

Lay-off and your State of New Jersey Pension Account

A members' account is considered active for two years. However members who separate due to lay-off, abolishment or reduction in force **“may request to extend the period of inactivity up to 10 years” PERS or 5 years PFRS . “Extensions are not automatic “**. Accompanying your request you must provide supporting documentation ***In addition to retaining accrued service credit you would also preserve your original tier status. Div of Pensions Fact Sheet 31

You are vested if you have 10 years credited service and have the right to a deferred retirement. Division of Pensions Fact Sheet 14 explains this in detail. A PERS member is eligible the first of the month after their 60th, 62nd or 65th birthday depending upon tier status. PFRS the first of the month after they are 55.

For PERS members If you are over the age of 60 (tiers 1&2), 62 (tiers 3 &4), 65(tier5) regardless of years of service you are eligible for a service retirement immediately. For PFRS you must be 55. If you are less than 2 years from your tiers respective service retirement age you qualify for a service retirement payable upon service retirement age.

PERS- Tier 1 Twenty-five years' service eligible immediately for retirement with a permanent reduction factored in if you are under 55. PFRS Twenty or more years of service eligible for retirement if age 55.

You must file for retirement; Trenton does not reach out to you. Also you cannot file retroactively.

Purchase- If you have not withdrawn or retired is permissible within two years of your last contribution. Purchase must be done through MBOS. If you return to PERS covered employment currently lay-off time is ineligible for Purchase. For PERS member. PFRS can Purchase lay-off time. See Division of Pensions Fact Sheet 1 for information on what is eligible for purchase. If you are currently paying for a Purchase through payroll deductions after 2 yrs. pro-rate the service credit if you do not pay the remaining balance in full.

Withdrawal- if the monies are made payable to you there is a 20% federal tax withholding; additionally if you are under age 59^{1/2} there is an additional tax liability of 10%. Rollovers are permitted to traditional IRA's or certain employers' retirement plans. See fact sheets 24 &27. Withdrawals must be done through MBOS if done within the first two years of separation

Loans must be repaid in a timely manner. By contacting the Division of Pensions you can request a pay-off letter and satisfy the loan in full at anytime or a billing schedule can be set-up. Once the Division of Pensions notices non-payment they will contact you with the last address they have on file if you do not respond within 30 days of notification of your non-payment notice your loan will be considered a taxable distribution and you will receive a 1099-R. You are also responsible for the remaining balance and the accumulating interest (See Fact –sheet 81) on your loan.

DCRP participants may take a distribution however if vested this classifies you as a State of New Jersey retiree and you are prohibited from ever enrolling in any other State administered retirement system e.g . PERS. Pension Fact sheets-79&80. **Please note DCRP Vesting in most cases occurs either immediately or after only 1 year of contributing.**

SACT participants are advised to call Pensions (609) 633-2031

*****This is a quick overview for detailed information please refer to the following:**

The Division of Pensions website provides a wealth of information www.nj.gov/treasury/pensions if you have any questions you may call **Jane Samsel at 527-4058 jsamsel@ucnj.org**, the Division of Pensions Client services (609) 292-7524, and automated number (609) 777-1777 (you will need your membership #) or e-mail pensions.nj@treas.state.nj.us

Or Pensionscallcenterunit@treas.nj.gov or contact us template on website receive tracking #

Address: N.J Div of Pensions & Benefits 50 West State Street address correspondence to PO 295 Trenton N.J 08625