

ALTERNATE BENEFIT PROGRAM QUESTIONS AND ANSWERS

What is the Alternate Benefits Program (ABP)?

ABP provides retirement annuities, noncontributory life insurance, and long term disability insurance for certain higher education employees.

Who is eligible for ABP?

Eligibility is limited to full-time officers; full-time, part-time, or adjunct faculty; and administrative personnel who are required to possess a bachelor's degree at state or county colleges and certain other state agencies involved with higher education. This includes visiting professors and faculty paid by federal grant.

Note: A retiree from any New Jersey State-administered retirement system is *ineligible to participate* in the Alternate Benefit Program.

What is higher education?

The term used for describing the State and County colleges, universities, HESSA and Department Of Education (limited positions).

Is the ABP a state-administered retirement plan?

Yes.

How is the retirement allowance calculated

ABP retirement benefits are based on the value of the member and employer contributions plus any interest or accumulation on those contributions (not years of service and salary). Payout is made by the various Designated Service Providers (DSP) authorized by the ABP which receive member and employer contributions monthly while the member is employed. There is no disability retirement but there is long-term disability insurance.

How can an ABP member purchase service credit?

Since members are accumulating dollars, not service credit, there is no purchase permitted.

Can ABP members continue State Health Benefits coverage in retirement?

Yes. See Fact Sheet #11, *Enrolling in Health Benefits Coverage When You Retire*.

Does the ABP offer active life insurance coverage?

Yes. The ABP provides noncontributory life insurance in an amount equal to 3-1/2 times base salary.

Are contributions tax sheltered?

Employee contributions, employer contributions, and investment income (if any) are tax sheltered.

How much does my employer contribute?

8% of the member's contractual base salary up to a maximum salary of \$141,000 as established by Chapter 31, P.L. 2010.

How much do I contribute?

You must contribute at least 5% of base salary.

May I contribute more?

Yes, up to the maximum amount allowable under the IRS rules.

May I take a loan?

Yes. Each DSP provides loans and can provide you with specific information on loan provisions (contact your DSP).

When do I Vest?

If you transfer from PERS or if you have an existing annuity contract with an authorized carrier, you are immediately vested. Participants not meeting these specific criteria vest after 12 months of continuous participation. (Adjunct faculty after 12 months of accumulated employment) Vested members, the ABP Retirement Plan shall provide an option for cash surrender upon a participant's severance from employment. The cash surrender shall be applicable only for employee contributions and accumulations prior to the participant's 55th birthday. However, the cash surrender option shall be applicable to the full amount of all employee and employer contributions and accumulations after the participant's 55th birthday. Contact the ABP Office at (609) 292-7524 for specific dates.

What investment choices do I have?

You may choose among seven authorized DSP's offering various annuity investments approved by the Division of Pensions and Benefits for ABP participants. Contact the DSP directly for more information.

Do I have income loss protection through a disability plan?

Yes, the ABP offers you employer-paid coverage through a group disability plan. You are eligible after 12 months of continuous ABP participation.

Is there a minimum retirement age with the ABP?

No. You may begin collecting your annuity any time after termination of employment. However, if you take any distribution you will be considered retired by the ABP.

What if I want to return to employment after retirement from the ABP?

Refer to Fact Sheet #38, *Alternate Benefit Program* for this information

I am currently a member of PERS and am considering transferring to the ABP. What considerations should affect my decision?

See the "*Considerations for Choosing Between PERS and ABP*", booklet, available from your employer or on the Division of Pensions and Benefits website.

QUESTIONS AND ANSWERS — ALTERNATE BENEFIT PROGRAM (ABP)

WHAT ARE THE NAMES OF THE COLLEGES AND AGENCIES THAT ARE ELIGIBLE TO PARTICIPATE IN THE ABP?

<p>ATLANTIC CAPE Community College BERGEN Community College BROOKDALE Community College BURLINGTON County College CAMDEN County College (The) COLLEGE of New Jersey Higher Education Student Assistance Authority County College of MORRIS CUMBERLAND County College DEPARTMENT of Education (limited positions — refer to ABP Section)</p>	<p>ESSEX County College ROWAN College at Gloucester County HUDSON County Community College KEAN University of NJ MERCER County Community College MIDDLESEX County College MONTCLAIR State University New JERSEY CITY State University NJ INSTITUTE OF TECHNOLOGY OCEAN County College PASSAIC County Community College</p>	<p>RAMAPO College of NJ RARITAN Valley Community College ROWAN University of NJ RUTGERS, The State University SALEM Community College STOCKTON University SUSSEX County Community College THOMAS EDISON State University UNION County College WARREN County Community College WILLIAM PATERSON University of NJ</p>
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WHO ARE THE CURRENT SEVEN AUTHORIZED CARRIERS FOR THE ABP?

<p>AXA Financial (Equitable) 333 Thornall Street, 8th Floor Edison, NJ 08837 1-866-786-0856 www.equitable.com/nj</p> <p>MassMutual Retirement Services Gitterman Wealth Management (formerly The Hartford) 379 Thornall Street, Edison, NJ 08837 (848) 248-4405 www.gittermanwealth.com</p>	<p>VOYA Financial Services 581 Main Street, 4th Floor Woodbridge, NJ 07095 1-877-873-0321 www.voyaretirementplans.com</p> <p>MetLife (formerly Travelers/CitiStreet) 581 Main Street, 6th Floor Woodbridge, NJ 07095 1-800-545-0108 or (732) 602-0500 www.travelersla.com</p>	<p>Prudential 30 Scranton Office Park Scranton, PA 18507 1-866-657-3322 TDD line:1-877-760-5166 www.prudential.com</p> <p>Teachers Insurance and Annuity Association/College Retirement Equities Fund (TIAA/CREF) 155 Village Blvd, Suite A Princeton, NJ 08540 1-800-842-8412 www.tiaa-cref.org</p>	<p>VALIC 135 Route 202/206, Suite 13 Bedminster, NJ 07921 (908) 470-4110 www.americangeneral.com/njabp</p>
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