



**RUTGERS**  
THE STATE UNIVERSITY OF NEW JERSEY

# **Public Employees' Retirement System (PERS) Retirement: Overview**

# PERS Retirement Overview Outline

- Types of PERS retirement
- Steps to retirement
- How to apply for retirement
- Retirement calculation examples
- Retirement payment options
- Health benefits at retirement
- Group life insurance
- Determining last working day (staff only)
- Sick leave payout (staff only)
- Employment after retirement
- Rutgers retiree associations
- Useful phone numbers and websites



# Types of Retirement

- **Deferred retirement**
- **Early retirement**
- **Service retirement**
- **Ordinary disability retirement**
- **Accidental disability retirement**
- **Veteran**



**\*Please refer to the PERS Membership Tier Chart for eligibility criteria**

**<https://www.state.nj.us/treasury/pensions/documents/forms/sc0853.pdf>**

# Steps to Retirement (Suggested Timeline)

- **6-8 months before retirement**
  - Use the Division of Pensions and Benefits site to obtain an **Estimate of Retirement Benefits**
- – <https://www.state.nj.us/treasury/pensions/pers-estimate.shtml>
- Review your retirement payment options

The screenshot shows the NJDPB website's navigation bar with links for Pensions, Health Benefits, Services, Publications, Access MBOS, Pay My Health Benefits Bill, and Contact Us. Below the navigation bar is a breadcrumb trail: Home / Retirement / Retirement Estimate Calculators – PERS. The main heading is "Retirement Estimate Calculators – PERS" with a sub-heading "For Members of the Public Employees' Retirement System (PERS)".

**PERS Membership Tiers**

Select the PERS Membership Tier that matches your enrollment date to retrieve your calculator.

- **PERS Membership Tier 1** – Enrolled *before* July 1, 2007.
- **PERS Membership Tier 2** – Eligible for enrollment *on or after* July 1, 2007 and *before* November 2, 2008.
- **PERS Membership Tier 3** – Eligible for enrollment *on or after* November 2, 2008 and *on or before* May 21, 2010.
- **PERS Membership Tier 4** – Eligible for enrollment *after* May 21, 2010 and *before* June 28, 2011.
- **PERS Membership Tier 5** – Eligible for enrollment *on or after* June 28, 2011.

[Go to Calculator](#)

**Disclaimer**

- Calculators estimate the Maximum Option for retirement available to members of the Public Employees' Retirement System (PERS).
- If you indicate the birthdate of a beneficiary, the calculator will also estimate survivor options for that beneficiary.
- **Do not apply for retirement benefits based on this estimate.** The calculator is provided as a convenience to our members and is intended only for use in long-range retirement planning.
- The calculation is based solely on the information you provide and does not access any of the salary or service information maintained by the Division of Pensions & Benefits
- If you are within two years of retirement, obtain an 'official' estimate of retirement benefits online using the [Member Benefits Online System \(MBOS\)](#) or by calling the Automated Information System at 609-292-7524.

## Steps to Retirement (cont.)

- **4-6 months before retirement**
  - Submit an online **Retirement Application** to the State using the Member Benefits Online System (MBOS)
  - Notify your department in writing of your intent to retire
  - Determine last working day (staff employees)
  - Retirement date will be the first of the month following the last day worked
  - Contact the Social Security office (if you plan to apply)

## Steps to Retirement (cont.)

- **3 months before retirement**
  - If you or your spouse/civil union/same-sex domestic partner are 65+, enroll in Medicare A & B
- **2 months before retirement**
  - Receive *Quotation of Retirement Benefits* from State
  - Enroll online in **Direct Deposit**. Direct deposit of benefit payment is **mandatory** - <https://www.state.nj.us/treasury/pensions/pension-retirees.shtml>
- **1 month before retirement**
  - Receive retirement approval letter from State
  - Life insurance conversion (if interested)



## Steps to Retirement (cont.)

- **Shortly before retirement**
  - Enroll in retiree health/dental plan (*Complete online enrollment via Benefitsolver - [my.njbenefitshub.nj.gov](https://my.njbenefitshub.nj.gov)*)
  - If not electing health insurance coverage, ensure to waive/decline electronically via Benefitsolver ([my.njbenefitshub.nj.gov](https://my.njbenefitshub.nj.gov))
- **Shortly after retirement**
  - Complete online Tax withholding forms (W4P & NJW4P) from State
  - First retirement benefit payment – dated no earlier than first of month following retirement
  - Sick leave payout, can defer up to one year (staff only)
  - Vacation payout (staff only)



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# Up Next...How to Apply for Retirement



# Online Guide to Retirement

The screenshot shows the NJDPB website interface. At the top, it includes the State of New Jersey logo and the NJDPB logo with the tagline 'Explore Your Benefits'. A navigation bar contains links for Treasury, NJDPB, Pensions, Health Benefits, Services, Publications, and Contacts. The main content area is titled 'Online Guide to Retirement' and includes a brief introduction: 'Retirement is a big step in life. This guide will help you get information and make informed decisions about your retirement. Please select the topic below to get more information.' Below this is a vertical list of 13 topics, each with a dropdown arrow: Eligibility For Retirement, Disability Retirement, Survivor Benefits, Getting a Retirement Estimate, Retirement Webinars and Seminars, Purchase of Service Credit, Group Life Insurance in Retirement, Health Benefits in Retirement, Federal and State Income Taxes, Other Deductions from your Retirement Benefit, Employment after Retirement, and Submitting your Retirement Application. To the right, there are 'Login' and 'Register' buttons, a 'What is MBOS?' link, and a video player with the title 'EXPLORE YOUR BENEFITS' and a play button.

<http://nj.gov/treasury/pensions/retirement.shtml>

# How to Apply for Retirement

- Must apply online for retirement using the Member Benefits Online System (MBOS)
- To register for MBOS: <http://nj.gov/treasury/pensions/mbos-register.shtml>
- New users may refer to MBOS registration instructions:
- <https://www.nj.gov/treasury/pensions/documents/pdf/MBOS-ActiveInstructions.pdf>
- For assistance registering please call 609-292-7524 or e-mail with the subject line "MBOS E-mail" to: [pensions.nj@treas.state.nj.us](mailto:pensions.nj@treas.state.nj.us)
- **Note and save** your MBOS Login ID and Password for future use

# How to Apply for Retirement (cont.)

The screenshot shows the user interface of the Member Benefits Online System. At the top, there is a navigation bar with the Rutgers logo and the text 'RUTGERS THE STATE UNIVERSITY OF NEW JERSEY'. To the right, it says 'PERS Retirement Seminar'. Below this is a large red banner with the title 'How to Apply for Retirement (cont.)'. The main content area has a blue header with the Rutgers logo and the text 'njhome | my new jersey | people | business | government | departments'. Below the header, it says 'new jersey division of pensions and benefits member benefits online system'. There are two main sections: 'Member Account Information' and 'Member Account Applications'. The 'Member Account Information' section displays the member's name as 'JANE A. MEMBER', their member number as 'PERS - 0123456', and their email address as 'jane.member@email.com'. There is a 'Logout' button and a 'pensions and benefits home' link. The 'Member Account Applications' section is divided into two columns: 'Pension Account Information and Calculators' and 'Other Benefits Programs'. The 'Pension Account Information and Calculators' column includes buttons for 'Payroll Certifications', 'Statement of Account', 'Pension Loan', 'Additional Information', 'Application for Withdrawal', 'Designation of Beneficiary', 'Purchase Application', 'Retirement', and 'Electronic Funds Transfer (EFT)'. The 'Other Benefits Programs' column includes buttons for 'SHBP / SEHBP', 'Application Help', and 'MBOS User Guide'.

**Member Account Information** [pensions and benefits home](#) [Logout](#)

**General Member Information**

**Member Name :** JANE A. MEMBER

**Member Number :** PERS - 0123456

**[jane.member@email.com](mailto:jane.member@email.com)**

**Member Account Applications**

**Pension Account Information and Calculators**

- Payroll Certifications
- Statement of Account
- Pension Loan
- Additional Information
- Application for Withdrawal
- Designation of Beneficiary
- Purchase Application
- Retirement
- Electronic Funds Transfer (EFT)

**Other Benefits Programs**

- SHBP / SEHBP
- [Application Help](#)
- MBOS User Guide

# How to Apply for Retirement (cont.)

**MEMBER INFORMATION**

**Name:** Jane Member **Member Number:** 02-0123456

**Date of Birth:** 08/14/1956

**Street Address 1:** 123 MAIN STREET **Street Address 2:** APT B2

**City:** TRENTON **STATE:** NJ **ZIP:** 08625 -

**Country:** UNITED STATES OF AMERICA

**Home/Cell Phone:** ( 609 ) 555 - 5555 **Work Phone:** ( 609 ) 555 - 5544 **Ext:**

**E-mail:** JMEMBER@STATE.MAIL

# How to Apply for Retirement (cont.)

## Summary of Retirement Application Information

*If any of the information below is incorrect, please use the "Change Information" button at the bottom of the page to make corrections.*

### MEMBER INFORMATION

**Name:** JANE MEMBER

**Member Number:** 02-0123456

**Date of Birth:** 08/14/1956

**Address:** 123 MAIN

**City:** TRENTON **State:** NJ **ZIP:** 08685 **Country:** UNITED STATES OF AMERICA

**Home/Cell Phone:**

**Work Phone Number: Ext.:**

**E-mail:** JMEMBER@STATE.MAIL

**Employer Name:** DEPARTMENT OF THE TREASURY

### RETIREMENT INFORMATION

**Retirement Date:** 04/01/2008

**Retirement Type:** SERVICE

**Service credit purchase application WAS NOT submitted within the past 6 months**

**Last 36 months of salary WERE the highest salary years**

### PENSION OPTION INFORMATION

**Pension Option Selected:** Option 1

### Beneficiary Information

**Name:** WILLIAM MEMBER

## How to Apply for Retirement (cont.)

### LIFE INSURANCE BENEFICIARY INFORMATION

**Name:** WILLIAM MEMBER

**Social Security No.:** 987 65 4321

**Birthdate:** 06/06/1960

**Relationship:** HUSBAND

**Selection Type:** PRIMARY

**Address:** 123 MAIN

**City:** TRENTON

**State:** NJ

**ZIP Code:** 08685

**Country:** UNITED STATES OF AMERICA

Is the above summary information correct?

Yes

No

- **Print summary page for your records**

# Retirement Payment Options

- Benefits will continue for the duration of your lifetime regardless of payment option selected
- Become familiar with all payment options, choose one out of nine
  - available payment options
- Consider your:
  - Financial needs
  - Your age and health
  - Your beneficiary's age and health
  - Need to provide survivor benefits
- Once first retirement check is issued, you cannot change your payment option



# Retirement Check Information (MBOS)

**Name:** KEN MEMBER

**PERSONAL DATA**

**Address:** 123 MAIN STREET  
ANYTOWN, NJ 08555

**E-Mail Address:** k.member@mailaddress.com

**Home Phone Number:** (609) 555-5555

**If your address is incorrect, please click here to update.**

**RETIREMENT INFORMATION**

**Retirement ID:** 3-10-033333

**Payment to Retiree**

**Effective Date:** 08/01/2006

**Retirement Type:** Chaptr-109

**Option Selection:** MAXIMUM

**ALLOWANCE AND DEDUCTION INFORMATION FOR CHECK DATED 03/01/2008**

**PAYMENT FOR MONTH OF 02/2008**

CURRENT EARNINGS		CURRENT DEDUCTIONS		YEAR TO DATE
Regular	\$2,132.00	Health Coverage		Gross Pension Allow. \$6,396.00
Supplemental		Federal Income Tax	\$250.73	Taxable Pension, Fed. \$6,314.70
Cost-of-living		NJ Income Tax		Medicare Part B
Medicare Part B		Loan Payment		
		Dental Coverage	\$61.81	
<b>TOTAL ALLOWANCES</b>	<b>\$2,132.00</b>	<b>TOTAL DEDUCTIONS</b>	<b>\$316.54</b>	<b>NET ALLOWANCE</b> \$1,815.46

**HEALTH BENEFITS INFORMATION :** NJ DIRECT15  
Retiree Dental Expense Plan

<https://www.nj.gov/treasury/pensions/documents/forms/sp0774.pdf>



# Maximum Allowance



- Sometimes called single-life annuity
  - Highest amount payable
  - Maximum benefit stops at your death
  - No pension benefits are payable to your survivors
- 
- If you die before receiving your retirement allowance, paid to your beneficiary is:
    - The amount you paid into the retirement system while actively working,
    - Balance of your contributions and Interest

## Alternatives to the Maximum Allowance

- All other options may provide a benefit to your beneficiary after you die
- By taking an option, you may reduce your own monthly retirement allowance



## “Pop-up” Options A,B,C, and D

- Upon your death your beneficiary will receive a lifetime monthly pension
- If your beneficiary predeceases you, your retirement allowance will “pop-up” to the Maximum Allowance
- The percentage of reduction is based on:
  - Life expectancies of you and your beneficiary
  - The option you select (A,B,C, or D)
  - Younger beneficiary = greater benefit reduction
  - Older beneficiary = less benefit reduction
- Beneficiary must be an individual
- Beneficiary can never change after retirement



## “Pop-up” Options (cont.)

- **Option A** - 100% to the beneficiary or increases to the maximum allowance
- **Option B** - 75% to the beneficiary or increases to the maximum allowance
- **Option C** - 50% to the beneficiary or increases to the maximum allowance
- **Option D** - 25% to the beneficiary or increases to the maximum allowance



# Option 1

- At retirement, amount the State expects to pay in lifetime benefits is set aside as a retirement reserve
- If your beneficiary predeceases you, your benefit does not increase
- If reserve has been exhausted at your death, no benefits will be paid to your beneficiary
- If any remaining balance remains at your death, it will be paid to your beneficiary
- You may name more than one beneficiary for this option and you may change at any time
- Beneficiary can be a person, charity, institution, or your estate

## Options 2 and 3

### Option 2

- Sometimes called 100% joint and survivor annuity
- If beneficiary predeceases you, your benefit does not increase
- Retirement benefit calculation based on your age and age of your beneficiary
- Beneficiary must be an individual
- Beneficiary can never change after retirement

### Option 3

- Sometimes called 50% joint and survivor annuity
- If beneficiary predeceases you, your benefit does not increase
- Retirement benefit calculation based on your age and age of your beneficiary
- Beneficiary must be an individual
- Beneficiary can never change after retirement

## Option 4

- If your beneficiary is living at the time of your death, your beneficiary will receive a specified monthly allowance for the duration of his/her life
- If your beneficiary predeceases you, your benefit does not increase
- Beneficiary allowance cannot be more than your own allowance
- You can name one or more beneficiaries
- Beneficiary can never change after retirement



# Retirement Estimate Example

March 24, 2014

JOHN DOE

RE: 2-000000 (Call Benefits Dept. to get #)

This Estimate of Retirement Benefits was prepared based on the following information:

Retirement Date:	09/01/2014	Type of Retirement:	SERVICE
Service Termination Date:	08/31/2014	Date of Birth:	01/04/1952
Pension Membership Credit as of Termination Date:	27 years 8 months	Nearest age at Retirement*:	63
		Salary used in calculation:	\$ 68,948.09
Your Beneficiary:	Jane Doe	Beneficiary's Date of Birth:	08/18/1950

\* If your age at retirement is under 55, the benefit calculation below includes a reduction of 1/4 of 1% for each month you are under the age of 55. There is no reduction if retiring on a disability retirement.

## PENSION Payment Options at Retirement

Payment Option (You may choose only one.)	Annual Benefit	Monthly Benefit	Your Beneficiary's Benefit	
			Jane Doe	
Maximum Option	\$ 34,682.88	\$ 2,890.24	No benefit payable to a beneficiary.	
<b>Option A</b>	\$ 29,307.00	\$ 2,442.25	<b>100%</b>	\$ 2,442.25 per month upon your death.
<b>Option B</b>	\$ 30,694.32	\$ 2,557.86	<b>75%</b>	\$ 1,918.39 per month upon your death.
<b>Option C</b>	\$ 32,255.04	\$ 2,687.92	<b>50%</b>	\$ 1,343.96 per month upon your death.
<b>Option D</b>	\$ 33,711.72	\$ 2,809.31	<b>25%</b>	\$ 702.32 per month upon your death.
<b>Option 1</b>	\$ 33,052.80	\$ 2,754.40	\$ 312,145.92 reduced each month by \$ 2,754.40.	
<b>Option 2</b>	\$ 29,653.92	\$ 2,471.16	<b>100%</b>	\$ 2,471.16 per month upon your death.
<b>Option 3</b>	\$ 32,428.44	\$ 2,702.37	<b>50%</b>	\$ 1,351.18 per month upon your death.
<b>Option 4</b>	0.00	0.00	0.00 per month upon your death.	
Life Insurance after Retirement:	\$ 13,259.25	Life insurance available for conversion:	\$ 198,888.75	





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# Up Next...Health Benefits at Retirement

# Health Benefits at Retirement

- Active medical, prescription drug, and dental coverage continues to end of retirement month
- Retiree health benefits begin the first day of the month following retirement

January 1 retirement example:

- Active employee health (Medical & Prescription) and dental benefits will end **January 31**
- Retiree health (Medical & Prescription) and dental benefits will begin **February 1**
- **If not electing health insurance coverage, ensure to decline/waive via [my.njbenefitshub.nj.gov](https://my.njbenefitshub.nj.gov)**

*–Retiree Health eligibility and premium sharing are determined by  
–NJ State Law and the NJ Division of Pensions and Benefits and are subject to change.*

University Human Resources

# Enrolling in Retired Group State Health Benefits

- Most eligible members enrolled in coverage as active employees will automatically be enrolled as retirees.
  - Exceptions include those members who: are changing/waiving plans at retirement; waived coverage as an active employee; or changed their retirement date.

First time here?  
Register to create your user name and password.

[Register](#)

- Navigate to [mynjbenefitshub.nj.gov](https://mynjbenefitshub.nj.gov)\* and click **Register**
- Enter your Social Security Number and Date of Birth
- The Company Key is **SHBP/SEHBP**
- Once registered, **Login** using your username and password

\*You may also login through the myNewJersey portal by clicking on **Benefitsolver** button at the bottom of the screen. If you do not have a Benefitsolver button, you must visit the NJDPB website to register.

Welcome

User Name \*  
  
case sensitive

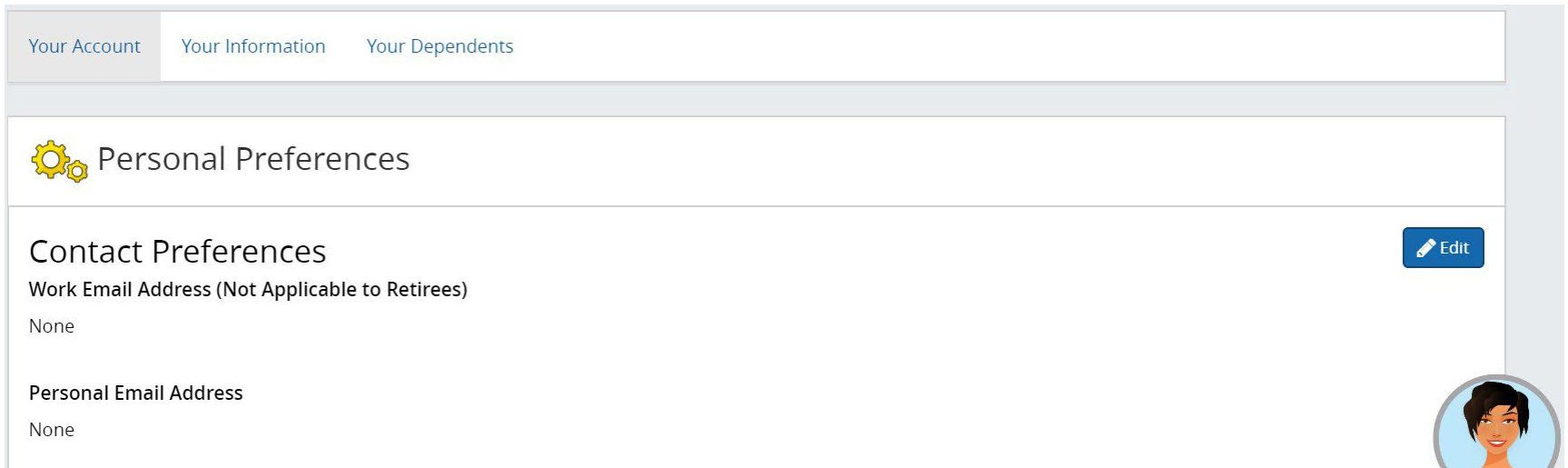
Password \*  
  
case sensitive

[Login >](#)

[Forgot your user name or password?](#)

# Update Your Contact Information

When you first visit **mynjbenefitshub**, be sure to update your contact information to get the latest information about your benefits. You will also have the option to receive important notifications via text message.



The screenshot shows a user interface for 'Personal Preferences'. At the top, there are three tabs: 'Your Account', 'Your Information', and 'Your Dependents'. Below the tabs is a section titled 'Personal Preferences' with a gear icon. Underneath, there is a 'Contact Preferences' section. It includes two fields: 'Work Email Address (Not Applicable to Retirees)' and 'Personal Email Address', both currently set to 'None'. To the right of the 'Contact Preferences' section is a blue 'Edit' button with a pencil icon. In the bottom right corner of the interface, there is a circular profile picture of a woman.

# Retiree Health Benefits – Benefitsolver Dashboard

–Explore the site for helpful information

The screenshot shows the mynjbenefitshub website interface. At the top left is the logo. The navigation bar includes Home, Message Center (with a notification icon), Help, and Reference Center. Below the navigation bar are links for My Benefits, Flu + COVID Vaccination Information, and Contacts. A yellow banner highlights 'IMPORTANT Flu Shot and COVID-19 Vaccination Information!'. The main content area features a 'WELCOME TO mynjbenefitshub' banner, a NJDPB logo, and a personalized welcome message. A 'Quick Links' grid contains tiles for Benefit Guide, Change My Benefits, Wellness Rewards, Find a Provider, Contacts, Additional Benefits, Change My Address or Email, and Plan Details. On the right, there are sections for 'Important Reminders' (Action Required), 'Review my current coverage' (with a 'Benefit Summary' link), 'Summary of Benefits and Coverage', and a 'Medical' dropdown menu. At the bottom, there is a 'Meet Sofia' chat section and a 'Get your benefits on the go!' section. A 'Fact Sheets Online' link is also visible.

– Find plan details in the Reference Center

–Quick Links

–Review your current coverage

–Chat with Sofia<sup>SM</sup>

# Qualifying for State-Paid Health Insurance

- Prospective retirees who accumulate a total of 25 or more years of non-concurrent pension credit in PERS or multiple NJ state pension funds (i.e. ABP, PFRS, etc.) may be eligible for State-paid coverage at retirement, as long as they meet the following requirements:
  - - Must be eligible for employer-paid health benefits immediately prior to retirement/separation.
- The State provides partial or full cost of the SHBP coverage for retirees who meet specific service credit or retirement criteria outlined in the
- **Premium Sharing Schedule:**  
<https://uhr.rutgers.edu/docs/2021-premium-sharing-schedule>

## Employees Who Attained 25 or More Years of Service Credit on or Before July 1, 1997

- No contributions required for all Retired Group State Health Benefits
- Health benefits include medical and prescription drug coverage
- Full reimbursement for standard cost of Medicare Part B premium (per eligible covered individual) provided by the State.



## Employees Who Attained 25 or More Years of Service Credit After July 1, 1997, and Before June 30, 2007

- No contributions required for selective Retired Group State Health Benefits
- If electing Aetna Freedom 10 or NJ Direct 10, contributions required for Retired Group State Health Benefits
- Rates for retirees who share the cost of their coverage:  
<https://www.nj.gov/treasury/pensions/documents/hb/oe2025/hr0744.pdf>
- Partial reimbursement of \$46.10 for Medicare Part B premium (per eligible covered individual) if hire date is on or before July 1, 1995\*.

\*Employees who began employment or had a break in service after July 1, 1995, or who became eligible for health benefits after that date, will not be eligible for Medicare Part B reimbursement.



## Employees Who Attained 25 Years of Service Credit After June 30, 2007, and before June 28, 2011

- Health contribution of 1.5% of 50% of the last annual salary received prior to retirement unless the retired member is enrolled in the Retiree Wellness Program.
- Aetna Freedom 10 and NJ Direct 10 are not available
- Partial reimbursement of \$46.10 for Medicare Part B premium (per eligible covered individual) if hire date is on or before July 1, 1995.
- Waived if enrolled in the SHBP Retiree Wellness Plan:
  - Complete Health Assessment Tool (HAT)
  - Agree to and submit annual **Pledge for Healthier Living**
  - Complete Annual Physical and Annual Wellness Certification
  - Have appropriate tests and screenings when recommended
  - Participate in health plan's disease management program when recommended

## Employees Who Attained 20 Years of Service Credit by June 28, 2011, and Retire with 25 Years of Service Credit

- Health Contribution is 1.5% of 50% of the last annual salary received prior to retirement
- Aetna Freedom 10 and NJ Direct 10 are not available
- Partial reimbursement of \$46.10 for Medicare Part B premium (per eligible covered individual) if hire date is on or before July 1, 1995.

## Employees Who Attained 20 Years of Service Credit After June 28, 2011 and Retire with 25 Years of Service Credit

- Health contribution is based on the applicable percentage of premium based on 50% of the last annual salary prior to retirement.
  - Percentage of Premium for Retirees:  
<https://www.nj.gov/treasury/pensions/documents/hb/oe2025/hr1016.pdf>
- Aetna Freedom 10 and NJ Direct 10 are not available
- Partial reimbursement of \$46.10 for Medicare Part B premium (per eligible covered individual) if hire date is on or before July 1, 1995

# Health Benefits Contribution – Percentage of Premium for Retirees

HR-1016-1117



State of New Jersey • Department of the Treasury  
**DIVISION OF PENSIONS & BENEFITS — HEALTH BENEFITS**  
 P.O. Box 295, Trenton, NJ 08625-0295  
**HEALTH BENEFITS CONTRIBUTION —  
 PERCENTAGE OF PREMIUM FOR RETIREES**

*Note: You must use the rate charts for retirees who pay the full cost of their coverage to first determine the full cost premium for the plan and coverage level you select. Then, use this chart to determine the percentage of the full cost for which you will be responsible.*

Annual Retirement Allowance Range	Single	Member/Spouse/Partner or Parent/Child	Family
Less than \$20,000	4.5%		
Less than \$25,000		3.5%	3%
\$20,000 - \$24,999.99	5.5%		
\$25,000 - \$29,999.99	7.5%	4.5%	4%
\$30,000 - \$34,999.99	10%	6%	5%
\$35,000 - \$39,999.99	11%	7%	6%
\$40,000 - \$44,999.99	12%	8%	7%
\$45,000 - \$49,999.99	14%	10%	9%
\$50,000 - \$54,999.99	20%	15%	12%

## Employees Who Attained 20 Years of Service Credit After June 28, 2011 and Retire with 25 Years of Service Credit – Calculation Example

- Jane Doe is retiring on July 1<sup>st</sup>. Her last annual base salary is \$100,000
- 50% of salary = \$50,000
- Percentage of Premium for Retirees Single Coverage: 20%
- 2025 full cost of NJ Direct 15 with Prescription (single non-Medicare): \$1,544.80 per month.
- 20% of \$1,394.36 = \$308.96 per month

**2025 Full Cost Rate Chart – Including Prescription:** <https://www.nj.gov/treasury/pensions/documents/hb/oe2025/hr1094.pdf>

**2025 Full Cost Rate Chart – Excluding Prescription:** <https://www.nj.gov/treasury/pensions/documents/hb/oe2025/hr1095.pdf>

**Percentage of Premium for Retirees:** <https://www.nj.gov/treasury/pensions/documents/hb/oe2025/hr1016.pdf>

# Employees Who Retire With Less Than 25 Years of Service Credit

- Option to enroll in Retired Status State Health Benefits Insurance plans
- Required to pay full group rate, available on State and UHR websites:
  - **2025 Full Cost Rate Chart – Including Prescription:**  
<https://www.nj.gov/treasury/pensions/documents/hb/oe2025/hr1094.pdf>
  - **2025 Full Cost Rate Chart – Excluding Prescription:**  
<https://www.nj.gov/treasury/pensions/documents/hb/oe2025/hr1094.pdf>
  - Do not qualify for reimbursement of Medicare Part B premium

## Surviving Spouses or Civil Union/Same-Sex Domestic Partners of Employees with 25+ Years of Pension-Credited Service

- Surviving spouse or civil union/same-sex domestic partner may continue retiree health
- Will be required to pay full group rate
- Will not qualify for reimbursement of Medicare Part B premium

# Enrolling in Retired Group State Health Benefits Medicare Part A and Part B Enrollment

- Two months prior to retirement, retirees and/or their spouses/same-sex domestic or civil union partners, that are age 65 and older are required to enroll into **Medicare Part A and Part B**
  
- You can enroll in Medicare in the following ways:
  - Online at [www.SocialSecurity.gov](http://www.SocialSecurity.gov)
  - Calling Social Security at 1-800-772-1213 (M-F 7AM to 7 PM)
  - In- Person at your local Social Security Office\*
  
- Social Security Administration works with Medicare Services by enrolling Medicare eligible members

*\*Contingent upon COVID-19 regulations*



# Enrolling in Retired Group State Health Benefits Medicare Part A and Part B Enrollment

- Complete the **Application for Enrollment in Medicare Part B** - <https://www.cms.gov/Medicare/CMS-Forms/CMS-Forms/Downloads/CMS40B-E.pdf>
- Contact OneSource Service Center to have the **Request for Employment Verification form** certified: 732-745-SERV(7378)
- Return certified forms to Social Security Administration for processing

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
CENTERS FOR MEDICARE & MEDICAID SERVICES

Form AP1  
OMB No. 093

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**REQUEST FOR EMPLOYMENT INFORMATION**

---

**SECTION A: To be completed by individual signing up for Medicare Part B (Medical Insurance)**

1. Employer's Name	2. Date	
<input type="text"/>	<input type="text"/> / <input type="text"/> / <input type="text"/>	
3. Employer's Address		
<input type="text"/>		
City	State	Zip Code
<input type="text"/>	<input type="text"/>	<input type="text"/>
4. Applicant's Name	5. Applicant's Social Security Number	
<input type="text"/>	<input type="text"/> - <input type="text"/> - <input type="text"/>	
6. Employee's Name	7. Employee's Social Security Number	
<input type="text"/>	<input type="text"/> - <input type="text"/> - <input type="text"/>	

**SECTION B: To be completed by Employers**

**For Employer Group Health Plans ONLY:**

1. Is (or was) the applicant covered under an employer group health plan?  Yes  No

2. If yes, give the date the applicant's coverage began. (mm/yyyy)

/

3. Has the coverage ended?  Yes  No

4. If yes, give the date the coverage ended. (mm/yyyy)

/

5. When did the employee work for your company?

From: (mm/yyyy)	To: (mm/yyyy)	Still Employed: (mm/yyyy)
<input type="text"/> / <input type="text"/>	<input type="text"/> / <input type="text"/>	<input type="text"/> / <input type="text"/>

6. If you're a large group health plan and the applicant is disabled, please list the timeframe (all months) that your group health plan was primary payer.

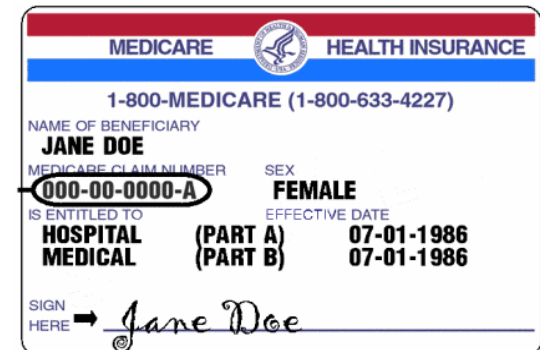
From: (mm/yyyy)	To: (mm/yyyy)
<input type="text"/> / <input type="text"/>	<input type="text"/> / <input type="text"/>

**For Hours Bank Arrangements ONLY:**

1. Is (or was) the applicant covered under an Hours Bank Arrangement?  Yes  No

# Enrolling in Retired Group State Health Benefits Medicare Part A and Part B Enrollment

- Medicare will mail Medicare Part A and Part B card
- The Division of Pensions and Benefits (DPB) will confirm enrollment into Medicare by contacting the Center for Medicare/Medicaid Services (CMS).
- Upload Medicare (MBI) information within [my.njbenefitshub.gov](https://my.njbenefitshub.gov)
  - **You will be required to enter effective dates for Medicare Parts A & B and your Medicare ID number.**



## SHBP and Medicare Parts A&B

- Effective 1/1/2019, the SHBP no longer offers Medicare Advantage (MA) plans through Horizon's NJ Direct 10 (PPO) or NJ Direct 15 (PPO) plans.
- Medicare Advantage plans, ("Part C" or "MA plans") provide Medicare Part A (inpatient hospital insurance) and Medicare Part B (outpatient medical insurance) coverage.

## SHBP and Medicare Parts A&B

- **AETNA:** Under Aetna plans, the coverage provided is a Medicare Advantage plan, which means that eligible claims are paid by the medical plan.
  - Retirees do not need to coordinate coverage between Medicare and Aetna.
  - Aetna plans are combined with Medicare and pay eligible expenses directly.
  - Aetna Medicare Advantage Plans: Aetna Freedom PPO ESA 10/ Aetna Freedom PPO ESA 15/Aetna HMO/Aetna HMO 1525
  
- **HORIZON:** Offers Medicare Supplement Plans
  - In-network claims are coordinated by first submitting them to Medicare. This coordination of benefits with Medicare is handled by Horizon.
  - Out-of-network claims are coordinate by first submitting them to Medicare. Unreimbursed expenses may be sent to Horizon (by Medicare) for further reimbursement.
  - Horizon Supplemental Plans: NJ Direct 1525/NJ Direct 2030/Horizon HMO/Horizon HMO 1525/ Horizon HMO 2030

## SHBP Medicare Part D – OptumRx

- Medicare eligible retirees are automatically enrolled in Medicare Part D prescription drug coverage under the OptumRx Medicare Prescription Plan.
- If you enroll in another Medicare Part D Plan, you will lose your prescription drug benefits provided by the SHBP. Medical benefits will continue.
- You may waive the OptumRx Medicare PDP, only if you are enrolled in another Medicare Part D plan.
- If you wish to re-enroll in the OptumRx Medicare PDP, you must upload proof of your termination from the other Medicare Part D plan, within 60 days of coverage loss to [my.njbenefitshub.nj.gov](https://my.njbenefitshub.nj.gov)

## Retiree Dental Plans

- Retiree Dental Plans are offered to the following eligible retirees:
  - Any retiree, including dependents, enrolled in a medical plan offered under the Retired SHBP at the time of retirement.
  - Any retiree, including dependents, eligible for enrollment in the Retired SHBP but who elected to waive their medical coverage because of coverage provided from another employer.
- Retirees pay full cost of the Retiree Dental Plan
- **Dental Plan Options:**
  - Dental Expense Plan
    - Aetna
    - Horizon
  - Dental Plan Organization:
    - Aetna DMO
- 2025 Monthly Dental Rates:

<https://www.nj.gov/treasury/pensions/documents/hb/oe2025/hd1169.pdf>

## Health Benefit Coverage Changes

- Coverage may be changed at any time provided that you have been with that same health plan for at least 12 months or due to rate increases
- Coverage changes after a qualifying event
- For questions regarding coverage, call the Division of Pensions and Benefits Retiree Benefits Office at 609-292-7524





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# Up Next...Life Insurance at Retirement



# Retiree Group Life Insurance



- Qualification: retire with 10 or more years of pension credited-credited service
- Amount of life insurance: three-sixteenths ( $3/16$ ) times last 12 months' salary

# Conversion of Life Insurance

- One-time option to convert to individual private policy through Prudential
  - No later than 31 days after retirement date
  - Cannot be denied for health reasons
  - Call Prudential Group Life Conversion Department at 1-877-889-2070
  - Also available is the online Prudential Life Insurance Calculator at:  
<http://www.state.nj.us/treasury/pensions/conversion-calc.shtml>
- Consider contacting other carriers for comparable life insurance rates
- Policy numbers:
  - Contributory life group G-14800
  - Noncontributory life group G-139000

# Conversion of Life Insurance Example

- Base Salary 12 months prior to retirement = \$30,000
- Total death benefits as an active member = \$90,000 (3 x \$30,000)
- Life insurance benefit after retirement = \$5,625 (3/16 x 30,000)
- Amount eligible to convert = \$84,375 (\$90,000 - \$5,625)





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# Up Next...Paid Time Off

*(Staff Members)*

## Determining Last Working Day (Staff Members)

- Employee and department should come to an agreement regarding last day of work.
- Plan ahead as your last day in office may be several weeks or months before actual retirement date.
- Paid Leave Bank (PLB), unused and earned vacation days may be used prior to retirement or paid out.
- Pay Leave Bank (PLB) days may be used prior to retirement or paid out at retirement
- AL, PH, and ML days **must** be used prior to retirement.

# Sick Leave Payout

- Eligible staff employees receive 1/2 the balance of their sick days up to \$15,000:
  - All applicable taxes will be deducted
- Allow 4 to 6 weeks processing time and ensure to update your address in the employee self service system.
- You may defer sick leave payout by completing the “Sick Leave Payout at Retirement Deferral” available at UHR website:

<https://uhr.rutgers.edu/forms/sick-leave-payment-retirement-deferral>

# Compassionate Leave Program

## for Legacy Rutgers Employees

- Donated-leave bank program for qualifying managerial, professional, supervisory, and confidential employees, as well as members of the URA- AFT and AFSCME Local #888, who experience catastrophic health conditions and will exhaust all of their paid time off
- Eligible employees can donate up to 100 vacation and/or sick leave days to the leave bank
- To donate, complete and submit *Donation to Bank* form available at: <https://uhr.rutgers.edu/forms/compassionate-leave-donation-donation-to-bank>
- Donations can also be completed online: <https://uhr.rutgers.edu/benefits/non-state-benefits-rutgers-positions/paid-time-rutgers-positions/compassionate-leave>

# Staff Leave Donation Program

## for **RBHS** Staff Employees

- The Staff Leave Donation Program for employees in legacy UMDNJ positions allows employees with accrued paid time off to donate their accrued sick or vacation to co-workers experiencing life-threatening or catastrophic illnesses, or to those who must care for a family member.
- Eligible employees can donate up to 10 vacation and/or sick leave sick leave days to the leave bank
- Must submit a request to the OneSource Rutgers Faculty and Staff Service Center at 732-745-SERV (7378).







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**Up Next...Tax\$avings Accounts**

# New Jersey State Employee Deferred Compensation Program

## Section 457 of the IRC

### Voluntary Pre-Tax Employee Contributions

- Contact Prudential Financial directly to begin receiving distribution
- Distribution options:
  - A one-time lump-sum payment
  - A portion of your account in a specific dollar amount
  - Periodic installment payments
  - Do nothing – leave money
- For your questions about the plan, your account and necessary forms please call, 866-657-3327
- Information available at: <https://empower.com/njplans>.

# Additional Contributions Tax-Sheltered (ACTS)

## Voluntary Pre-Tax Employee Contributions

- Accounts are paid at retirement, please contact your investment provider for information
- Information provided by the provider(s) will outline regulations, tax consequences, and distribution options
- For specific information, contact each provider directly:

AXA Equitable	866-752-0072
Empower	866-657-3327
MetLife	732-623-5700
TIAA	800-842-8412
AIG	800-448-2542
VOYA Financial	877-873-0321

# Flexible Spending Account (FSA)

## Voluntary Pre-Tax Employee Contributions

- Ensure to claim remaining funds, and submit cancelation to Further (Horizon MyWay)
  
- **The Unreimbursed Medical Flexible Spending Account (Medical FSA):**
  - Ceases on last day of month
  - COBRA option available
  
- **The Dependent Care Flexible Spending Account (Dependent FSA):**
  - Ceases on last day of the month
  - No COBRA option available
  
- For additional information, please call Further (Horizon MyWay) at: 888- 215-0025

# Commuter Tax\$ave

## Voluntary Pre-Tax Employee Contributions

- Ceases on last date of employment
- We recommend termination of benefit coverage prior to date of retirement
- For additional information, please call OneSource at 732-745-SERV (7378)



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**Up Next...Additional Important  
Information**

# Employment After Retirement

- You must agree to the terms and conditions of retirement on the online PERS Retirement Application using the Member Benefits Online System (MBOS)
  - Separation from employment for a period of at least 180 days
  - No pre-retirement planning allowed
  - **Must get written approval if retired and returning to public employment (form provided by UHR)**
- If you fail to sign the acknowledgement, your application for retirement allowance will not be processed
- For additional information, please refer to:
  - <http://www.state.nj.us/treasury/pensions/documents/factsheets/fact86.pdf>



# Telephone Contacts

<b>State Division of Pension and Benefits</b> Client Services	609-292-7524
<b>Deferred Compensation</b>	866-657-3327
<b>OneSource Rutgers</b> <b>Faculty &amp; Staff Service Center</b>	732-745-7378
<b>Social Security</b>	800-772-1213
<b>Internal Revenue Service</b>	800-829-1040
<b>NJ Division of Taxation</b>	800-323-4400





## Useful Websites

- University Human Resource <http://uhr.rutgers.edu/information-prospective-retirees>
- Internal Revenue Service (IRS)  
<http://www.irs.gov/>
- Medicare <http://www.medicare.gov/>
- Social Security Online  
<http://www.ssa.gov/>
- NJ Division of Pensions and Benefits  
<http://www.state.nj.us/treasury/pensions/>
- Medicare Advantage Plans: <https://www.nj.gov/treasury/pensions/hb-retired-shbp.shtml>



