outstanding loan balance and take another loan, the new combined loan balance

must be repaid within five years of the date of the first loan. This means that the repayment amount may be substantially higher to ensure full repayment of the total loan balance within five years of the issuance of the original loan. Furthermore, the requested loan amount may be reduced, or the loan request may be rejected, if the payroll deductions required to repay the loan within this five-year period would exceed the 25 percent of salary restriction in State law (see the "Internal Revenue Service (IRS) Requirements" section).

APPLYING FOR A LOAN

You may apply for a loan by submitting a *JRS Loan Application* to the NJDPB. To obtain an application, see the Human Resources Office at the AOC, or you may print an application from the NJDPB website.

Note: If you are applying for a loan within six months of returning from a leave of absence, or within six months of transferring to a new employer or between different retirement systems, your employer must complete the certification at the bottom of the *JRS Loan Application* to verify your salary and/or certify that you are actively employed.

Canceling a Loan

If you are not satisfied with a loan amount or the repayment schedule when you receive your loan check, you may cancel the loan by returning the original, uncashed and unmarked loan check. When a loan check is returned, the funds are deposited back into your retirement system account and will be available after the next quarterly posting.

Note: By cashing the loan check, you are agreeing to the loan amount and the terms and conditions of the repayment schedule.

Early Loan Repayment

You may request a repayment figure for your full loan balance any time prior to the end of your regular repayment schedule. Only a lump-sum payoff of your full loan balance is permitted — partial payments are not allowed.

You may request a lump-sum payoff by contacting the NJDPB at (609) 690-4859. The *Loan Payoff Letter* will indicate the lump-sum payoff amount, the date by which the payment must be received, and the date on which scheduled loan repayments from payroll will end.

Loans at Retirement, Death, or Termination of Employment

If you retire before repaying the outstanding balance of your loan, your loan payments will be carried into retirement. The monthly loan payment will be calculated to have the loan plus interest satisfied by your five-year end date. You may also repay your outstanding loan balance in one lump sum prior to retirement.

If you die before repaying your loan, either before or after retirement, the outstanding balance will be deducted from the proceeds of any benefits to be paid to your beneficiaries.

If you terminate employment and withdraw your contributions before repaying your loan, all your contributions less the loan balance will be returned to you. See the “Internal Revenue Service Requirements” section.

INTERNAL REVENUE SERVICE (IRS) REQUIREMENTS

IRC Section 72(p) requires that loan balances cannot exceed \$50,000 and must be repaid within five years. If you take any subsequent loans and your original loan balance is not completely paid off, the repayment period will remain five years from the date of the first loan. The repayment rules on subsequent loans may

result in either a substantial increase in your repayment amount, or may limit the amount that you can borrow if the payroll deductions to repay the loan exceed the 25 percent of base salary restriction on loan repayments.

The IRS regulations also require members to make timely payments toward outstanding loan balances. While it is your employer’s responsibility to withhold loan deductions from your salary, if you are out of work without pay, your employer has no salary from which to take deductions. Members who leave payroll with an outstanding loan balance will be notified after three months of nonpayment and offered the option of paying off the entire loan balance or making loan repayments through personal billing. It is the member’s responsibility to ensure that the loan balance, plus interest, is paid in full in accordance with IRS regulations.

Failure to repay the loan as scheduled, either through lump-sum payment, personal billing, or return to payroll, will result in the unpaid loan balance being declared in default. If a loan is in default, the loan balance is declared a deemed distribution and will be reported to the IRS as taxable income. For the tax year in which the default occurs, the NJDPB will send you a *Form 1099-R* for tax filing purposes. You will be required to include the portion of the loan representing before-tax contributions as income on your federal return. In addition, if you are under age 59 1/2, you will be required to pay an additional 10 percent tax for taking an early pension distribution.

If you default on your loan, it will be your responsibility to make an estimated tax payment to the IRS to cover your tax liability on the deemed distribution; no withholding will be deducted from your account by the NJDPB.

Note: Paying taxes on a defaulted loan balance does not negate the balance; you are still responsible for paying the loan balance and any interest that accrues

on it to be paid within the remaining period left in the original five-year schedule. Any repayments will be returned to your account as after-tax contributions.

You may not take another loan until the deemed distribution is paid in full. A deemed distribution cannot be canceled by resuming your loan payments or repaying the loan in full prior to the end of the tax year in which the default occurs. If you resume your loan repayments after the default, the payments received will be posted to your account as previously taxed contributions that will increase the nontaxable portion of your pension at retirement.

Unlike a normal pension distribution, a loan treated as a distribution cannot be rolled over to an IRA or other qualified retirement plan.

Supplementing Your Pension

OVERVIEW

In addition to your regular pension contributions, there are other opportunities to supplement your retirement income and possibly set aside money on a tax-deferred basis.

New Jersey State Employees Deferred Compensation Plan (NJSEDCP)

As an employee of the State, you may be eligible for the NJSEDCP (IRC Section 457). Contributions to the plan are not subject to federal income tax until you take a distribution from the plan, either at retirement or termination before retirement. The main benefits of the plan are to help you save on federal income tax now and to supplement your retirement income through investments.

For plan and investment information, visit the NJSEDCP website at: www.prudential.com/njsedcp or call 1-866-NJSEDCP (1-866-657-3327). Other information about the plan is available by writing to: New Jersey Division of Pensions & Benefits, New Jersey State Employees Deferred Compensation Plan, P.O. Box 295, Trenton, NJ 08625-0295.

Supplemental Annuity Collective Trust (SACT)

The SACT is a voluntary investment program that provides retirement income separate from, and in addition to, your basic pension plan. Your contributions are invested conservatively in the stock market. The SACT Regular Plan is available to all actively contributing members of a New Jersey State-administered retirement system. Contributions to this plan are made after deductions for federal income tax.

SACT brochures and enrollment packets are available on the NJDPB website.

You can also contact the SACT office by writing to: New Jersey Division of Pensions & Benefits, Supplemental Annuity Collective Trust, P.O. Box 295, Trenton, NJ 08625-0295.

Group Variable Universal Life Insurance (GVUL) Investment Options

See the "Contributory Group Life Insurance" section for information on this after-tax investment program available to JRS members.

Retirements

OVERVIEW

Retirement Calculation Definitions

Judicial Service means your years of service as a judge under the JRS.

In the Aggregate of Public Service means your total years of both judicial and non-judicial service credit in the JRS. This would include service transferred into the JRS from another New Jersey retirement system.

Final Salary means the salary on which your JRS pension contributions are based as of the date of your retirement.

TYPES OF RETIREMENT

There are several types of JRS retirement to meet your individual needs. Keep in mind that retirement from the JRS is mandatory at age 70.

JRS retirements are calculated using a combination of your age at retirement, your total years of judicial and/or non-judicial service credit, and your Final Salary.

Service Retirement (Judicial Service Only)

If you retire at:

- Age 70 with 10 or more years of judicial service; or
- Age 65 or older with 15 or more years of judicial service; or
- Age 60 or older with 20 or more years of judicial service;

Your annual benefit is calculated at 75 percent of Final Salary.

Service Retirement (Judicial and Non-Judicial Service)

If you retire at:

- Age 65 or older with 15 or more years in the aggregate of public service of which five or more consecutive years were judicial service; or
- Age 60 or older with 20 or more years in the aggregate of public service of which five or more consecutive years were judicial service;

Your annual benefit is calculated at 50 percent of Final Salary.

If you retire at age 60 or older with 15 years or more in the aggregate of public service, of which five or more consecutive years were judicial service, your annual benefit is calculated as follows:

- Two percent of Final Salary x the number of years of service up to 25 years; plus
- One percent of Final Salary x the number of years of service over 25 years.

If you retire at age 60 or older and do not meet the minimum amounts of service credit listed above, your annual benefit is calculated as follows:

- Two percent of Final Salary x the number of years of judicial service up to 25 years; plus
- One percent of Final Salary x the number of years of service over 25 years.

Early Retirement

If you wish, you may retire before age 60 and receive a reduced benefit, provided you have:

- Five or more consecutive years of judicial service; and
- 25 or more years in the aggregate of public service.

In this case, your benefit will be calculated as follows:

- Two percent of Final Salary x the number of years of service up to 25 years; plus
- One percent of Final Salary x the number of years of service over 25 years; and
- Then actuarially reduced for the number of months remaining until you are age 60, to cover the cost of paying your benefit over a longer period of time.

Deferred Retirement

If you leave the JRS before you are eligible for a Service or Early Retirement and you are under the age of 60, you may still have a right to a Deferred Retirement benefit. You are eligible for a Deferred Retirement if you leave after completing:

- Five or more consecutive years of judicial service; and
- 10 or more years in the aggregate of public service.

Your Deferred Retirement benefit is calculated in the same way as an Early Retirement, taking into account your salary and service when you leave. However, your Deferred Retirement benefit is not reduced since it is not payable until you reach age 60.

You must file an *Application for Retirement Allowance* for the Deferred Retirement to take effect. You may apply for a Deferred Retirement when you terminate covered employment or any time prior to attaining age 60. Under no circumstances can a Deferred Retirement become effective prior to the date the application is received by the NJDPB.

If a member is removed from employment for cause, he/she will be ineligible for a Deferred Retirement.

At any time before your Deferred Retirement becomes effective, you may change your mind and apply for a

lump-sum withdrawal of all your pension contributions. However, once you cancel your Deferred Retirement and withdraw your contributions, all the rights and privileges of membership in the retirement system end.

Please note the following important information about your life insurance, health benefits coverage, loans, and purchase arrears if you are considering a Deferred Retirement:

- **Life Insurance** — Your group life insurance coverage will end 31 days after you terminate employment and will not be in effect until your Deferred Retirement becomes payable. If you die before your Deferred Retirement becomes effective, the last named beneficiary will receive a return of your pension contributions. There is no group life insurance benefit under these circumstances. However, during the 31-day period after you terminate employment, you may convert your group life insurance coverage to a private policy with Prudential Financial. For more information see the “Conversion of Group Life Insurance” section.

In addition, if you have the GVUL Insurance, you have the option to keep it in effect by remitting premiums directly to Prudential. If you do so, that policy, and the value of any supplemental investments you made, would be payable upon your death.

- **Health Benefits** — JRS members who are electing a Deferred Retirement cannot normally transfer their active health care coverage to the retired group of the State Health Benefits Program (SHBP); however, members electing Deferred Retirement may be eligible for continuation of SHBP coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) legislation for up to 18 months if they were covered by the SHBP just prior to terminating employment. If the actual retirement commences while the 18

months of COBRA coverage is in effect, the retiree may then transfer from the COBRA coverage and continue the SHBP coverage into retirement. If the 18 months of COBRA coverage ends before the retirement commences, the member will not be entitled to maintain health coverage through the SHBP. Participants should contact the Human Resources Office at the AOC to see if they qualify for COBRA continuation.

- **Loans** — If you terminate employment, failure to repay a pension loan as scheduled may result in the unpaid loan balance being declared a taxable distribution that will be reported to the IRS. For more information about the IRS regulations regarding the repayment of pension loans, see the “Internal Revenue Service (IRS) Requirements” section.
- **Purchase Arrears** — If you have not made installment payments for the purchase of additional service credit for two years, your purchase will be canceled. You will receive pro rata credit for the service purchased to the date that the installment payments ceased. See the “Applying to Purchase Service Credit” section for more information.

Appointment as County Prosecutor or Administrative Director of the Courts — P.L. 2019, c. 287 (Chapter 287) as amended by P.L. 2021, c. 105 (Chapter 105) and P.L. 2021, c. 329 (Chapter 329) allows a member of the JRS who is at least age 65, has attained at least 20 years of judicial service, and who has been appointed by the Governor with the advice and consent of the Senate to the position of county prosecutor, or who has been appointed by the Chief Justice of the Supreme Court to the position of Administrative Director of the Courts, the right to file a Deferred Retirement application.* The effective date of retirement for the member shall be deferred to the first day of the month following

the termination of the member’s service in the position of county prosecutor. In addition, the health care benefits under the State Health Benefits Program that the person would be entitled to upon retirement as a State employee would also be deferred until after service as a prosecutor ends and the retirement becomes effective. The annual benefit is calculated at 75 percent of Final Salary and will be payable upon the termination of service as a county prosecutor. If you die while in service as the county prosecutor, the JRS retired death benefits become effective.

Disability Retirement

For your added security, the JRS provides an income if you become disabled before qualifying for a Service, Early, or Deferred Retirement.

You are considered disabled if:

- You are physically or otherwise incapacitated for full and efficient service to the State in a judicial capacity as determined by three physicians appointed by the Governor; and
- Your disability is certified by the Supreme Court and approved by the Governor.

If certified, your Disability Retirement benefit will be calculated at 75 percent of Final Salary.

A *Disability Retirement Application* identifying a retirement date must be on file with the JRS at least 30 days prior to the effective date of a Disability Retirement.

Approval for Workers’ Compensation or Social Security Disability benefits has no bearing on your application for JRS Disability Retirement.

OPTIONAL SETTLEMENTS AT RETIREMENT

Upon your death as a retired member of the JRS, your surviving spouse, civil union partner, or domestic partner receives a statutory survivor benefit equal to 25

*Such members are eligible to serve in the position of county prosecutor; however, are ineligible for enrollment in the Public Employees’ Retirement System (PERS) Prosecutors Part.

percent of your Final Salary. Dependent children are also eligible to receive a statutory survivor benefit. See the “Payment of Statutory Death Benefits” section for more information.

In addition to the statutory survivor benefits for an eligible spouse/partner and/or dependent children, you may also elect one of eight voluntary pension options that provide a pension benefit to a named beneficiary of your choice. Selecting a pension option will reduce your monthly retirement allowance; the amount of this reduction depends on which option you select. Regardless of the payment option you select, your retirement benefits are paid during your lifetime.

Please be sure that you understand the different payment options available to you because once your retirement becomes due and payable, you cannot change your option selection. Due and payable is defined as 30 days after your retirement date.

Note: whether or not you take an optional settlement at retirement, the statutory survivor benefit for an eligible surviving spouse/partner and/or dependent children remains in effect.

The **Maximum Option** — also called a single-life annuity, is the highest amount payable and provides a retirement benefit to you for the remainder of your life. If you are not concerned with providing either a lump-sum benefit or providing a monthly income to another person after your death, the Maximum Option may be the most appropriate payment choice for you. Upon your death, benefits end and your survivors do not receive a pension allowance other than those provided under the statutory survivor benefits.

If there is no surviving spouse/partner or child to receive the statutory survivor benefit and you die before receiving, through your retirement allowance, the amount that you contributed to the retirement system while working plus interest, the balance of your contributions will be paid to your named beneficiary or your estate.

Options A, B, C, and D pay a monthly allowance to a beneficiary upon your death for the lifetime of that beneficiary. Under any of these options, once your retirement has become due and payable, you cannot change the beneficiary, regardless of the circumstances. If your designated beneficiary dies before you, your monthly allowance increases to the Maximum Option amount. Your age and the age of the beneficiary determine your monthly allowance — the younger the beneficiary, the more your pension is reduced to account for the beneficiary’s longer life expectancy. If there is no surviving spouse/partner or child to receive the statutory survivor benefit and you and your beneficiary die before all your accumulated pension contributions plus interest have been distributed in the form of a monthly allowance, the remainder will be paid to your estate.

Note: For Options A, B, C, and D, you may only designate one beneficiary

- **Option A** provides that upon your death, your beneficiary will receive the same monthly allowance that you were receiving at the time of your death for the duration of his/her lifetime
- **Option B** provides that upon your death, your beneficiary will receive 75 percent of the monthly allowance that you were receiving at the time of your death, for the duration of his/her lifetime.
- **Option C** provides that upon your death, your beneficiary will receive 50 percent of the monthly allowance that you were receiving at the time of your death, for the duration of his/her lifetime.
- **Option D** provides that upon your death, your beneficiary will receive 25 percent of the monthly allowance that you were receiving at the time of your death, for the duration of his/her lifetime.

Option 1 sets aside an initial reserve based on your life expectancy. This reserve is then reduced each month by the amount of your initial monthly retirement allow-

ance. Upon your death, the balance of the reserve, if any, is paid to your beneficiary(ies). If you exhaust your initial reserve, you will continue to receive your monthly retirement allowance for the rest of your life; however, there will be no benefit payable to your beneficiary(ies). You may designate more than one beneficiary for Option 1. A beneficiary may be a person, a charity, an institution, or your estate. You may change a beneficiary under this option at any time. Upon your death, your beneficiary may elect to receive the proceeds in a lump sum or as an annuity payable over a certain number of years.

Options 2, 3, and 4 pay a monthly allowance to a beneficiary upon your death for the lifetime of that beneficiary. Under any of these options, once your retirement has become due and payable, you cannot change the beneficiary, regardless of the circumstances. If your designated beneficiary dies before you, your monthly allowance will not be increased nor can you name a new beneficiary. Your age and the age of the beneficiary determine your monthly allowance — the younger the beneficiary, the more your pension is reduced to account for the beneficiary’s longer life expectancy. If there is no surviving spouse/partner or child to receive the statutory survivor benefit and you and your beneficiary die before all your accumulated pension contributions plus interest have been distributed in the form of a monthly allowance, the remainder will be paid to your estate.

Note: For Options 2 and 3, you may only designate one beneficiary. For Option 4, you may designate more than one beneficiary.

- **Option 2** provides that upon your death, your beneficiary will receive the same monthly allowance that you were receiving at the time of your death, for the duration of his/her lifetime.
- **Option 3** provides that upon your death, your beneficiary will receive 50 percent of the monthly al-

allowance that you were receiving at the time of your death, for the duration of his/her lifetime.

- **Option 4** provides that upon your death, your beneficiary(ies) will receive a specified fixed monthly allowance for the duration of his/her lifetime. Your allowance cannot be more than that provided under Option 2.

Note: Members should allow for additional processing time for Option 4 calculations with multiple beneficiaries.

Should a member apply for retirement, other than a Deferred Retirement, and die prior to the retirement becoming effective, the beneficiary may choose between the active death benefit or the retired optional settlement that the member selected. The member must have been eligible for retirement at the time of death for the beneficiary to be eligible to choose between active and retired death benefits.

Age Limits on Nonspouse Beneficiaries

For all options, you can name your spouse as your beneficiary regardless of your spouse's age. For Option C, D, 1, or 3, you can name someone other than your spouse as beneficiary regardless of age.

Note: Because the IRS is a federal agency, a civil union partner or domestic partner as defined under New Jersey State law does not qualify as a spouse under these circumstances and would be subject to the age limitations described.

For Options 2, A, or B, if you are naming a beneficiary who is not your spouse, IRS regulations restrict the age of your beneficiary:

For Options 2 and A:

- If you are age 70 or older at retirement, your non-spouse beneficiary can be no more than 10 years younger than you.
- If you are under age 70 at retirement, determine:

- 1.) the number of years difference between your age at retirement and age 70; and
- 2.) the number of years difference between your age at retirement and the age of your non-spouse beneficiary.

Subtract the age 70 difference from the difference in age between yourself and your beneficiary. The resulting age difference can be no more than 10 years younger than you.

For Option B:

- If you are age 70 or older at retirement, your non-spouse beneficiary can be no more than 19 years younger than you.
- If you are under age 70 at retirement, determine:
 - 1.) the number of years difference between your age at retirement and age 70; and
 - 2.) the number of years difference between your age at retirement and the age of your non-spouse beneficiary.

Subtract the age 70 difference from the difference in age between yourself and your beneficiary. The resulting age difference can be no more than 19 years younger than you.

If you name a nonspouse beneficiary under **Option 4**, and the dollar amount of your beneficiary's pension is more than half of your allowance, restrictions on your beneficiary's age apply.

THE RETIREMENT PROCESS

The time frames in this section serve as a guide to help you understand the retirement process. Actual processing times, however, may vary and cannot begin until the NJDPB receives all the necessary information and forms from both you and the AOC.

6-8 Months Before Retirement

When planning for a successful retirement, it is important to give yourself enough time to review your benefits and options. You should inquire about retirement at least six months before your retirement date.

Retirement Estimates — You may request an estimate of your JRS retirement benefits by writing to the New Jersey Division of Pensions & Benefits, Judicial Retirement System, P.O. Box 295, Trenton, NJ 08625-0295, or calling (609) 690-4859. The estimate will provide you with the retirement allowance available and your lump-sum death benefits.

4-6 Months Before Retirement

Retirement Applications — It is your responsibility to file an *Application for Retirement Allowance* with the NJ-DPB. You can submit your application no more than one year before your retirement date — and as late as the last business day prior to your retirement date — but four to six months advance filing is recommended.

- You can obtain an *Application for Retirement Allowance* form and instructions from the Human Resources Office at the AOC or by printing the application from the NJDPB's website.
- You can obtain an *Application for Disability Retirement* by contacting the JRS Administrator at (609) 690-4859 or from the AOC.

All retirements are effective on the first of a month, except Mandatory Retirement which is effective on the judge's 70th birthday, and Disability Retirement which is determined by the AOC. Under no circumstances can a retirement become effective prior to the date the application is received by the NJDPB.

Processing times vary and cannot begin until the NJDPB has received all the necessary information and forms from both you and the AOC.

- If you have not furnished proof of your age to the NJDPB, you must do so when applying for retire-

ment (see the “Proof of Age” section). Proof of age for your beneficiary is required if you choose Option A, B, C, D, 2, 3, or 4. If any proof of age documents are given under a maiden name, please identify them as such. Attach photocopies of any proof of age documents to your retirement application, as we cannot guarantee that original documents will be returned. Please also be sure to write your pension membership number or the last four digits of your Social Security number on all documentation that you submit. Your retirement application will not be processed until the NJDPB receives copies of birth date evidence.

- Ask your Human Resources Office at the AOC to submit a *Certification of Service and Final Salary* to the NJDPB.
- The designation of a beneficiary named on a retirement application that is filed with and accepted by the NJDPB supersedes any older designation of beneficiary on file. The designation is effective upon acceptance by the NJDPB, even if the retirement date on the application is in the future or the member later cancels the retirement application.
- 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 by completing the *Authorization for Direct Deposit of Retirement Payment/Survivor Benefit* form that is included with the retirement application 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.

You will be sent a letter acknowledging receipt of your retirement application by the NJDPB.

Life Insurance — The amount of your life insurance coverage through the JRS decreases at retirement or terminates if you have less than 10 years of service credit. You may convert the dollar difference between the group coverage you had before retirement and the group coverage you will have after retirement to a non-group life insurance policy.

To protect your conversion privilege it is suggested that you apply for conversion of your insurance at the time you file your retirement application with the NJDPB. However, you cannot file to convert your life insurance any earlier than six months prior to your retirement date. While sending the application and premium to Prudential will protect your conversion privilege, under no circumstances can the conversion policy become effective until 31 days after you cease employment.

See the “Conversion of Group Life Insurance” section and the *Conversion of Group Life Insurance* Fact Sheet for details.

Other Retirement Plans — If you participate in other retirement savings plans, you must inform them separately of your plans to retire:

- Contact the NJSEDCP at 1-866-NJSEDCP.
- Contact the SACT at (609) 292-7524.

Approximately 3 Months Before Retirement

Health Benefits Coverage at Retirement — See the *Summary Program Description* and the *Health Benefits Coverage — Enrolling as a Retiree* Fact Sheet for information regarding continuing health benefits coverage as a retiree.

Approximately 2 Months Before Retirement

You will receive a *Quotation of Retirement Benefits* letter which shows your monthly retirement allowance, along with:

- Statutory survivor benefits;
- Any pension option you selected;
- A quote of any outstanding loan balance with repayment options; and
- Any other unsatisfied balance on your account (see the “Unsatisfied Balances” section).

Unsatisfied Balances

Loans — If you retire with an outstanding loan balance, you may:

- Pay the loan in full prior to receiving any retirement benefits; or
- Repay the loan deductions from your retirement allowance until the balance of the loan plus interest is repaid. The monthly loan payment will be calculated to have the loan plus interest satisfied by your five-year end date.

Purchase Arrears — When you apply for a purchase of service credit, the NJDPB assumes that the obligation will be paid before your retirement. Therefore, your account is credited with the full amount of service you have agreed to purchase. If this obligation has not been fully paid when you retire, your *Quotation of Retirement Benefits* will state the balance of your arrears (purchase) as of your retirement date. At that time, you must pay the balance of your arrears.

If you do not pay off the balance, the service credit which has not been paid for will be subtracted from your total years and months of service. This will reduce the amount of your retirement allowance and may even affect your eligibility to retire. Contact the NJDPB as soon

as possible to advise whether or not you wish to pay off the arrears balance in full.

For Deferred Retirees who have an outstanding arrears obligation for the purchase of additional service credit, interest may be assessed if there was a lapse in payments of two years or more.

Shortages — A shortage in your pension account occurs when your employer does not deduct the proper pension contribution from your salary. You will be notified by the NJDPB of the amount of any shortage. You are responsible for payment of any shortages at retirement.

No retirement will be paid until purchase arrears and shortage obligations have been satisfied. Contact the NJDPB as soon as possible if your *Quotation of Retirement Benefits* indicates an arrears balance or shortage.

After Your Retirement Date

Statement of Retirement Allowance — You will receive a letter confirming your retirement and death benefits. The letter will also supply figures needed in filing your income tax return. Keep this with your important papers.

- You have 30 days from your effective retirement date to request any change to your retirement date, option selection, or option beneficiary. If you wish to make a change, it may delay your first retirement check.
- You may choose to cancel your retirement within 30 days of your retirement date. This request must be in writing to the NJDPB. Canceling your retirement does not guarantee continued employment with your employer.

Note: Members who are approved for Disability Retirement cannot cancel their retirement.

Due and Payable — Your retirement becomes due and payable 30 days after your retirement date.

Once your retirement becomes due and payable you cannot change your retirement date, option selection, or option beneficiary.

Note: If you return to a JRS-eligible position before 30 days have elapsed, on either a paid or voluntary basis, your retirement may be considered invalid and you could be required to reimburse the retirement system and reenroll in the JRS. See the “Employment After Retirement” section for additional requirements of a valid retirement.

Retirement Checks — Your first retirement check cannot be issued earlier than 30 days following your retirement date. If processing of your retirement is delayed, your first check will be retroactive to the date of your retirement.

Regular retirement checks are dated on the first of the month and are the allowance for the previous month. For example, if you retire on July 1st, your first retirement check would be due and payable on August 1st and is payment for the month of July.

Change of Address — It is important that you inform the NJDPB of the change:

- By calling (609) 292-7524; or
- By writing into the NJDPB. Be sure to include your new address and your retirement number or the last four digits of your Social Security number.

Direct Deposit/Electronic Funds Transfer (EFT) — Direct deposit of retirement checks is mandatory except for foreign mailing addresses. Direct deposit will prevent your retirement checks from being lost, stolen, or delayed in the mail.

You will gain access to the Member Benefits Online System (MBOS) after your retirement is processed and the first retirement check is issued.

Once you have access to MBOS, you will be able to submit Direct Deposit information using the Direct De-

posit (EFT) button on MBOS. Registered retirees can also start or change direct deposit online, at any time using MBOS.

Please allow approximately 60 days for a new direct deposit, or changes to an existing direct deposit, to begin.

Withholding Federal and N.J. State Income Tax — The NJDPB will provide for the withholding of federal and New Jersey State income tax from your retirement check.

Federal income tax will be withheld at a default withholding status of Single with no adjustments, regardless of your actual marital status or number of dependents. To change your federal withholding status, you may do so through your MBOS account once you receive your first retirement check. Both federal and State withholding applications are available through your MBOS account so that you can make changes at any time.

You should refer to IRS *Form W-4P* for instructions regarding federal tax withholding. Please note that IRS *Form W-4R* should be used for non-periodic payments and eligible rollover distributions. This form can be found on the IRS website at www.irs.gov

New Jersey income tax withholding is voluntary, and none will be withheld unless you instruct us to do so. Please keep in mind that if you live outside New Jersey your retirement benefits are not subject to New Jersey State income tax, but may be subject to state or local taxes in the jurisdiction in which you reside. There is no provision for withholding any local or out-of-state taxes.

The NJDPB cannot provide tax advice. Questions about your federal income tax should be directed to your tax preparer or the IRS at 1-800-TAX-1040. Questions about New Jersey income tax should be directed to the New Jersey Division of Taxation at 1-800-323-4400.

Federal Income Tax After Retirement — Every Jan-

uary, the NJDPB issues each retiree an annual *Form 1099-R* reflecting the taxable retirement allowance paid during the preceding tax year. If you are a non-resident alien or foreign estate, you will receive a *Form 1042-S Foreign Person's U.S Source Income Subject to Withholding*.

The degree to which your pension is taxed depends on whether or not the payments you receive have been previously taxed. Employee contributions made prior to 1987 were made with after-tax dollars. That is, they were federally taxed prior to being made. Contributions for the purchase of service credit are also made with after-tax dollars unless funded by a rollover from another tax-deferred plan.

If you began contributing to the pension plan in 1987 or after, and you have not made a purchase of service credit, your entire pension is subject to federal income tax because your contributions have never been taxed.

If you contributed to the pension plan before 1987, or if you have made a purchase of service credit since 1987, your pension is immediately taxable based on the “expected return rule.” Part of your retirement allowance comes from your own pension contributions that were already taxed, and the IRS allows you to recover these contributions tax free. This recovery is spread out over your expected lifetime or the combined lifetime of you and your beneficiary, according to IRS life expectancy tables. This means that a small amount of each monthly retirement check is tax free. The remainder of the monthly benefit is subject to federal income tax.

JRS Disability Retirement benefits are subject to federal tax to the same extent as other pensions.

Any federal tax questions should be referred to the IRS at 1-800-TAX-1040.

N.J. State Income Tax After Retirement — If you live in New Jersey, you will be subject to New Jersey State income tax when you have recovered in pension checks the amount of pension contributions you made

to the retirement system while working. However, if you will not recover your total contributions within three years of retirement, contact the New Jersey Division of Taxation at 1-800-323-4400, visit their website at <http://www.nj.gov/treasury/taxation> to determine how your pension is taxed.

If you are receiving a Disability Retirement allowance, your pension is exempt from New Jersey income tax if you are under age 65. When you reach age 65, your disability pension is treated as a regular pension and is considered taxable for New Jersey income tax.

Cost-of-Living Adjustment — in accordance with N.J.S.A. 43:3B-2, the Pension and Health Benefit Reform Law, Cost-of-Living Adjustments (COLA) for retirees of all retirement systems — including the JRS — are suspended. Please note, however, that there is no reduction to any COLA increases that were already added to retiree benefits prior to June 28, 2011, the effective date of the law. Prior to the suspension of COLA, the Pension Adjustment Program provided an annual Cost-of-Living Adjustment to retirees and their survivors who received a monthly retirement allowance from the JRS. The COLA was based on the initial retirement allowance; however, if the retiree selected Option 1, the COLA was calculated using the Maximum Option amount. Prior Cost-of-Living Adjustments are shown under the Current Earnings section of the retirement benefit *Statement of Allowances and Deductions* (check or EFT stub).

Social Security — Your pension is not reduced by any Social Security benefits you may receive. See the “Social Security Earnings Test” section.

REDUCTION OR SUSPENSION OF YOUR BENEFITS

Normally, you will receive retirement benefits as long as you live. Your benefits, however, could be reduced or suspended if:

- You return to a position covered by the JRS (see the *Employment After Retirement Restrictions* Fact Sheet).
- You become mentally or physically incompetent. Your benefits will not be reinstated until a legal representative has been appointed.
- You have a shortage in your account at the time of retirement.
- You waive your right to a portion of any pension to which you are entitled.
- You are incarcerated (although the State House Commission may permit the continuance of your benefits to your dependents).
- An accounting error is made and the JRS must be repaid.

Your pension is normally exempt from any liens against it. Exceptions are tax liens imposed by the IRS, and court orders for child support, alimony, or equitable distribution.

A court order is effective only when you withdraw your funds or when you begin to receive monthly retirement payments. It is the responsibility of the member to be certain that the NJDPB is provided with copies of all court orders in order to comply with them.

Divorce or Dissolution of a Civil Union/Domestic Partnership

The retirement system will implement matrimonial/civil union/domestic partnership dissolution court orders granting alimony, child support, or equitable distribution.

Matrimonial/partnership dissolution orders regarding your withdrawal from the retirement system will take effect if you voluntarily apply to withdraw your JRS account. See the “Withdrawal from the Retirement System” section.

Matrimonial/partnership dissolution orders regarding your retirement will not take effect until you retire and begin receiving a monthly retirement allowance. The court order can designate a specific dollar amount or percentage, or a percentage based on the number of years of pensionable service you accrued during the marriage/partnership to be withheld from your retirement allowance. The amount withheld is sent directly from the NJDPB to your former spouse/partner unless the order specifies another payee (i.e., a probation department). Any court-ordered withholding paid to your former spouse/partner from your retirement allowance will terminate upon your death or the death of the former spouse/partner.

If the former spouse/partner is designated as the beneficiary under a JRS pension — either voluntarily by the member or by the court order — the surviving divorced spouse/partner is entitled to the survivor's benefit for as long as he or she lives. If another person is designated as the beneficiary of the pension option, the divorced spouse/partner cannot receive any equitable distributions from the survivor's benefit.

Misconduct

The receipt of retirement benefits is expressly conditioned upon the rendering of honorable service by a public officer or employee. In accordance with N.J.S.A. 43:1-3.1., your benefits may be reduced or forfeited if you are convicted of a crime in any way related to your employment, or if you are suspended or dismissed from your employment. See the *Honorable Service* Fact Sheet available on our website for further information.

EMPLOYMENT AFTER RETIREMENT

Working for private industry or the federal government after retirement will not affect your JRS retirement benefits, with the exception that no member, while receiving a pension or retirement allowance from the JRS,

shall engage in the practice of law before any of the courts of this State.

For JRS members who resume New Jersey public employment after retirement, please see the *Employment After Retirement Restrictions* Fact Sheet.

Disability Retirees Restored to Active Service

Before returning to active service, JRS disability retirees must first prove to the satisfaction of the State House Commission that they are no longer disabled. When you return to active service, you enroll again in the retirement system. Deductions for pension are resumed and you are treated as an active member in all respects. Upon subsequent retirement, you will receive a benefit based on total service.

Social Security Earnings Test

There is an earnings test for people receiving Social Security benefits under the normal retirement age (age 65 to 67 depending on year of birth). Check with the Social Security Administration at 1-800-772-1213 for information on their earnings limit.

Active and Retired Death Benefits

OVERVIEW

Upon your death as an active or retired JRS member, the following benefits are payable:

- A statutory benefit paid monthly to a surviving spouse, civil union partner, domestic partner, and/or dependent children (or dependent parents of active members); and
- Group life insurance.

Retired members may also elect to provide an optional pension benefit to a designated beneficiary.

Payment of Statutory Death Benefits

The terms used in the explanation of the statutory death benefits are explained here:

Spouse — A person to whom you were married for at least four years prior to the date of your death (see note) and who has not remarried or entered into a civil union. 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). 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 — A person of the same sex as defined by P.L. 2006, c. 103 (Chapter 103), with whom you were partnered in a civil union for at least four years

prior to the date of your death (see note) and who has not entered into a new civil union or married. 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). See the *Civil Unions and Domestic Partnerships* Fact Sheet for details.

Domestic Partner — A person of the same sex as defined by P.L. 2003, c. 246 (Chapter 246), with whom you were partnered in a domestic partnership for at least four years prior to the date of your death (see note) and who has not entered into a civil union or married. 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). See the *Civil Unions and Domestic Partnerships* Fact Sheet for details.

Note: In cases of death as a result of an accident during the performance of regular or assigned duties, and provided death is not a result of willful negligence, the four year marriage/partnership requirement is waived.

Child — Your unmarried child:

- Under the age of 18; or
- Under the age of 21 and attending school full time; 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 Medical Review Board.

Parent — Your parent(s) who received at least one-half support from you in the 12 months immediately preceding your death.

Final Salary — For the purpose of the statutory death benefit, Final Salary means the current salary for the judicial position in which you served at the time of death or retirement.

Active Members

Upon your death as an active member, your eligible surviving spouse/partner receives a statutory pension benefit equal to 25 percent of your Final Salary, plus:

- 10 percent of Final Salary to one dependent child; or
- 15 percent of Final Salary divided evenly among two or more dependent children.

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

- 15 percent of Final Salary to one dependent child; or
- 20 percent of Final Salary divided evenly between two dependent children; or
- 30 percent of Final Salary divided evenly among three or more dependent children.

If there is no surviving spouse/partner or dependent child(ren), a pension is paid to your eligible parent(s) as follows:

- 20 percent of Final Salary to one dependent parent; or

- 30 percent of Final Salary divided evenly between two dependent parents.

If there is no surviving spouse/partner, child(ren), or parent(s), the member’s contributions are paid to your named beneficiary. In the event a specific beneficiary is not named, the funds will be paid to your estate.

Retired Members

Upon your death as a retired member, your eligible surviving spouse/partner receives a pension benefit equal to 25 percent of the current salary for the judicial position you held at retirement, plus:

- 10 percent of Final Salary to one dependent child; or
- 15 percent of Final Salary divided evenly among two or more dependent children.

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

- 15 percent of Final Salary to one dependent child; or
- 20 percent of Final Salary divided evenly between two dependent children; or
- 30 percent of Final Salary divided evenly among three or more dependent children.

CONTINUATION OF STATE HEALTH BENEFITS PROGRAM (SHBP) COVERAGE

For active or retired JRS members, a surviving spouse/partner may continue health coverage through the SHBP as long as he or she is included under your SHBP coverage at the time of death. It will be the survivor’s responsibility to pay for the full cost of the coverage. The coverage can also include any dependent children who are covered at the time of death.

GROUP LIFE INSURANCE

JRS members are eligible for both Contributory and Noncontributory Group Life Insurance. Group life insurance is provided through policies issued by the insurance carrier — the Prudential Insurance Company of America.

- Contributory Group Life Insurance is insurance for which you pay. There are two contributory group life insurance plans available to JRS members.
- Noncontributory Group Life Insurance is provided by the State of New Jersey through the retirement system. There is no cost to you for this coverage.

CONTRIBUTORY GROUP LIFE INSURANCE

Upon enrollment, all JRS members are eligible for one of two types of Contributory Group Life Insurance:

- Group Term Life Insurance; or
- Group Variable Universal Life (GVUL) Insurance.

Both the Group Term Life Insurance and the GVUL Insurance offer coverage at levels of 1 1/2, 2, 3, 4, or 5 times your judicial salary. Upon enrollment in one of these contributory insurance plans, you can also enroll your spouse and/or dependent children in a \$5,000 group term insurance policy; spouses who are also judges enrolled in the JRS may not be covered as both a judge and a spouse.

Contributory insurance premiums are paid through regular payroll deductions. Rates are adjusted each year on the first day of the pay period that includes May 1 — the anniversary date of the plan.

Your Contributory Group Life Insurance amount is based on your judicial salary at enrollment and is adjusted, for any pay increases thereafter, on the first day of the pay period that includes May 1.

Added Benefits of the GVUL

In addition to the life insurance benefits provided by this coverage, the GVUL Insurance plan offers additional benefits including investment options that allow you to direct funds to any of 16 variable annuity plans, similar to mutual funds, and loans against your GVUL Insurance. See the plan prospectus, which is available from Prudential, for full details.

Enrollment in Contributory Group Life Insurance

The JRS requires that newly enrolled members under age 60 must be covered by one of the two Contributory Group Life Insurance plans for at least the first 12 months of membership. Either plan is optional for JRS members after completing the first 12 months of service, or for members enrolled prior to May 1, 2001.

JRS members who are not covered by contributory insurance may elect to enroll at any time, but must provide evidence of good health.

Evidence of Good Health

Newly enrolled JRS members do not need to provide evidence of good health for coverage at 1 1/2 times salary. Evidence of good health is required from any JRS member for enrollment at higher coverage levels or for those enrolling or increasing coverage at a later date.

Contributory Group Life Insurance Coverage at Retirement or Termination of Employment

Group Term Life Insurance coverage ends when you retire or terminate covered employment. You can, however, continue your Contributory Group Life Insurance coverage after you leave employment by purchasing a converted life insurance policy from Prudential, without a medical examination, at your own expense. See the “Conversion of Group Life Insurance” section for more information.

GVUL Insurance is portable coverage. This means that coverage can be continued after retirement or if you leave covered service as a judge. You will be billed monthly by Prudential for the full premium plus a \$3 monthly service fee.

**More Information about the
Contributory Group Life Insurance Plans**

Both the Group Term Life Insurance and the GVUL are administered by Prudential. If you have any questions about the program or would like to receive a plan prospectus, contact the Prudential Insurance Company of America, Group Life Services, P.O. Box 948, Horsham, PA 19044, or call 1-800-524-0542.

NONCONTRIBUTORY GROUP LIFE INSURANCE

Note: The following information applies only to the Noncontributory Group Life Insurance provided by the JRS; it does not pertain to the separate Contributory Group Life Insurance Options

The State pays the cost of your noncontributory insurance. Upon enrollment, you receive an individual certificate from the NJDPB that you should keep with your important papers.

Final Salary — For noncontributory insurance, Final Salary means the salary on which your JRS pension contributions are based as of the date of your death or retirement.

NONCONTRIBUTORY GROUP LIFE INSURANCE

Coverage for Active Members

If your death occurs in active service before retirement, your named beneficiary, or estate where there is no named beneficiary, will receive a death benefit equal to 1 1/2 x Final Salary.

**Noncontributory Group Life Insurance
Coverage for Retired Members**

Noncontributory Group Life Insurance coverage is available in retirement to JRS retirees with at least 10 years of service credit in the JRS or to those who retire on a Disability Retirement.

- **Service and Early Retirees** — if you die after retirement, your named beneficiary (or estate where there is no named beneficiary) will receive an amount equal to 25 percent of Final Salary.
- **Deferred Retirees** — your noncontributory coverage is not in effect between the time you terminate judicial service and your Deferred Retirement date. If you die between the time you terminate your judicial service and your retirement date, the last named beneficiary will receive only the return of your pension contributions with interest. There is no other death benefit under these circumstances (see the “Conversion of Group Life Insurance” section).
- **Disability Retirees** — If you die while on a Disability Retirement before reaching age 60, your named beneficiary (or estate where there is no named beneficiary) will receive an amount equal to 1 1/2 x Final Salary. If you die at age 60 or older, your named beneficiary (or estate where there is no named beneficiary) will receive an amount equal to 25 percent of Final Salary.

CHOOSING A BENEFICIARY

Your *JRS Enrollment Application* contains a section in which you name beneficiaries for both your Noncontributory Group Life Insurance benefits and the return of your pension contributions. You may name any person, organization, your estate, or a trust as beneficiary.

Active members may change Noncontributory Group Life Insurance designations at any time by filing a

new and properly completed *Judicial Retirement System Member Designation of Beneficiary* form with the NJDPB.

Members enrolled in a contributory plan must change their beneficiary designation with that plan separately. Contact the Prudential Insurance Company of America, Group Life Services, P.O. Box 948, Horsham, PA 19044, or call 1-800-524-0542.

At retirement, you are asked on your *Application for Retirement Allowance* to name a beneficiary(ies) for pension benefits and separately name beneficiaries for Noncontributory Group Life Insurance benefits. Some restrictions apply to who may be named for optional pension benefits; however, you may name any person, organization, your estate, or trust as beneficiary for noncontributory insurance benefits. See the “Optional Settlements at Retirement” section.

The designation of a beneficiary on an *Application for Retirement Allowance* that is filed with and accepted by the NJDPB supersedes any older designation of beneficiary on file. The designation is effective upon acceptance by the NJDPB, even if the retirement date on the application is in the future or the member later cancels the retirement application.

Retirees may also change noncontributory insurance designations at any time during retirement by filing a new *Designation of Beneficiary* form with the NJDPB.

For your protection, beneficiary designations cannot be accepted or confirmed over the telephone or by email. The NJDPB will only accept a written request from the member that includes the member’s signature and social security number or pension ID number.

Divorce/Dissolution of Partnership

In cases of divorce or dissolution, N.J.S.A. 3B:3.14 states that even if your *Designation of Beneficiary* form indicates a former spouse/partner and/or relatives of

the former spouse/partner as beneficiaries for life insurance, or return of pension contributions if an active employee, they cannot receive the benefit. Therefore, the pension and/or life insurance proceeds become payable to your remaining primary beneficiaries, if any, contingent beneficiaries, if any, or your estate. However, the following exceptions will be honored and considered valid:

- Court orders are filed that specifically designate your former spouse/partner to receive an active pension and/or life insurance benefit; or
- You file a *Designation of Beneficiary* after the final date of judgment that names your former spouse/partner and/or relatives of your former spouse/partner as the active pension and/or life insurance beneficiary.

PAYMENT OF NONCONTRIBUTORY GROUP LIFE INSURANCE

Group life insurance benefits for active members can be paid in one of several ways (group life insurance for retirees must be paid in a lump sum). The options are:

- **Lump Sum** — A single payment to your beneficiary(ies).
- **Annuity Certain** — Equal installments over a selected period of years.
- **Life Annuity** — Paid monthly to your beneficiary for life.

Death benefits cannot be paid until all the necessary information and claim forms have been received from your beneficiary by the NJDPB.

To report a death, contact the JRS at (609) 690-4859.

Taxation of Group Life Insurance Payments

Information regarding death claim payments are supplied to the New Jersey Division of Taxation, in accordance with their requirements. A beneficiary or beneficiaries may be considered by the Division of Taxation to be personally liable for any and all inheritance and/or estate taxes until paid.

NONCONTRIBUTORY GROUP LIFE INSURANCE AND LEAVE OF ABSENCE

Your Noncontributory Group Life Insurance coverage will continue in full force for an official leave of absence without pay under the following conditions:

- Up to two years while on an official leave of absence for personal illness.
- Up to 93 days while on official leave for personal reasons. A member who has been suspended without pay is covered for group life insurance for up to 93 days.

TAXATION OF GROUP LIFE INSURANCE PREMIUMS

The IRS classifies all employer-provided life insurance coverage over \$50,000 as a fringe benefit subject to taxation. The amount of life insurance coverage is not taxable, but the premium required to pay for the life insurance coverage is taxable.

To determine the taxable amount, subtract \$50,000 from your noncontributory life insurance coverage. The premium rates are then applied to the remaining life insurance amount. The premium costs for the life insurance are determined by the IRS based on your age (see the “IRS Premium Rates” chart) and the life insurance in excess of \$50,000.

Example: A JRS member is age 52 and has noncontributory insurance coverage of 1½ times salary.

The member’s annual base salary is \$100,000. The member’s life insurance coverage totals \$150,000 (1.5 X \$100,000).

The fringe benefit amount is determined by subtracting \$50,000 from the total benefit amount (\$150,000), which equals \$100,000 (\$150,000 - \$50,000).

According to the IRS, the premium cost for an individual 52 years of age is \$2.76 per \$1,000 of coverage. The premium cost in this example is \$276.00 (100 x \$2.76) and would be added to the member’s taxable income.

IRS Premium Rates* (Annual cost per \$1,000 of coverage)	
Age	Premium
Under age 25	\$0.60
25–29	\$0.72
30–34	\$0.96
35–39	\$1.08
40–44	\$1.20
45–49	\$1.80
50–54	\$2.76
55–59	\$5.16
60–64	\$7.92
65–69	\$15.24
70 and older	\$24.72
*These rates are subject to change by the IRS.	

WAIVING NONCONTRIBUTORY GROUP LIFE INSURANCE OVER \$50,000

You may waive your Noncontributory Group Life Insurance coverage by completing a waiver form and submitting it to the NJDPB. The waiver form must be received by the NJDPB before December 31 to be effective January 1 of the next calendar year. Once a waiver form has become effective, it shall be irrevocable for the entire calendar year. The waiver will remain

in effect until you submit a reinstatement form to the NJDPB. The reinstatement will become effective the following January 1.

Waiver and reinstatement forms are available from the NJDPB or from the Human Resources Office at the AOC.

If a waiver is in effect at the time of termination of judicial service or retirement, you will not be permitted to convert any amount of your noncontributory coverage over \$50,000. See the "Conversion of Group Life Insurance" section.

Before completing the waiver, you should completely understand the ramifications of waiving your Noncontributory Group Life Insurance. For more information, refer to IRS Publication 525, *Taxable and Nontaxable Income*.

CONVERSION OF GROUP LIFE INSURANCE

Contributory Group Term Life Insurance coverage ends 31 days after you cease judicial service, whether for reasons of retirement or termination of service, or when the period of coverage under a leave of absence without pay ends.

Contributory GVUL Insurance is portable coverage. This means that coverage can be continued after retirement or if you leave judicial service, at your own cost, by contacting Prudential at 1-800-562-9874.

Noncontributory Group Life Insurance coverage is reduced at retirement if you retire with at least 10 years of service credit in the JRS.* Otherwise, noncontributory coverage ends 31 days after you cease judicial

service or after the period of coverage under a leave of absence without pay ends.

You have the option to convert any Contributory Group Term Life Insurance or your Noncontributory Group Life Insurance coverage, without a medical examination and at your own expense, to an individual policy from the Prudential Insurance Company when you retire, terminate judicial service, or lose coverage while on a leave of absence without pay.

See the *Conversion of Group Life Insurance* Fact Sheet for details.

*If you retire on a Disability Retirement the 10-year minimum requirement is waived, and the noncontributory insurance is not reduced until you reach age 60.

Withdrawal

OVERVIEW

When Membership Ends

Your active membership in the JRS ends 30 days after your retirement date or 30 days after the approval of your retirement, whichever is later, or if:

- You die; or
- You end your employment and withdraw your contributions from the JRS.

Should you return to covered employment after your employment ends or you have withdrawn your account, you will be treated as a new member of the JRS in all respects. Service credit from a former membership may be purchased by members returning to the system after withdrawal of a former account. See the “Types of Service Eligible for Purchase” section.

WITHDRAWING CONTRIBUTIONS

If you terminate judicial service before retirement, you may withdraw all your contributions less any outstanding loan or other obligations. You may withdraw only the money you have contributed and partial withdrawals are not permitted. Upon your withdrawal, all rights and privileges of membership end.

Since the employer/employee relationship must be severed, no withdrawal will be paid if there are unresolved legal matters concerning your termination of employment.

To withdraw, you must file a properly completed *Application for Withdrawal*.

In accordance with federal law, income tax must be withheld on certain pension distributions that produce an annual taxable income of \$200 or more, unless the taxable amount is directly rolled over into an Individual Retirement Account (IRA) or a new employer’s retirement plan, if applicable. To qualify, this direct rollover must occur within 60 days of the withdrawal check date.

If payment is made directly to you, the taxable portion is subject to 20 percent income tax withholding. If you reside in the United States and wish to withhold more than the default 20 percent federal income tax on the taxable portion of your payment, you must complete a Federal *Form W-4R*. In addition, if you receive payment before you reach age 59 1/2 and you do not roll it over, you may have to pay an extra tax equal to 10 percent of the taxable portion of any payment. If you have any questions concerning this federal law, call the IRS at 1-800-TAX-1040.

If you are age 60 or have at least five years of judicial service and at least 10 years in the aggregate of public service credit when you file for withdrawal, you must waive any rights you have to a retirement or death benefit. This written waiver is part of a letter which states the amount of retirement and death benefits to which you are entitled if you do not withdraw.

No withdrawal application can be processed until all the necessary information has been received from you and the AOC.

Appeals

OVERVIEW

If you wish to appeal any administrative decision of the NJDPB, address your appeal to:

Secretary to the State House Commission
Judicial Retirement System
New Jersey Division of Pensions & Benefits
P.O. Box 295
Trenton, NJ 08625-0295

Your appeal to the State House Commission must include a copy of the administrative decision, a detailed explanation of your basis for disagreement with the decision, and all supporting documentation that you wish to be considered by the Commission.

If your appeal is denied by the Commission, you may request a formal hearing by sending a written statement to the Commission within 45 days from the date of the Commission's decision. State in detail the reasons for your disagreement with the Commission's determination and submit any and all supporting documentation if you have not already done so. If no such written statement is received within the 45-day period, the determination shall be considered final.

If your request for a formal hearing is approved, the Commission will submit the matter to the Office of Administrative Law (OAL). Upon completion of this hearing, the Administrative Law Judge will submit an initial decision which the Commission may adopt, reject, or modify. If the Commission rejects or modifies the initial decision, it shall issue a detailed findings of fact and conclusions of law which will become the Commission's *Final Administrative Determination* and may then be appealed to the Superior Court, Appellate Division.

When the State House Commission reviews your request for a hearing in the OAL, it determines whether the matter involves contested facts or is solely a question of law. If the appeal involves solely a question of law, an OAL hearing is not likely to be approved. In that

case, the Commission shall reject your hearing request and issue detailed findings of fact and conclusions of law. These findings and conclusions will become the Commission's *Final Administrative Determination* and may be appealed to the Superior Court, Appellate Division.