



Application for Retirement Allowance

Judicial Retirement System

State of New Jersey
Division of Pensions and Benefits

PO Box 295
Trenton, New Jersey 08625-0295

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If, after reading this booklet, you have questions about the qualifications for retirement or your pension options call the Division of Pensions and Benefits at (609) 292-0909.

Retirement Qualifications and Benefits

Judicial Retirement System

INTRODUCTION

This package includes all the forms you need to apply for a Service, Early, Deferred, or “mandatory” Service Retirement from the Judicial Retirement System (JRS). It includes:

- **Retirement Qualifications and Benefits** — An explanation of the types of retirement and other important information.
- **Fact Sheet #61, *JRS Survivor Benefits and Pension Options***.
- **A JRS Retirement Checklist**.
- **Application for Retirement Allowance** — Instructions and form (to be completed by employee).

You cannot use these forms to apply for a disability retirement. See *Disability Retirement* on page 3 for additional information.

MANDATORY RETIREMENT

Retirement is mandatory at age 70 for all members of the Judicial Retirement System (JRS). If you do not file a retirement application before age 70, you are automatically retired on your 70th birthday. Retirement benefits, however, are not payable until the application is filed.

PLANNING FOR RETIREMENT

Before applying for retirement it is important to give yourself enough time to review your benefits and options. The *JRS Retirement Checklist*, included in this booklet, provides a list of important steps in the retirement process and when they would normally occur.

Among your first actions should be to obtain an Estimate of Retirement Benefits. You may request an estimate of your JRS retirement benefits by writing to the Judicial Retirement System, Division of Pensions and Benefits, PO Box 295, Trenton, NJ 08625-0295, by calling (609) 292-0909, or by e-mail at: pensions.nj@treas.nj.gov. This will provide you

with the estimated retirement allowance available and your lump-sum death benefits. If you provide us with the name and birth date of your beneficiary, we will estimate not only the Statutory Survivor Benefits but also alternate payment options (see Fact Sheet #61, *JRS Survivor Benefits and Pension Options*, in this booklet).

Members should remember that this is an estimate only. After you apply for retirement, the Division will send you a final *Quotation of Retirement Benefits* before your retirement becomes effective showing the final figures.

SUBMITTING YOUR APPLICATION

Your *Application for Retirement Allowance* must be filed with the Division of Pensions and Benefits in advance of your retirement date. Processing times vary, and three to four months advance filing is recommended. Except for “mandatory” Service Retirement at age 70, the earliest effective date is the first of the month following the Division's receipt of your application.

It is your responsibility to file the *Application for Retirement Allowance*. **Do not give the application to your employer to mail.** You should, however, notify your employer of your plans to retire since retirement processing cannot begin until we have received all the necessary information and forms from **both** you and your employer.

If you have not furnished proof of your age to the Division, you should attach photocopies of both your and your spouse's birth certificates to your *Application for Retirement Allowance*. Proof of age for your beneficiary is also required if you select Options A, B, C, D, 2, 3, or 4.

YOUR FIRST RETIREMENT CHECK

The earliest your first retirement check can be paid is the first of the month following your retirement date or when processing has been completed, whichever is later. This is when your retirement becomes “due and payable.”

If approval of your retirement is delayed, your first check will be retroactive to your effective date of retirement.

If, after applying for retirement, you wish to change your retirement date, cancel your retirement, or change your retirement payment option selection, you must forward written notice to the Division's Retirement Bureau within 30 days of the effective retirement date. After that time, you cannot change your retirement date or payment option selection.

Included in this packet is a form for initiating the direct deposit of your retirement checks. Direct deposit of your benefit payment is **mandatory**. Complete the *Authorization for Direct Deposit of Benefit Payment* and send it to the Division of Pensions and Benefits along with your retirement application.

TYPES OF RETIREMENT

There are several types of retirement to meet your individual needs.

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

Definitions

'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 JRS from another New Jersey public pension system.

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

'Judicial service' means all your years **as a judge** under the Judicial Retirement System.

SERVICE RETIREMENT

This is the type of retirement for which most members qualify. There are several types of Service Retirement based upon your years of judicial and/or non-judicial service.

Mandatory Service Retirement

Retirement is mandatory at age 70 for all members of the Judicial Retirement System (JRS) with the

effective date of the retirement being your 70th birthday. The annual benefit is calculated using the Service Retirement formula that best matches your total years of judicial service credit and/or non-judicial service credit.

If you do not file a retirement application before age 70, you are automatically retired on your 70th birthday. Retirement benefits, however, are not payable until the application is filed.

Service Retirement with only Judicial Service

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 $75\% \times \text{Final Salary}$.

Service Retirement with Judicial Service 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 $50\% \times \text{Final Salary}$.

If you retire at age 60 – 64 with 15 or more years in the aggregate of public service of which five or more consecutive years were judicial service, your annual benefit is calculated as follows:

$2\% \times \text{Final Salary} \times \text{number of years of service up to 25 years};$

plus

$1\% \times \text{Final Salary} \times \text{number of years of service over 25 years}.$

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:

2% x Final Salary x number of years of judicial service up to 25 years;

plus

1% x Final Salary x number of years of judicial service over 25 years.

EARLY RETIREMENT

This type of retirement is available to members who have at least 25 years in the aggregate of public service of which five or more consecutive years are judicial service and who are not yet age 60. You receive a retirement based upon the following formula.

2% x Final Salary x number of years of service up to 25 years;

plus

1% x Final Salary x 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

This type of retirement is available to members who are not yet 60 when they terminate JRS covered employment and have at least 10 years in the aggregate of public service of which five or more consecutive years were judicial service. At age 60 you have a right to a retirement benefit.

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 actuarially reduced since it is not payable until you reach age 60.

If you are removed from employment for cause on charges of misconduct or delinquency, you are ineligible for Deferred Retirement benefits.

If you die between the time you terminate employment and before your retirement becomes effective, the beneficiary(ies) named on your retirement appli-

cation will receive the return of your pension contributions with interest. (If you do not file a retirement application with the Division of Pensions and Benefits, your last named beneficiary will receive payment.) There are no other death benefits under these circumstances.

Your group life insurance coverage is not in effect between the time you terminate employment and the date your Deferred Retirement becomes effective at age 60. You are eligible to convert the difference between the amount of group life insurance coverage you had as an active member and the amount you will have at the time you start to receive retirement benefits. See Fact Sheet #61, *JRS Survivor Benefits and Pension Options*, for more information about the conversion of group life insurance.

At any time before your Deferred Retirement becomes effective, you may change your mind and apply for withdrawal of your contributions instead. Once you cancel your Deferred Retirement and withdraw your contributions, all the rights to retirement and privileges of membership end.

For those covered by the State Health Benefits Program (SHBP), you will not be able to continue that coverage under the SHBP retiree group if you apply for Deferred Retirement. However, you are entitled to continue coverage in the SHBP employee group for up to 18 months after termination of employment in accordance with federal COBRA legislation. If your retirement allowance becomes due and payable (see "Your First Retirement Check" on page 1) during the 18 months of extended coverage under COBRA, you would qualify for coverage in the SHBP retiree group. You will have to contact the Division of Pensions and Benefits, however, and request a SHBP offering letter.

DISABILITY RETIREMENT

Do not use this application to file for a disability retirement. To obtain an *Application for Disability Retirement*, contact the Judicial Retirement System Administrator at (609) 292-0909.

The retirement date for a JRS Disability Retirement is determined after approval by the Governor.

IMPORTANT INFORMATION ABOUT YOUR RETIREMENT

NOTIFYING YOUR EMPLOYER

Your *Application for Retirement Allowance* must be supported by a copy of your resignation from judicial office that has been filed with the Office of the Secretary of State. Your employer must also submit the *Certification of Service and Final Salary* before we can process your retirement. Your retirement cannot be processed until the Division of Pensions and Benefits receives this certification.

OUTSTANDING LOANS AT RETIREMENT

If you have a loan balance at retirement, you must choose on your *Application for Retirement Allowance* whether you wish to carry monthly payments into retirement until the balance, **with interest**, is satisfied or pay off the entire loan in a lump sum prior to receiving retirement benefits.

CONTINUING YOUR HEALTH BENEFITS INTO RETIREMENT

See your employer about your options for continuing your health coverage into retirement. If you qualify for enrollment into the retired group of the New Jersey State Health Benefits Program (SHBP) and are retiring under a Service, Early, "mandatory" Service, or Disability Retirement, you will receive an offering letter from the SHBP one month before your retirement date (members with a Deferred Retirement should see the Deferred Retirement sec-

tion on page 3). The transition of health coverage from active employment to retired status must be continuous. A break in coverage may jeopardize your eligibility to be offered continued SHBP coverage into retirement.

SACT AND THE STATE EMPLOYEES DEFERRED COMPENSATION PLAN

If you are a participant of the Supplemental Annuity Collective Trust (SACT) or the New Jersey State Employees Deferred Compensation Plan, your benefits from these plans are separate. You may call the Supplemental Annuity Collective Trust, (609) 633-2031 or the Deferred Compensation Plan, 1-866-NJSEDCP, to obtain further information regarding payment options with each of these plans.

CONVERSION OF GROUP LIFE INSURANCE

JRS members are eligible for both **Noncontributory** and **Contributory** Group Life Insurance while employed. At retirement coverage under these life insurance plans is substantially reduced and/or may be terminated. You have a one time option to convert any group life insurance coverage that would otherwise end at retirement.

Information on JRS group life insurance benefits at retirement and how to begin the conversion process is included in Fact Sheet #61, *JRS Survivor Benefits and Pension Options*.

JRS Survivor Benefits and Pension Options

Judicial Retirement System (JRS)

To plan for a successful retirement, you must be familiar with the retirement payment options available to you and your beneficiaries from the Judicial Retirement System (JRS). You should also consider your financial needs in retirement, your health, your beneficiary's health, the need to provide survivor benefits, life insurance benefits available, and income from other sources such as Social Security benefits, investments, etc. This fact sheet focuses on planning for your survivors and discusses the statutory JRS survivor benefit, retirement payment options made available through Chapter 54, P.L. 2002, and JRS group life insurance available to judges in retirement.

STATUTORY SURVIVOR BENEFITS

Upon your death as a retired member of the JRS, your surviving spouse, civil union partner, or same-sex domestic partner receives a pension benefit equal to 25 percent of your Final Salary plus:

- 10% of Final Salary to one child; or
- 15% of Final Salary divided evenly between two or more children.

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

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

A surviving spouse/partner may continue health coverage through the State Health Benefits Program (SHBP) as long as he or she was a dependent under your SHBP coverage at the time of death. However, the surviving spouse/partner will have to pay for the full cost of the continued health benefits coverage. The coverage can also include any dependent children who had been covered as your dependents at the time of death.

In the absence of a surviving spouse/partner, children who had been covered at the time of death as your dependents may continue health coverage at their own expense for as long as they are receiving the statutory survivor benefit.

Explanation of the Terms Used for Statutory Survivor Benefits

Spouse — means a person of the opposite sex or same sex to whom you are legally married. A photocopy of the *Marriage Certificate* is required for verification.

Civil Union Partner — means a person of the same sex with whom you have entered into a civil union. A photocopy of the *New Jersey Civil Union Certificate* or a valid certification from another jurisdiction that recognizes same-sex civil unions is required for verification (see your Fact Sheet #75, *Civil Unions*, for details).

Domestic Partner — means a same-sex domestic partner, as defined under Chapter 246, P.L. 2003, the Domestic Partnership Act, of any State employee, State retiree, or an eligible employee or retiree of a local public entity if the local governing body adopts a resolution to provide Chapter 246 benefits.

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A photocopy of the *New Jersey Certificate of Domestic Partnership* dated prior to February 19, 2007 or a valid certification from another jurisdiction that recognizes same-sex domestic partners is required for verification (see Fact Sheet #71, *Benefits Under the Domestic Partnership Act*, for details).

Child(ren) — means 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.

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

RETIREMENT PAYMENT OPTIONS

As a result of Chapter 54, P.L. 2002, JRS members have additional ways to provide for survivors by selecting one of nine payment options for their retirement benefits. Previously, judges did not have any choice and received what is described in this fact sheet as the Maximum Option (see page 2). When a judge died, the benefit ceased with no possibility of continuation for survivors (other than under the statutory benefits described above). Now you may leave an additional amount to any named beneficiary.

Please be sure you understand the different payment options available to you under Chapter 54 because, **once you have made your choice and your retirement becomes due and payable (usually when your first check is issued), you cannot change your payment option.**

NOTE: whatever option you select has no impact on the statutory survivor benefit. That benefit will still be paid regardless of your retirement payment option selection.

Maximum Option - No Pension Benefit to a Beneficiary

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. The benefit payments continue for your lifetime only. 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 paid into the retirement system while working (including interest on those contributions), the balance of your contributions will be paid to your named beneficiary or your estate.

OPTIONS OTHER THAN THE MAXIMUM

Under Options A, B, C, or D you receive a smaller monthly benefit than that provided under the Maximum Option so that, upon your death, a beneficiary you name will receive a lifetime monthly pension. The percentage of reduction is based on the life expectancies of both you and your beneficiary at the time of

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your retirement and the option selected. Therefore, the younger your beneficiary, the greater the percentage of reduction in your benefit. Your beneficiary under these options must be an individual. You may not designate a charity, institution, your estate, etc. as a beneficiary. Under Options A, B, C, and D, if your beneficiary dies before you, your retirement allowance will increase to the Maximum Option.

Option A - 100% to Beneficiary - Increase to Maximum Option

Option A, also called a 100% joint and survivor benefit, provides a lifetime monthly payment to you. If your beneficiary is living at the time of your death, your beneficiary will receive 100% of your monthly retirement allowance for life. If your beneficiary dies before you, your retirement allowance will increase to the Maximum Option amount. You can name only one beneficiary for this benefit and your beneficiary can never be changed after retirement. If you are naming a beneficiary who is not your spouse, Internal Revenue Service regulations restrict the age of your beneficiary.

Option B - 75% to Beneficiary - Increase to Maximum Option

Option B, also called a 75% joint and survivor benefit, provides a lifetime monthly payment to you. If your beneficiary is living at the time of your death, your beneficiary will receive 75% of your monthly retirement allowance for life. If your beneficiary dies before you, your retirement allowance will increase to the Maximum Option amount. You can name only one beneficiary for this benefit and your beneficiary can never be changed after retirement. If you are naming a beneficiary who is not your spouse, Internal Revenue Service regulations restrict the age of your beneficiary.

Option C - 50% to Beneficiary - Increase to Maximum Option

Option C, also called a 50% joint and survivor benefit, provides a lifetime monthly payment to you. If your beneficiary is living at the time of your death, your beneficiary will receive half of your monthly retirement allowance for life. If your beneficiary dies before you, your retirement allowance will increase to the Maximum Option amount. You can name only one beneficiary for this benefit and your beneficiary can never be changed after retirement.

Option D - 25% to Beneficiary - Increase to Maximum Option

Option D, also called a 25% joint and survivor benefit, provides a lifetime monthly payment to you. If your beneficiary is living at the time of your death, your beneficiary will receive 25% of your monthly retirement allowance for life. If your beneficiary dies before you, your retirement allowance will increase to the Maximum Option amount. You can name only one beneficiary for this benefit and your beneficiary can never be changed after retirement.

Option 1 - Reducing Retirement Reserve to a Beneficiary

Option 1 provides a lifetime monthly payment to you. Your retirement allowance is reduced from what you could collect under the Maximum Option. It is also different from the Maximum Option in that it *may* provide a lump-sum payment to your beneficiary after your death. At the time of your retirement, the amount expected to be paid to you in retirement benefits over your lifetime is calculated. This is called your retirement reserve. If you die before you receive monthly retirement benefits equal to your retirement reserve, your beneficiary is entitled to the balance.

You may name more than one beneficiary for this option and you can change your beneficiary at any time. Your beneficiary may be a person, a charity, an institution, or your estate.

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For example, if your monthly retirement allowance is \$2,000 and your retirement reserve is \$230,400, your beneficiary would be entitled to the following payment depending on when you died (16 or 120 months after retirement as shown below).

Retirement Reserve	\$230,400
Retirement Benefits Paid (death at 16 months)	\$32,00
Beneficiary Benefit	\$198,400

Retirement Reserve	\$230,400
Retirement Benefits Paid (death at 120 months)	\$240,000
Beneficiary Benefit	\$0

Since the retirement reserve is based on your retirement allowance and your life expectancy, your own reserve may be much different than this example.

Under Options 2, 3, or 4 you receive a smaller monthly benefit than that provided under the Maximum Option so that, upon your death, your beneficiary will receive a lifetime monthly pension. The percentage of reduction is based on the life expectancies of both you and your beneficiary at the time of your retirement and the option selected. Therefore, the younger your beneficiary, the greater the percentage of reduction in your benefit. Your beneficiary under these options must be an individual. You may not designate a charity, institution, your estate, etc. as a beneficiary. Under Options 2, 3, and 4, if your beneficiary dies before you, your retirement allowance remains at the reduced level.

Option 2 - 100% to Beneficiary - Permanent Reduction

Option 2, also called a 100% joint and survivor benefit, provides a lifetime monthly payment to you. If your beneficiary is living at the time of your death, your beneficiary will receive 100% of your monthly retirement allowance for life. You can name only one beneficiary for this benefit and your beneficiary can never be changed after retirement. This is similar to Option A except that if your beneficiary dies before you, you will continue to receive the reduced retirement allowance you had been receiving under this option. If you are naming a beneficiary who is not your spouse, Internal Revenue Service regulations restrict the age of your beneficiary.

Option 3 - 50% to Beneficiary - Permanent Reduction

Option 3, also called a 50% joint and survivor benefit, provides a lifetime monthly payment to you. If your beneficiary is living at the time of your death, your beneficiary will receive one-half of your monthly retirement allowance for life. You can name only one beneficiary to receive this benefit and the beneficiary can never be changed after retirement. This is similar to Option C except that if your beneficiary dies before you, you will continue to receive the reduced retirement allowance you had been receiving under this option.

Option 4 - Choice of Amount to Beneficiary - Permanent Reduction

If the preceding payment options do not meet your financial needs, you may want to consider this option. Option 4 provides a lifetime monthly payment to you. If your beneficiary is living at the time of your death, your beneficiary will receive whatever monthly allowance you decide for life. (This can be no more than your own

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allowance.) You can name one beneficiary or multiple beneficiaries to receive this benefit and the beneficiary(ies) can never be changed after retirement. If your beneficiary dies before you, you will continue to receive the reduced retirement allowance you had been receiving under this option.

Because of the number of different possibilities available with this option, calculation of the benefit must be performed by the Judicial Retirement System’s consulting actuary.

Proof of Age Documentation

If you choose Option 2, 3, 4, A, B, C, or D, proof of age documentation is required for both you and your designated beneficiary. You should submit photocopies of the proof of age documentation at the time you submit your *Application for Retirement Allowance*.

Age Limits on Nonspouse Beneficiaries

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

Retiree Allowance Upon Death of Beneficiary		
	Stays at Reduced Option Allowance	Increases to Maximum Allowance
Maximum	N/A	N/A
Option A		x
Option B		x
Option C		x
Option D		x
Option 1	x	
Option 2	x	
Option 3	x	
Option 4	x	

Note: Because the Internal Revenue Service 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 and A (100% to beneficiary):

- If you are age 70 or older at retirement, your nonspouse 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 nonspouse 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 (75% to beneficiary):

- If you are age 70 or older at retirement, your nonspouse beneficiary can be no more than 19 years younger than you.

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- 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 nonspouse 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.

WHAT HAPPENS TO RETIREE ALLOWANCE IF BENEFICIARY DIES BEFORE RETIREE?

Under Options 1, 2, 3, and 4, if your beneficiary dies before you, your retirement allowance remains at the reduced payment level. Under Options A, B, C, and D, if your beneficiary dies before you, your retirement increases to the Maximum Option. Options A through D provide a smaller retirement allowance to you and your beneficiary, when compared to similar Options 2, 3, and 4, to pay for the larger retirement allowance you would collect if your beneficiary dies before you.

LIFE INSURANCE AFTER RETIREMENT

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.

- **NONCONTRIBUTORY GROUP LIFE INSURANCE** is provided by the State of New Jersey through the retirement system at no cost to you.
- **CONTRIBUTORY GROUP LIFE INSURANCE** is insurance for which you pay. The two contributory group life insurance plans available to JRS members are described below, after the discussion of the noncontributory insurance.

NONCONTRIBUTORY LIFE INSURANCE FOR RETIRED JUDGES**Noncontributory Group Life Insurance Benefit**

The State pays the cost of your noncontributory group life insurance. While you are actively at work, this benefit is equal to 1½ times your Final Salary. At retirement, this benefit is reduced to ¼ of your salary at retirement. 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 1½ times your salary at retirement. After you turn age 60, your named beneficiary (or estate where there is no named beneficiary) will receive, upon your death, an amount equal to ¼ of your salary at retirement.

Choosing a Beneficiary

Your JRS enrollment application contained a section in which you named beneficiaries for both your noncontributory group life insurance benefits and return of your pension contributions. You were able to name any person, organization, your estate or a trust as beneficiary.

At retirement, we ask you to nominate noncontributory life insurance beneficiaries on your *Application for Retirement Allowance*. This will supercede any beneficiaries previously named for your noncontributory life insurance.

You may also change your designation at any time during your active or retired membership by filing a *Designation of Beneficiary* form.

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Payment of Noncontributory Group Life Insurance

For retirees, noncontributory group life insurance benefits are paid in a lump sum.

Death benefits cannot be paid until all the necessary information and forms have been received by the Division of Pensions and Benefits.

To report a death, contact the Judicial Retirement System at (609) 292-0909.

Conversion of Noncontributory Group Life Insurance at Retirement

Your noncontributory group life insurance coverage is reduced upon your retirement as described above. Within 31 days of your retirement, you may continue the insurance you lost by purchasing a converted life insurance policy from Prudential Insurance Company, without a medical examination. For example, if your salary was \$130,000, your noncontributory group life insurance would be \$195,000 while you are working. Upon retirement, this would be reduced to \$32,500. This means you could convert up to \$162,500 of insurance. To initiate a conversion, contact any Prudential Insurance agent or call 1-855-364-7783. You will need to provide the group insurance policy number, which is G-14800.

When you convert, you may purchase any individual, non-group policy customarily issued by Prudential. However, you may not convert to a term insurance policy or any policy with disability benefits. When you convert, you will be billed at "standard" rates. These rates are significantly higher than the "preferred" rates provided to anyone who can medically qualify for insurance. Therefore, if you are in good health, you may want to investigate the regular purchase of insurance before you retire. If you do not qualify for that insurance, then you can pursue the conversion upon retirement.

Remember this time constraint — conversion must be accomplished before your insurance lapses, that is, within 31 days of termination of employment.

CONTRIBUTORY GROUP LIFE INSURANCE

All JRS members are eligible for one of two types of contributory group life insurance while they are actively working as a judge. Coverage is mandatory during the first year of service as a judge and optional thereafter. The two types of contributory group life insurance are:

- **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 1½, 2, 3, 4, or 5 times your annual judicial salary.

Contributory Group Life Insurance Coverage at Retirement or Termination of Employment

Contributory Group Term Life insurance coverage ends 31 days after you retire or terminate covered employment. However, after you leave employment you may purchase a converted life insurance policy from Prudential, without a medical examination. You may convert a portion or all of your contributory Group Term Life insurance by contacting a Prudential Insurance Company agent. Your contributory Group Term Life insurance policy number is G-94368. The same conversion restrictions and considerations described in the discussion of noncontributory group life insurance apply to the conversion of contributory Group Term Life insurance.

Group Variable Universal Life (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.

For 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, contact the Prudential Insurance Company of America, Group Life Services, PO Box 948, Horsham, PA 19044, or call 1-800-562-9874.

AN ILLUSTRATIVE EXAMPLE

Judge Goodperson retired after 25 years on the bench at age 65. His annual salary at retirement was \$150,000. His wife was age 60 and his children were no longer dependent upon him at retirement. The Judge selected Option B to provide his spouse a survivors benefit of 75% of his benefit after his death. This gave the Judge an annual pension allowance of \$95,062 or \$7,922 per month. He continued his Group Variable Universal Life insurance of 3 times his salary after retirement by continuing to make payments directly to the Prudential Insurance Company. He did not convert his noncontributory life insurance. Judge Goodperson died less than two years after he retired. Mrs. Goodperson would receive the following benefits upon the Judge's death:

Statutory Survivor Benefit of \$37,500 per year in monthly payments of \$3,125.

Optional pension benefit of \$71,297 per year in monthly payments of \$5,941. The optional pension benefit will be eligible for cost-of-living adjustments beginning the 25th month after the Judge's retirement date. The statutory survivor benefit is subject to a special calculation each year to determine if a cost-of-living adjustment is payable.

Noncontributory Group Life Insurance payment of \$37,500.

Contributory Group Variable Universal Life insurance payment of \$450,000.

This fact sheet has been produced and distributed by:

**New Jersey Division of Pensions and Benefits • PO Box 295 • Trenton, New Jersey 08625-0295
(609) 292-7524 • For the hearing impaired: TRS 711 (609) 292-6683**

URL: <http://www.nj.gov/treasury/pensions> • Email: pensions.nj@treas.nj.gov

This fact sheet is a summary and not intended to provide total information.

Although every attempt at accuracy is made, it cannot be guaranteed.

RETIREMENT CHECKLIST

Judicial Retirement System

When planning for a successful retirement, it is important to give yourself enough time to review your benefits and options. The time frames in this checklist are a guide. Processing times vary and cannot begin until the Division of Pensions and Benefits receives all the necessary information and forms from both you and the Administrative Office of the Courts.

6 – 8 MONTHS BEFORE RETIREMENT

- Request an estimate of your JRS retirement benefit** by writing to the Judicial Retirement System, Division of Pensions and Benefits, PO Box 295, Trenton, NJ 08625-0295, or calling (609) 292-0909. The estimate will provide you with the retirement allowances available, and your lump-sum death benefits payable under the noncontributory group life insurance.

3 – 4 MONTHS BEFORE RETIREMENT

- Submit an *Application for Retirement Allowance*** (available from the Division of Pensions and Benefits or the Administrative Office of the Courts) to the Division of Pensions and Benefits. Accuracy and thoroughness are important when completing your *Application for Retirement Allowance*.
 - Attach a photocopy of your birth certificate and that of your beneficiary, if one is not on file. Your retirement processing will be delayed and your retirement allowance will not be paid until the Division receives copies of required birth date evidence.
- The amount of your **noncontributory life insurance** coverage through the pension plan 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 by applying to a **Prudential Insurance Company agent within 31 days of your termination of employment**. No physical examination is required to prove insurability. The cost of the

coverage will be at the standard rate for someone your age. If you live in New Jersey, you can contact Prudential at 1-800-262-1112. You may want to contact other insurance carriers and compare the available policies and costs before you decide to purchase the conversion policy. (See Fact Sheet #61, *JRS Survivor Benefits and Pension Options*, for more information about the conversion of group life insurance.

Note: to protect your conversion privilege it is suggested that you send your application for conversion to Prudential with at least one month's premium, at the time you file your retirement application with the Division of Pensions and Benefits.

- If you participated in the Judicial Retirement System optional Contributory Group Life Insurance Program, you will need to consider what you wish to do with your insurance coverage. The **Group Term Life** Insurance will end at retirement, but you have a guaranteed conversion ability with Prudential like that described above with the noncontributory insurance. If you have the **Group Universal Variable Life** insurance coverage, it can be continued into retirement by making payments directly to Prudential Insurance Company. Call Prudential at 1-800-524-0542 to make the necessary arrangements for Contributory Group Life Insurance.
- Ask the Human Resource Office of the Administrative Office of the Courts to submit a *Certification of Service and Final Salary* to the Division of Pensions and Benefits.
- Contact the NJ State Employees Deferred Compensation Plan office at 1-866-NJSEDCP or the Supplemental Annuity Collective Trust (SACT) office at (609) 633-2031 if you participate in these funds to obtain a distribution form.
- If you are 65 or older, contact the local Social Security Administration office for full Medicare enrollment. You must be covered by both Part A and Part B of Medicare to be eligible to enroll in the State Health Benefits Program at retirement.

**APPROXIMATELY 2 MONTHS
BEFORE RETIREMENT**

- You will receive a *Quotation of Retirement Benefits* letter which shows your monthly retirement allowance with:
 - a quote of any outstanding loan balance; and
 - a notice on any outstanding arrears (purchase) balance and/or shortage. Any outstanding arrears or shortage must be paid before your retirement check can be issued. Failure to respond to this notice will delay your retirement benefits.
- You will receive a letter offering you enrollment in the New Jersey State Health Benefits Program (SHBP) if you are currently covered by the SHBP.

**APPROXIMATELY 1 MONTH
BEFORE RETIREMENT**

- If you choose to change your retirement date or cancel your retirement, you may do so within 30 days of your retirement date. This request must be in writing to the Division of Pensions and Benefits. Canceling your retirement does not guarantee reemployment with your employer.
- You may want to discuss with the Judges Benefits Representative in the Human Resources Office of the Administrative Office of

the Courts the possibility of continuing dental and/or vision coverage under the provisions of COBRA.

SHORTLY AFTER YOUR RETIREMENT DATE

- You will receive forms for withholding federal and New Jersey State income tax (also included at the end of this application packet).
- You will receive a form to have your retirement check deposited directly to your bank account. Direct deposit of your benefit payment is **mandatory**. (Except for foreign mailing addresses.)
- Your first retirement check will be dated no earlier than the first of the month following your retirement date.
- You will receive a letter summarizing your retirement and noncontributory death benefits. The letter will also supply figures needed in filing your income tax returns.
- If you enrolled in the Retiree Group of the State Health Benefits Program, you will receive new identification cards from the health insurance plan you selected.

Taxation of Retirement Benefits

All Funds

HOW ARE MY PENSION BENEFITS TAXED FOR FEDERAL PURPOSES?

Pension benefits (except for Accidental Disability retirement and Accidental Death benefits) are subject to federal income tax; however, if you paid tax on any of your contributions to the pension plan, that portion of your monthly benefits representing a return of your previously-taxed contributions is not taxable.

Contributions made to the pension plan prior to January 1, 1987 were already taxed as were any purchases of optional pension membership credit made before 2002. After January 1, 2002 some purchases may have been made with previously-taxed money. Therefore, if you began contributing to the pension plan prior to January 1, 1987, or if you purchased pension membership since then, all or a portion of your total contributions may have been previously subject to federal tax.

The rate at which you can recover your previously-taxed contributions is determined in part by your retirement date.

If you retired before August 1, 1986 — you were able to fully recover your contributions before having to pay tax on your benefits. Once you recovered your contributions, your benefits became fully taxable. *The exception is if you did not fully recover your contributions within the first three years of retirement. In that case, you had to recover your contributions under the IRS expected return rule explained below.*

If you retired on or after August 1, 1986 — you must recover your contributions under the expected return rule. Under this rule, you recover your contributions evenly over your expected lifetime or the combined lifetime of you and your pension beneficiary. This means that only a small portion of each monthly benefit is considered a return of your previously-taxed contributions and is tax-free.

CALCULATING THE NON-TAXABLE AMOUNT

If you retired after July 1, 1986 and before November 1, 1996 — your monthly nontaxable amount is determined using life expectancy tables found in *IRS Publication 939*.

If you retired on or after November 1, 1996 — the following tables are used to determine your monthly nontaxable amount:

TABLE A
Benefits Payable To Retiree Only*

Age of Retiree (at retirement)	Number of Payments
55 or less	360
56-60	310
61-65	260
66-70	210
71 or more	160

**For those retired on or after November 1, 1996 and before December 1, 1997, Table A is used even if benefits are payable to the retiree and the retiree's survivor.*

TABLE B
Benefits Payable To Retiree and Beneficiary

Combined Age of Retiree (at retirement) and Beneficiary	Number of Payments
110 or less	410
111-120	360
121-130	310
131-140	260
141 or more	210

The following examples illustrate how the monthly nontaxable amount is computed using Tables A and B:

Example 1 — A PERS member whose previously-taxed contributions equaled \$12,000 retires at age 62 and chooses to receive the maximum allowance (designating no monthly pension to a surviving beneficiary). **Table A** is used because benefits are payable to the retiree **only**. The \$12,000 is divided by 260 which produces a monthly tax-free amount of \$46.15. The balance of the monthly pension is subject to federal income tax.

Example 2 — A TPAF member whose previously-taxed contributions equaled \$15,000 retires at age 60 and chooses to receive benefits under Option 2 (designating the same monthly pension to the surviving beneficiary). **Table B** is used because benefits are payable to the retiree **and** the retiree's beneficiary. The designated beneficiary is the same age as the retiree. The \$15,000 is divided by 360 which produces a monthly tax-free amount of \$41.67. The balance of the monthly pension is subject to federal income tax.

HOW LONG WILL THE NON-TAXABLE PORTION CONTINUE?

For those who retired after December 31, 1986 the monthly nontaxable amount remains in effect until all of your previously-taxed contributions are fully recovered. At that point your benefits become fully taxable.

For those who retired before December 31, 1986 the monthly nontaxable amount is effective for as long as you or your survivor receive benefits.

If benefits cease before your previously-taxed contributions are fully recovered, the remaining balance can be claimed as a deduction on the income tax return of the last recipient, provided you retired on or after July 1, 1986. If you retired before July 1, 1986, no deduction is allowed for unrecovered contributions.

WITHHOLDING FEDERAL INCOME TAX FROM YOUR PENSION CHECK

Each new retiree will automatically receive a federal withholding tax *Form W-4P* near the date of retirement. The Division of Pensions and Benefits is required by federal law to **automatically withhold federal income tax** from your pension check, based on a status of married with three allowances if you do not complete a *W-4P*. The *W-4P* allows you to elect no withholding or, if you want withholding, to inform us of your tax filing status so that we can withhold the proper amount.

WITHHOLDING NJ STATE INCOME TAX FROM YOUR PENSION CHECK

If you live in New Jersey you will automatically receive a New Jersey State withholding tax *Form NJ W-4P* near the date of retirement. Most retirees will not be subject to New Jersey income tax until they recover in pension checks the amount of the contributions which they made to the pension plan while working. If you

A PUBLICATION OF THE NEW JERSEY DIVISION OF PENSIONS AND BENEFITS

will not recover your total contributions within three years of retirement, refer to the instructions for the *Form NJ-1040* to determine how your pension is taxed. You can find information on both the three year rule and the general rule methods in the instructions for the *Form NJ-1040*.

If you are at least 62 or considered disabled by Social Security, you may exclude the following amounts of retirement income from New Jersey income tax for the tax year indicated below.

Retirement Income Exclusions

Tax Year	Married Filing Jointly	Single	Married Filing Separately
2000	\$12,500	\$9,375	\$6,250
2001	\$15,000	\$11,250	\$7,500
2002	\$17,500	\$13,125	\$8,750
2003 and beyond	\$20,000	\$15,000	\$10,000

Note: Beginning with tax year 2005, the "Retirement Income Exclusions" listed above are limited to taxpayers with gross income of \$100,000 or less. Please see the instructions for the *Form NJ-1040* or contact the New Jersey Division of Taxation or a professional tax advisor for further information.

Unlike federal income tax, **withholding for New Jersey income tax is completely voluntary**. No New Jersey income tax will be withheld unless you authorize it by completing a *Form NJ W-4P*. The amount withheld must be at least \$10 per month in even dollar amounts (no cents). If you need help deciding whether or not to have New Jersey income tax withheld or how much tax to have withheld, you can contact the New Jersey Division of Taxation at 1-800-323-4400.

If you live outside New Jersey, you are not required to pay New Jersey income tax on the pension you receive from the retirement system. The Division of Pensions and Benefits does not withhold income tax for other states. Check with your home state's tax office to determine if your pension is taxable in your state of residence.

CHANGING YOUR WITHHOLDING AMOUNT

Retirees can now quickly and easily change their tax withholdings online using the Member Benefits Online System (MBOS). Find out more about MBOS at: www.nj.gov/treasury/pensions

If you do not change your withholding online, you must submit a *Form W-4P* or *NJ W-4P* to the Division of Pensions and Benefits. Forms can be found on the Internet at: www.nj.gov/treasury/pensions

If you do not have Internet access, you can contact the Division of Pensions and Benefits at (609) 292-7524 to obtain the form.

QUESTIONS COMMONLY ASKED AFTER RETIREMENT**Will I receive a statement of pension income for tax purposes?**

Yes. retirees receive *Form 1099-R* at the end of January each year, covering the previous tax year. This shows the gross retirement allowance; how much is subject to federal income tax; and the amounts, if any, that were withheld for federal and New Jersey income tax.

Am I taxed on the reimbursement of Medicare premiums?

No. Some State employees and all employees of boards of education or county colleges who retired with 25 or more years of service, or on a disability retirement, who are enrolled in the State Health Benefits Program are reimbursed in their pension checks for the Medicare Part B premiums they pay to Social Security. If you receive this Medicare reimbursement, the gross amount of your pension checks will be greater than the gross amount shown on your *Form 1099-R* because the Medicare reimbursement is not taxable. The Medicare premium reimbursement is subtracted from your total gross income to determine the gross pension reported to the IRS.

Why doesn't my gross allowance equal 12 times the amount of my December 1 check?

When you receive a cost-of-living increase, your pension is changed each year with the February 1 check. Therefore, the gross allowance for your January 1 check is usually less than your next 11 checks.

Is my disability pension taxable?

If you are receiving a disability pension, your benefits are not subject to New Jersey income tax until you reach age 65.

If you are receiving an *Accidental* Disability pension, — or if you are a survivor receiving *Accidental* Disability or *Accidental* Death benefits — the Division of Pensions and Benefits reports your benefit as exempt from federal income tax.

Ordinary Disability pensions are subject to federal tax to the same extent as other pensions.

Any additional questions should be referred to the IRS at the number listed below.

**THE DIVISION OF PENSIONS AND BENEFITS CANNOT GIVE TAX ADVICE.
CONSULT THE IRS (1-800-TAX-1040), OR THE NJ DIVISION OF TAXATION (1-800-323-4400 in NJ),
OR YOUR TAX ADVISOR FOR ASSISTANCE.**

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JUDICIAL RETIREMENT SYSTEM
NEW JERSEY DIVISION OF PENSIONS AND BENEFITS

APPLICATION FOR RETIREMENT ALLOWANCE

PLEASE READ THESE INSTRUCTIONS CAREFULLY BEFORE COMPLETING THIS APPLICATION.

PLEASE DETACH THE APPLICATION FROM THE BOOKLET BEFORE MAILING.

When to File — All retirements (except mandatory and disability retirements) are effective on the first of the month. **File this application with the Division of Pensions and Benefits before your retirement date** or you will lose benefits. Three to four months advance filing is recommended. You must terminate employment before your retirement date. Mail your completed application to the New Jersey Division of Pensions and Benefits, PO Box 295, Trenton, NJ 08625-0295.

Disability Retirement — Do not use this form to file for disability retirement. Please contact the the Judicial Retirement System Administrator at (609) 292-0909 for a disability retirement application.

INSTRUCTIONS

Please Print — Black Ink Preferred — or Type.

PART ONE:

- ITEM 1: MEMBERSHIP NUMBER** - Enter your pension fund membership number shown on your annual statement. If you are not sure of your number, contact your Personnel or Payroll Office.
- ITEM 2: NAME** - Enter your full name.
- ITEM 3: ADDRESS** - Enter your present mailing address. Report any change of address *before you begin* receiving a pension to the Retirement Bureau at the address shown above. Provide your Social Security number and retirement date in the letter. Or, you may change your address over the Internet by using our online Change of Address form *for pending retirees* at: www.state.nj.us/treasury/pensions
- ITEM 4: SOCIAL SECURITY NUMBER** - Provide your Social Security number.
- ITEM 5: DATE OF BIRTH** - Enter the month, day, and year of your birth. You should submit a copy of your birth certificate if you have not already done so. (*Do not delay filing the application if this document is not readily available.*)
- ITEMS 6 AND 7: TELEPHONE NUMBERS** - Enter your home and work telephone numbers. Include your area code.
- ITEM 8: HOME E-MAIL ADDRESS** - Enter your home e-mail address, if you have one.
- ITEM 9: LOAN BALANCE** - If you retire with an outstanding loan balance, you have the option to pay off the outstanding loan balance **in its entirety** or to repay the loan through deductions from your retirement allowance until the balance of the loan **together with interest** is repaid. Payments will be the monthly equivalent of the amount deducted from your compensation immediately before retirement.
- ITEM 10: DATE OF RETIREMENT** - Enter the date you wish to retire. All retirements are effective on the first of a month (except for “mandatory” Service Retirement and Disability Retirement). The earliest retirement date available for a Service or Early Retirement is the first of the month following the Division's receipt of your application. For Deferred Retirement, the effective date is the first of the month following your 60th birthday. For “mandatory” Service Retirement, the effective date is the date of your 70th birthday. Your application must be received in this office prior to your retirement date. Your first retirement check will be dated no earlier than the first of the month following your retirement date.
- ITEM 11: TYPE OF RETIREMENT** - Indicate the type of retirement for which you are applying. (**Note:** Mandatory retirement at age 70 is con-

sidered a Service Retirement). An explanation of the types of retirement that are available begins on page 2.

ITEM 12: MARITAL STATUS - Please indicate your marital status.

ITEM 13 THROUGH 15: SPOUSE'S INFORMATION - If you are currently married, enter your spouse's name, date of birth (month, day, and year), and Social Security number. You should submit a copy of your spouse's birth certificate if you have not already done so. (*Do not delay filing the application if this document is not readily available*). If you are unmarried, widowed, or divorced, enter N/A.

ITEM 16: SPOUSE'S ADDRESS - If you are currently married, enter your spouse's address if it is different from the address you entered in item 3. If you are unmarried, widowed, or divorced, enter N/A.

ITEM 17: DATE OF MARRIAGE - If you are currently married, enter your date of marriage. If you are unmarried, widowed, or divorced, enter N/A.

NOTE: IF NO BOX IS CHECKED IN PARTS TWO OR THREE, YOUR APPLICATION CANNOT BE PROCESSED.

PART TWO:

CHOOSE A RETIREMENT PAYMENT OPTION - Mark only one box.

If you choose the **Maximum Option**, you must sign the application in the space indicated to acknowledge your understanding that **no monthly benefit — other than the statutory survivor benefit provided under the JRS — is payable to a spouse or other named beneficiary.**

Note for Maximum Option: The law requires that the Division notify your spouse if you choose the Maximum Option. If you are currently married, please enter your spouse's name and mailing address (if different than yours) in items 13 and 16. If you are unmarried, widowed, or divorced, enter N/A.

To provide a benefit to a spouse or beneficiary, you may choose one of the following options: A, B, C, D, 1, 2, 3, or 4. See Fact Sheet #61, *Planning for Your Survivors — Pension*

Options (included in this booklet), for an explanation of the available options. Selecting an option other than the Maximum Option will reduce your retirement allowance to provide an additional benefit to a named beneficiary upon your death. The higher your beneficiary's allowance, the more your allowance will be reduced. Your option selection is irrevocable (cannot be changed under any circumstances) once your retirement becomes "due and payable" (see "Your First Retirement Check" on page 1).

If you do not understand your options, call the Division of Pensions and Benefits for assistance at (609) 292-0909.

RETIREMENT OPTION BENEFICIARY - In the previous item, you have chosen the method of payment to both you and, if applicable, a beneficiary. Name your beneficiary for that option here. Please include the beneficiary's full name, relationship to you (if not related, write "Friend"), date of birth, Social Security number (optional), and mailing address.

Please complete this section even if you have chosen the Maximum Option. The beneficiary named in this section will receive any optional benefit you selected above and will also receive any issued, but uncashed, pension checks remaining at your death. If you choose Options A, B, C, D, 2, 3, or 4, please attach a copy of the beneficiary's birth certificate.

Under Option 1, you may name any person or persons as well as an institution, charity, organization, your estate, etc., as a beneficiary. *If you designate an institution, charity, or organization, in order to insure that this designee is a legal entity, we require the beneficiary's tax identification number.*

You may name multiple beneficiaries to share the benefit if you choose Option 1 or Option 4. To name additional beneficiaries, fill out and sign the *Additional Pension Option Beneficiaries* page provided at the end of this booklet, and check the box on the application.

Under Options A, B, C, D, 2, or 3 you may name only one person as a beneficiary.

The designation of beneficiary becomes effective when your *Application for Retirement Allowance* is received by the Division of Pensions and Benefits.

MEMBER'S SIGNATURE AND DATE - Sign and date this page. Your application cannot be processed without your signature.

PART THREE:

DESIGNATION OF NONCONTRIBUTORY GROUP

LIFE INSURANCE BENEFICIARY - (*Does not apply to members with less than 10 years of membership credit.*) All members of the Judicial Retirement System are covered by group life insurance. JRS members have Noncontributory Group Life Insurance coverage as an active member equal to 1½ X Final Salary. At retirement, your Noncontributory Group Life Insurance is reduced to ¼ X Final Salary.

You may name any person or persons as well as an institution, charity, organization, your estate, etc., as a Noncontributory Group Life Insurance beneficiary. *If you designate an institution, charity, or organization, in order to insure that this designee is a legal entity, we require the beneficiary's tax identification number.* You may also name multiple beneficiaries for this benefit. You may change your group life insurance beneficiary at any time.

You should name both a Primary beneficiary(ies) and a Contingent beneficiary(ies) for this benefit. If you find it necessary to use additional sheets to complete this section, write "see attached" in the beneficiary area of the application. The attachments must also be signed and dated.

Primary Beneficiary(ies) - List the full name, relationship to you (if not related, write "Friend"), birth date, Social Security number (optional), and address of the individual(s)/entity(ies) you want to receive your Noncontributory Group Life Insurance proceeds. If you name more than one Primary Beneficiary, the "lump sum" Noncontributory Group Life Insurance proceeds

will be divided equally among those listed. If you do not wish to divide the proceeds equally, please contact the Division of Pensions and Benefits for assistance.

Contingent Beneficiary(ies) - List the full name, relationship to you (if not related, write "Friend"), birth date, Social Security number (optional), and address of the individual(s)/entity(ies) you want to receive your Noncontributory Group Life Insurance proceeds should your primary beneficiaries not be living at the time of your death. If you name more than one Contingent Beneficiary, the lump sum insurance proceeds will be divided equally among those listed. If you do not wish to divide the proceeds equally, please contact the Division of Pensions and Benefits for assistance.

The designation of beneficiary becomes effective when your *Application for Retirement Allowance* is received by the Division of Pensions and Benefits.

NOTE: DESIGNATION OF CONTRIBUTORY GROUP LIFE INSURANCE BENEFICIARY -

The designation of beneficiaries for the JRS optional Contributory Group Life Insurance Program is handled through the Prudential Insurance Company of America. If you participated in the JRS Contributory Group Life Insurance Program, contact Prudential at 1-800-524-0542 for information on how to update your beneficiary information at retirement.

NOTE: CONVERSION OF GROUP LIFE INSURANCE -

The amount by which your group life insurance is reduced at retirement **may be converted** at retirement to a non-group policy. Conversion must be done **within 31 days** of the termination of employment. See Fact Sheet #61, *Planning for Your Survivors — Pension Options*, for more information about the conversion of group life insurance.

MEMBER'S SIGNATURE AND DATE - Sign and date this page. Your application cannot be processed without your signature.

**IF YOU NEED HELP IN COMPLETING THIS APPLICATION,
CONTACT THE JUDICIAL RETIREMENT SYSTEM AT (609) 292-0909**

PART TWO: CHOOSE A RETIREMENT PAYMENT OPTION AND NAME A BENEFICIARY

Indicate your choice for method of payment. Refer to Fact Sheet #61, *Planning for Your Survivors — Pension Options* (in this booklet), for an explanation of each option. You will receive a monthly retirement allowance for your lifetime, regardless of which option you choose. **Choosing an option other than the Maximum will reduce your retirement allowance to provide a benefit to a named beneficiary upon your death** (This is separate from the statutory survivor benefit due an eligible spouse). The higher your beneficiary's allowance, the more your allowance will be reduced. You cannot change your payment option once your retirement becomes "due and payable" (see *Your First Retirement Check* on page 1). **Mark only one box.**

MAXIMUM OPTION — NO PENSION BENEFIT TO BENEFICIARY — Largest allowance paid to you with no pension benefit paid to a named beneficiary upon your death. _____
 (You must sign here if choosing this option)

Under **Options A, B, C, or D**, you can name only one beneficiary and you cannot change your beneficiary after retirement. If your beneficiary dies before you, your retirement allowance will increase to the Maximum Option.

OPTION A - 100% TO BENEFICIARY - INCREASE TO MAXIMUM OPTION — Upon your death, your named beneficiary receives a lifetime monthly retirement allowance equal to 100% of your monthly allowance.

OPTION B - 75% TO BENEFICIARY - INCREASE TO MAXIMUM OPTION — Upon your death, your named beneficiary receives a lifetime monthly retirement allowance equal to 75% of your monthly allowance.

OPTION C - 50% TO BENEFICIARY - INCREASE TO MAXIMUM OPTION — Upon your death, your named beneficiary receives a lifetime monthly retirement allowance equal to 50% of your monthly allowance.

OPTION D - 25% TO BENEFICIARY - INCREASE TO MAXIMUM OPTION — Upon your death, your named beneficiary receives a lifetime monthly retirement allowance equal to 25% of your monthly allowance.

OPTION 1 - REDUCING RETIREMENT RESERVE TO A BENEFICIARY — Your named beneficiary receives the balance of a reserve set up to pay your retirement allowance if you die **before the reserve is depleted**. You can name more than one beneficiary and you can change your beneficiary(ies) at any time after retirement.

Under **Options 2, 3, and 4**, you cannot change your beneficiary after retirement. Options 2 and 3 pay you a larger monthly retirement allowance than the corresponding Options A and C. However, under Options 2 and 3, if your beneficiary dies before you, you continue to receive the reduced allowance provided by that option.

OPTION 2 - 100% TO BENEFICIARY - PERMANENT REDUCTION — You can name only one beneficiary. Upon your death, your named beneficiary receives a lifetime monthly retirement allowance equal to 100% of your monthly allowance.

OPTION 3 - 50% TO BENEFICIARY - PERMANENT REDUCTION — You can name only one beneficiary. Upon your death, your named beneficiary receives a lifetime monthly retirement allowance equal to 50% of your monthly allowance.

OPTION 4 - CHOICE OF AMOUNT TO BENEFICIARY - PERMANENT REDUCTION — You can name one beneficiary or multiple beneficiaries. Upon your death, your named beneficiary(ies) receives a lifetime monthly retirement allowance of \$ _____ (can be no more than the Option 2 allowance).
 (Enter amount)

RETIREMENT OPTION BENEFICIARY — For Options A, B, C, D, 2, and 3 you may list only ONE beneficiary. To name additional beneficiaries under Options 1 or 4, use the sheet provided at end of the application **and** check this box.

BENEFICIARY NAME	RELATIONSHIP	BIRTH DATE	SOCIAL SECURITY NUMBER (Optional)
------------------	--------------	------------	-----------------------------------

ADDRESS _____

MEMBER'S SIGNATURE

DATE

_____, 20____

I attest that the information provided on this application is true and correct.

SIGN THIS PAGE AND CONTINUE TO PART THREE ON NEXT PAGE

MEMBER'S NAME _____

MEMBERSHIP NUMBER _____ SOCIAL SECURITY NUMBER _____

PART THREE: DESIGNATION OF NONCONTRIBUTORY GROUP LIFE INSURANCE BENEFICIARY(IES)

Only those members with 10 or more years of membership credit are covered by Noncontributory Group Life Insurance at retirement. This section is to be used to name a beneficiary(ies) for your Noncontributory Group Life Insurance, if any. Please be sure to name both a Primary and Contingent beneficiary. Complete this section even if the beneficiary you name is the same as in Part Two. This designation becomes effective when received by the Division of Pensions and Benefits.

PRIMARY INSURANCE BENEFICIARY(IES)

	BENEFICIARY NAME(S)	RELATIONSHIP	BIRTH DATE	SOCIAL SECURITY NUMBER (Optional)
1.	_____	_____	_____	_____
	ADDRESS _____			
2.	_____	_____	_____	_____
	ADDRESS _____			
3.	_____	_____	_____	_____
	ADDRESS _____			
4.	_____	_____	_____	_____
	ADDRESS _____			

CONTINGENT INSURANCE BENEFICIARY(IES) — *If no Primary Beneficiary is living at my death, payment is to be made to:*

	BENEFICIARY NAME(S)	RELATIONSHIP	BIRTH DATE	SOCIAL SECURITY NUMBER (Optional)
1.	_____	_____	_____	_____
	ADDRESS _____			
2.	_____	_____	_____	_____
	ADDRESS _____			
3.	_____	_____	_____	_____
	ADDRESS _____			
4.	_____	_____	_____	_____
	ADDRESS _____			

MEMBER'S SIGNATURE _____

DATE _____

_____, 20_____
I attest that the information provided on this application is true and correct.

Return this application to:
Division of Pensions and Benefits
PO Box 295
Trenton, NJ 08625-0295

ADDITIONAL PENSION OPTION BENEFICIARIES — USE THIS PAGE FOR OPTION 1 OR OPTION 4 ONLY

Use this page if you wish to name additional retirement option beneficiaries to share the benefit with the Option 1 or Option 4 beneficiary you named in Part Two of the application. Option 1 beneficiaries share the benefit equally. If you are choosing Option 4, indicate the percentage or dollar amount of the benefit that each beneficiary should receive. This section is **not** to be used for Options A, B, C, D, 2, 3, or for life insurance beneficiaries.

MEMBER'S NAME _____

MEMBERSHIP NUMBER _____ **SOCIAL SECURITY NUMBER** _____

	BENEFICIARY NAME	RELATIONSHIP	BIRTH DATE	SOCIAL SECURITY NUMBER (Optional)
2.	_____	_____	_____	_____
	ADDRESS _____			
3.	_____	_____	_____	_____
	ADDRESS _____			
4.	_____	_____	_____	_____
	ADDRESS _____			
5.	_____	_____	_____	_____
	ADDRESS _____			

MEMBER'S SIGNATURE

DATE

_____, 20_____
I attest that the information provided on this application is true and correct.

Additional Forms for Retirees

Judicial Retirement System

Upon the completion of retirement processing, all new retirees are mailed the:

AUTHORIZATION OF DIRECT DEPOSIT OF BENEFIT PAYMENT

FEDERAL INCOME TAX WITHHOLDING FORM W-4P

NEW JERSEY STATE INCOME TAX WITHHOLDING FORM NJ-W-4P

These forms are also included in this retirement packet for your convenience. If you choose to submit these forms along with your *Application for Retirement Allowance*, you will not have to complete them when mailed to you after your retirement date.

Please Note: the enclosed forms request that you include your Retirement Number. This identifying number is not issued until after retirement processing is completed. If you use the forms provided in this packet, please leave the area for Retirement Number blank.

DIRECT DEPOSIT

Direct deposit of your benefit payment is **mandatory**. Complete the enclosed *Authorization of Direct Deposit* form and return it to the Division of Pensions and Benefits along with your *Application for Retirement Allowance*.

WITHHOLDING FEDERAL AND NJ STATE INCOME TAX

The taxation of your retirement benefit is explained in detail in Fact Sheet #12, *Taxation of Retirement Benefits*, (included in this retirement packet). The Division of Pensions and Benefits will provide for the withholding of federal and New Jersey State income tax from your retirement check.

- The Division is obligated to withhold federal income tax from your retirement check based on a status of married with three allowances, unless you file a *Form W-4P* instructing us to adjust the withholding level.
- New Jersey income tax withholding is voluntary, and none will be withheld unless you instruct us to do so by filing a *Form NJ-W-4P*.
- 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.

If you wish to adjust your federal income tax withholding or begin NJ State income tax withholding, complete the enclosed *Federal* and/or *NJ State Form W-4Ps* and return them to the Division of Pensions and Benefits along with your *Application for Retirement Allowance*.

After your retirement date, you may adjust your income tax withholding at any time by filing a revised *Federal* and/or *NJ State Form W-4P*.

At the end of January of each year, the Division of Pensions and Benefits issues a *Form 1099-R* reflecting the taxable retirement allowance paid during the preceding tax year for use in preparing your federal and State income tax.

The Division of Pensions and Benefits cannot provide tax advice. Questions about your federal income tax should be directed to the Internal Revenue Service at 1-800-TAX-1040 or at: www.irs.gov. For questions about New Jersey income tax, call the New Jersey Division of Taxation at 1-800-323-4400 or visit their Web site at: www.state.nj.us/treasury/taxation

STATE OF NEW JERSEY - DIVISION OF PENSIONS AND BENEFITS

AUTHORIZATION FOR DIRECT DEPOSIT OF BENEFIT PAYMENT

INSTRUCTIONS:

- A: Read the terms and conditions listed below.
- B: Enter your name, mailing address, retirement number (for retirement payment and survivor benefit), Social Security number, and home telephone number.
- C: Mark the appropriate payment and account type boxes, and print the financial institution's account number, routing number, and name and address where indicated. Be sure to double-check your account and 9-digit routing numbers before submitting this form — inaccurate information will delay processing of this application or your payment.
- D: You and all other parties to this account must sign the form.
- E: Attach a VOIDED check if using a checking account and return the completed form to the Division of Pensions and Benefits.

MAIL TO:
Direct Deposit
Division of Pensions
and Benefits
PO Box 295
Trenton, NJ 08625-0295

RECIPIENT INFORMATION — Please Print Legibly

Your Name: _____

Your Address: _____

Fund: PERS TPAF PFRS SPRS JRS

Retirement No: _____
 (For Retirement Payment and Survivor Benefit Only)

Social Security No: _____

Home Phone No: _____

TYPE OF PAYMENT: RETIREMENT PAYMENT/SURVIVOR BENEFIT

 Your Account Number

TYPE OF ACCOUNT: CHECKING SAVINGS

 Financial Institution's 9-digit Routing Number

 Name of Financial Institution

 Street of Financial Institution

 City, State, Zip of Financial Institution

 Your Signature and Date

 Signature(s) of Other Persons On Account and Date(s)

Please read the terms and conditions below and
ATTACH A VOIDED CHECK IF AUTHORIZING A CHECKING ACCOUNT
 (used to verify your financial institution's routing and account number)

TERMS AND CONDITIONS

Benefit Recipient

I authorize the New Jersey Division of Pensions and Benefits and the financial institution indicated to directly deposit my net retirement allowance or survivor benefit each month to the account specified. Direct deposit under this authorization is full satisfaction and discharge of the amount then due and payable under the retirement system or benefit program. I understand that the provisions of the statutes governing the pension funds prohibit the deposit of retirement payments to a trust fund. I understand that any retirement allowance or survivor benefit forwarded to the financial institution with a due date after my death will be refunded to the appropriate retirement system. I agree that the financial institution shall have the right of offset for such a refund.

I further understand that this agreement may be changed by me upon written notification to the Division of Pensions and Benefits. The change will be processed for the pay period following receipt of the notice by the Division. I understand that a change in the title of this account which alters the interest of any party terminates this authorization, a notification must then be submitted. I understand that it is my responsibility to inform the Division of Pensions and Benefits of address changes immediately. I authorize the financial institution to provide the Division of Pensions and Benefits with my home address.

Other Parties to the Account

As a party to this account, I understand that I am personally liable, both individually and as a member of the group of parties to this account, for the full amount of all retirement allowances or survivor benefit payments with due dates after the death of the benefit recipient withdrawn from the account. This liability is to the retirement system or benefit program. If I am entitled to any benefit from the retirement system or benefit program as a beneficiary of the benefit recipient, the amount of my liability may be deducted from the amount payable to me. I agree that the financial institution shall have the right of offset for such a refund and I authorize the financial institution to provide the Division of Pensions and Benefits with my home address.

FEDERAL W-4P

State of New Jersey
Department of the Treasury
Division of Pensions and Benefits
PO Box 295
Trenton, NJ 08625-0295

RETIREMENT NUMBER: _____ SOCIAL SECURITY NUMBER: XXX – XX – _____
(List last 4 digits only)

NAME: _____

ADDRESS: _____

INSTRUCTIONS

- A. Verify that the Social Security number and mailing information above is correct.
- B. Please accurately and appropriately complete the form below.
- C. Sign and date the form on the line provided at the bottom.
- D. Detach and return to the address indicated above.

WITHHOLDING CHOICE

1. Check **only one** box.
 - A. **Do not withhold federal income tax on payments from my retirement system.** (If you check box A, skip 2 through 4 below. Then sign and date on the bottom of this form.)
****(U.S. citizens residing outside the United States cannot elect to be exempt from withholding on payments sent outside the United States. This would include payments received by U.S. banks and transferred overseas.)
 - B. **Withhold federal income tax on payments from my retirement system as calculated based on the marital status and allowances indicated below.** (If you check box B, complete 2 through 4 below. Then sign and date on the bottom of this form.)

MARITAL STATUS

Single Married

2. Check **only one** box. (Even if you are a widow or widower, you must select either "single" or "married.")

ALLOWANCES

3. Total number of allowances →

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OPTIONAL (Additional Deductions)

4. If you wish to have additional income tax withheld from each payment, enter amount here →

4.		

This amount will be **in addition** to the calculated tax based on your marital status and the number of allowances indicated above. Please note that **a flat monthly deduction cannot be entered.**

Your signature _____ Date _____

STATE OF NEW JERSEY
DIVISION OF PENSIONS AND BENEFITS

Accounting Services
PO Box 295
Trenton, NJ 08625-0295

Dear Retiree,

If you wish to have New Jersey Gross Income Tax withheld from your monthly pension check, change the amount currently withheld, or stop your current state tax withholding, please complete this form and return it to the address shown above. If you are a new retiree or beneficiary, DO NOT submit this form **unless** you wish to have New Jersey State income tax withheld. **Be sure to sign and date your completed form. PLEASE ALLOW FOUR TO SIX WEEKS FOR PROCESSING.**

If you do not live in New Jersey, your pension is not subject to New Jersey State income tax. If you live in New Jersey, your pension is taxable when you have recovered in retirement checks an amount equal to your total contributions to the pension plan. Therefore, you may want to wait until your contributions are recovered before filing this form. The exception to this is if you are not going to recover your total contributions within three years of retirement. In this case, please refer to your *New Jersey Income Tax Resident Return 1040* booklet to determine how your pension is taxed.

If you have any questions concerning New Jersey Gross Income Tax, please call the New Jersey Division of Taxation at 1-800-323-4400 (within NJ, NY, PA, DE, and MD) or (609) 826-4400 (anywhere).

**Certificate of Voluntary Withholding of New Jersey Gross Income Tax
from Pension and Annuity Payments**

(Please Print)

NJ-W-4P

Name: _____ Address: _____

Retirement No.: _____

Social Security No.: **XXX - XX -** _____
(List last 4 digits only)

(Check one box)

I elect to have New Jersey Gross Income Tax withheld from each monthly pension or annuity payment in the amount of \$_____.00 *(Minimum \$10 per month.)*

Stop withholding New Jersey Income Tax. *(Only available to recipients with current State tax withholding.)*

Your Signature: _____ Date: _____

