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**NJABP**  
Alternate Benefit  
Program

# Plan Highlights

As part of your overall compensation package, you and other employees are saving through the New Jersey Alternate Benefit Program to help you reach your long-term retirement goals.

# Eligibility

- Full-time\* and adjunct faculty, part-time instructors, officers, visiting professors, and certain professional administrative staff required to possess a college degree or its equivalent participate in the ABP.
- Individuals not eligible for membership include: temporary employees (with the exception of visiting professors appointed for a school year, a semester or a lesser period of time); faculty members temporarily in the U.S. under an F or J visa; employees in a career service title as defined by the New Jersey Civil Service Commission; employees in clerical and other nonprofessional positions; and any employee receiving a retirement benefit from any New Jersey State retirement system including the ABP.

\*Full-time has been defined to include anyone receiving 50% or more of base salary and may include anyone on sabbatical or paid leave of absence for a period not to exceed one year.

# Enrollment

You must decide which investment carrier(s) will receive and invest your ABP contributions and determine the investment products to which you wish to have your contributions directed. If you select more than one carrier, you must allocate your contributions among them.

# Why choose Prudential Retirement

When you choose Prudential Retirement®, you're selecting a retirement plan provider with more than a century of experience helping individuals work toward financial security. As one of the most respected names in the country, Prudential offers benefits and features that may not be offered by other providers, such as:

- A wide array of investment choices
- Prudential IncomeFlex Target®, which helps provide guaranteed lifetime income. Features include sustained potential for growth and flexible access to your market value, all while providing protection from market downturns just before—or during—retirement.\*
- An asset allocation program available at no additional charge
- Access to full-time retirement counselors

\*Guarantees are based on the claims-paying ability of the insurance company and are subject to certain limitations, terms and conditions. Withdrawals or transfers out of the IncomeFlex Target Fund proportionately reduce guaranteed values prior to locking in. After lock-in, withdrawals or transfers out of the IncomeFlex Target Fund in excess of the lifetime annual withdrawal amount will reduce future guaranteed withdrawals proportionately and may even eliminate them.

# Contributions<sup>1</sup>

- You automatically contribute 5% of your annual base salary
- Your employer contributes an amount equal to 8% of your base salary

# Vesting

- Your mandatory contributions and employer contributions are held in a "delayed vesting" status\* during the first year of ABP-eligible employment. You will be vested in the ABP beginning in the second year of ABP-eligible employment.
- Some ABP members can be "immediately vested" if the member has an existing qualified retirement account containing employee and employer contributions from employment in higher education or is an active or vested member of any state retirement system (excluding the NJ Defined Contribution Retirement Plan).
- Once vested, all contributions and accumulations in the ABP account belong to you and provide benefits when you become eligible to receive them.

- If you leave the institution of higher education prior to becoming vested, only your “employee” contributions, including any investment gain or loss, can be refunded. The “employer” contributions revert back to the employer.

\*While in delayed vesting status, loans or the transfer of funds between carriers are not permitted.

## Investment Options

The Alternate Benefit Program offers a variety of investment options. You can decide how you want to invest your money and may move money between investments at any time. For more information, visit [newjersey.retirepru.com](http://newjersey.retirepru.com).

Prudential offers GoalMaker®, an optional, easy-to-use asset allocation program. GoalMaker<sup>2</sup> is designed to help you choose investments that meet your individual needs and circumstances. At no additional cost to you, GoalMaker simplifies the investment choice process, and automatically rebalances your investments quarterly. It can also adjust to account for the time that you have until retirement. Keep in mind that application of asset allocation and diversification concepts does not assure a profit or protect against loss in a declining market. **You can lose money by investing in securities.**

Here’s how it works:

- 1 Choose how many years until you plan to retire.

**16+ YEARS**

**11-15 YEARS**

**6-10 YEARS**

**0-5 YEARS**

- 2 Determine your investor style—how much market risk and fluctuation you’re generally OK with.

### CONSERVATIVE

Wants to minimize risk and maintain principal. Concerned about short-term ups and downs.

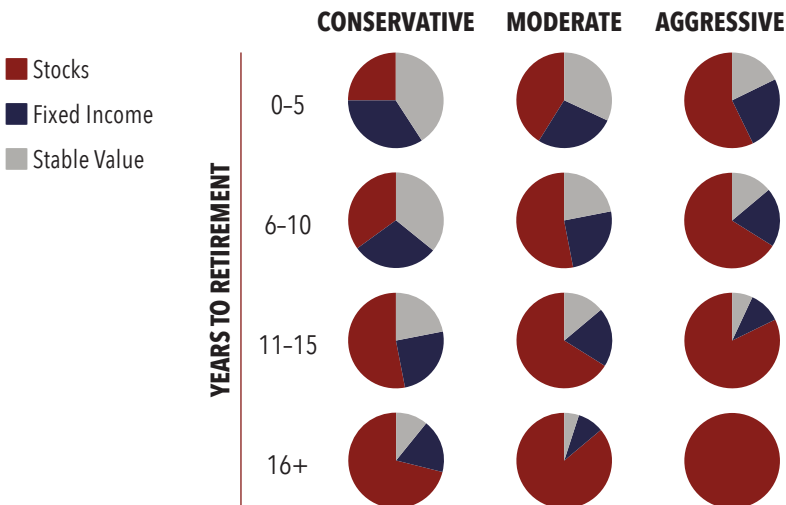
### MODERATE

Willing to sacrifice safety of principal for potentially greater returns. Tolerates modest ups and downs.

### AGGRESSIVE

Seeks to maximize investment returns. Tolerates substantial ups and downs.

- 3 GoalMaker uses these two bits of information to offer a portfolio of investments for your consideration.



### REBALANCING

Market fluctuations mean your allocations can drift out of balance. GoalMaker rebalances your investments every quarter.

### AGE ADJUSTMENT

You can set GoalMaker to automatically adjust your allocations over time, becoming more conservative as you get closer to retirement.

All investing involves various risks, such as fixed income (interest rate), default, small cap, international, and sector—including the possible loss of principal.

## Frequency of changes<sup>3</sup>

- Establish your future investment allocations at any time.
- Exchange investments at any time.

## Loans

If you are vested in your ABP account, you are eligible to take a loan from your account balance.

- Loan type: General purpose or to purchase a primary residence
- Minimum loan: \$1,000 (from employee contributions only)
- Maximum loan: 50% of your vested account balance, up to \$50,000 in a 12-month period (from employee contributions only)
- Interest rate: Prime rate plus 2%\*
- Method of repayment: Monthly coupon via EFT or check
- Repayment period: 0 to 5 years for general purpose
- Repayment period: Up to 20 years for primary residence
- Prepayment is available
- Application fee: \$25
- Tax consequences: If loan is not paid in full, tax consequences will apply
- A Loan Calculator is available in your online account

\*Interest is paid back to participant's account. Additional information about loan calculations and loan interest rate details can be found in your plan's loan policy. Any outstanding loan balance not paid back at termination becomes taxable in the year of default. Under the Tax Cuts and Jobs Act for defaults related to termination of employment after 2017, the individual has until the due date of that year's return (including extensions) to roll over this amount to an IRA or qualified employer plan.

## Distributions

You will be eligible to receive distributions from your ABP account at any time after you retire or otherwise terminate your employment, regardless of age. It is important to understand that, once you choose to receive a distribution after leaving employment, you are considered to be in retired status and will no longer be eligible to enroll in the ABP, even if you subsequently return to a teaching or administrative position at a New Jersey public institution of higher education covered by the ABP. A distribution from the ABP would also nullify your future eligibility for any State of NJ pension plan and related benefits. Employer contributions are not available for withdrawal until you reach age 55.

After you leave employment, you may decide to delay receiving benefits until some future time, thereby providing the opportunity for your account to accumulate a greater value, and to preserve your right to resume ABP participation upon subsequent employment. If you delay the receipt of benefits after you retire or otherwise terminate employment, you must begin to receive benefits no later than April 1 of the year following the year in which you attain the age of 72.

# Distribution options

You will need to decide what to do with your account balance when your employment with the State ends or in the event you become permanently disabled.

- Leave your funds in your plan (subject to federal rules on Required Minimum Distributions)
- Take a systematic withdrawal
- Take a full or partial lump-sum distribution
- Transfer your balance to an eligible retirement plan or IRA
- Purchase an annuity

# Taxes applied to distributions of pre-tax contributions<sup>4</sup>

- You usually pay taxes at your current income tax rate for the year in which you receive the money.
- A 20% mandatory withholding for federal income tax is automatically deducted from withdrawal payments paid directly to you (with certain limited exceptions).

Prudential Financial and its representatives are not tax or legal advisors. Consult your own legal or tax advisor with specific questions.

# For more information

- Visit [newjersey.retirepru.com](http://newjersey.retirepru.com) or
- Call toll-free at **855-NJABP-11 (855-652-2711)**. Toll-free TDD is available at 877-760-5166.
- Meet with your on-site Prudential retirement counselor. Contact them via phone or email. Or, schedule an appointment online.

REGION	COUNSELOR	PHONE	EMAIL
<b>North Jersey</b>	<b>Alicia Smith</b>	732-428-2314	<a href="mailto:alicia.smith@prudential.com">alicia.smith@prudential.com</a>
<b>Central Jersey</b>	<b>Bob Rooyakkers</b>	732-587-8331	<a href="mailto:robert.rooyakkers@prudential.com">robert.rooyakkers@prudential.com</a>
<b>South Jersey</b>	<b>Cornell Fields</b>	908-461-9148	<a href="mailto:cornell.fields@prudential.com">cornell.fields@prudential.com</a>
	<b>Jerard Gray</b>	609-462-1239	<a href="mailto:jerard.gray@prudential.com">jerard.gray@prudential.com</a>



# Where will retirement take you?



Prudential

## **This material is intended to be a summary of plan features and does not include all plan provisions. You should refer to the plan document for complete information.**

The Prudential IncomeFlex Target Fund is a separate account available under a group variable annuity contract issued by **Prudential Retirement Insurance and Annuity Company (PRIAC)**, Hartford, CT, a Prudential Financial company. PRIAC is solely responsible for its financial condition and contractual obligations. Annuity contracts contain exclusions, limitations, reductions of benefits, and terms for keeping them in force. Contract form # GA-2020-TGWB4-0805-NJ or state variation.

PRIAC does not guarantee the investment performance or return on contributions to the separate account. You should consider the objectives, risks, charges, and expenses of the Fund and guarantee features before purchasing this product. Like all variable investments, this fund may lose value. Availability and terms may vary by jurisdiction; subject to regulatory approvals. For this and other information, please access the Online Retirement Center or call 877-778-2100 for a copy of the Prudential IncomeFlex Target Important Considerations before investing.

GoalMaker's model allocations are based on generally accepted financial theories that take into account the historic returns of different asset classes. But, of course, past performance of any investment does not guarantee future results. Participants should consider their other assets, income and investments (e.g. equity in a home, Social Security benefits, individual retirement plan investments, etc.) in addition to their interest in the plan, to the extent those items are not taken into account in the model. Participants should also periodically reassess their GoalMaker investments to make sure their model portfolio continues to correspond to their changing attitudes and retirement time horizon.

<sup>1</sup>Deferrals do not reduce your Social Security taxes or benefits and may not exceed the maximum allowable limits. Deferrals may be subject to state income tax when made. Prudential is not a legal or tax advisor. Talk with your tax advisor for more specific tax information.

<sup>2</sup>Please note that in addition to the specific funds used in the GoalMaker portfolios, other funds with similar risk and return may be available to you.

<sup>3</sup>Excessive trading can harm an investment's performance, and the retirement security of long-term investors. Mutual fund companies and other providers of retirement investment products have rules prohibiting this practice in order to protect the interests of all retirement plan investors. The Excessive Trading Monitoring Program is part of Prudential's ongoing commitment to help all our retirement plan investors grow and protect their wealth. The Program is designed to identify plan participants who are engaging in excessive trading of one plan investment for another plan investment and to stop such trading. Please contact Prudential for more information.

<sup>4</sup>The taxable portion of any disbursement not rolled over is subject to federal income tax at the investor's personal federal income tax rate. State and local income taxes may also be due on the funds you receive. This information has been provided for your benefit and is not intended or designated to be tax advice. Please consult a tax advisor for further clarification.

Retirement counselors are registered representatives of Prudential Investment Management Services LLC (PIMS), Newark, NJ. PIMS is a Prudential Financial company.

Prudential Retirement's separate accounts are available under group variable annuity contracts issued by Prudential Retirement Insurance and Annuity Company (PRIAC), Hartford, CT. PRIAC is a Prudential Financial company.

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