7th Annual Monmouth County Financial Expo

NJ State Pension & You

Presented by
Monmouth County Human Resources
Division of Benefits & Workforce Wellness
And Nationwide
October 16, 2024

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Introduction

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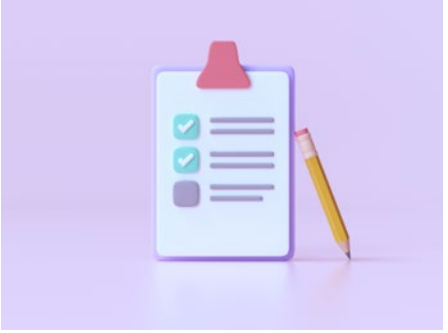
Nationwide



This Webinar will cover:

- Pension defined
- Different Pension Funds
- Pension vs. Deferred Comp
- Employee Pension Contributions
- PERS and PFRS Tiers
- Locating your pension number
- Vesting
- Setting up an MBOS account
- Designating a Beneficiary
- Submitting Proof of Age
- Purchasing Service Credit
- Pension Loans
- Group Life Insurance
- Veteran Status
- Helpful Resources
- Nationwide MIRP Tool
- Contact Information

$ New Jersey State Pension $

So…what is Pension anyway?

Retirement savings plan fund

Funded through employee contributions, employer contributions and investment incomes from those contributions

Monmouth County employees belong to one of three pension plans:

Public Employee Retirement System (PERS)

Police and Firefighters Retirement System (PFRS)

Defined Contribution Retirement Plan (DCRP)

What Pension Fund am I in?

PERS

- Work at least 32 hours per week
- Non-law enforcement

  Most County employees fall into this category

PFRS

Primarily for law enforcement:

- Sheriff's Officers
- Corrections Officers
- County Investigators

DCRP

- Elected or Appointment Officials
- Part-time employees who work less than 32 hours per week

Pension vs. Deferred Compensation: What's the difference?

Pension

- Participation is mandatory
- Investments are controlled by the State
- Payment is guaranteed throughout retirement on a monthly basis

Deferred Comp

- Participation is voluntary
- Investments can be controlled by employee
- Payment in retirement is based upon contributions
- Flexibility of distributions
- Pre-tax or Roth (after-tax) contributions available

How much do employees contribute?

PERS: 7.5% of annual salary

PFRS: 10% of annual salary

DCRP: 5.5% of annual salary

Deferred Comp:

Employee determines contribution in accordance with IRS guidelines.

Pension Tiers - PERS

Tier 1- enrolled before July 1, 2007
Tier 2- enrolled on or after July 1, 2007,
and before November 2, 2008
Tier 3- enrolled on or after November 2, 2008,
and on or before May 21, 2010
Tier 4- enrolled after May 21, 2010,
and before June 28, 2011
Tier 5- enrolled on or after June 28, 2011

Pension Tiers- PFRS

Tier 1- Enrolled on or before May 21, 2010

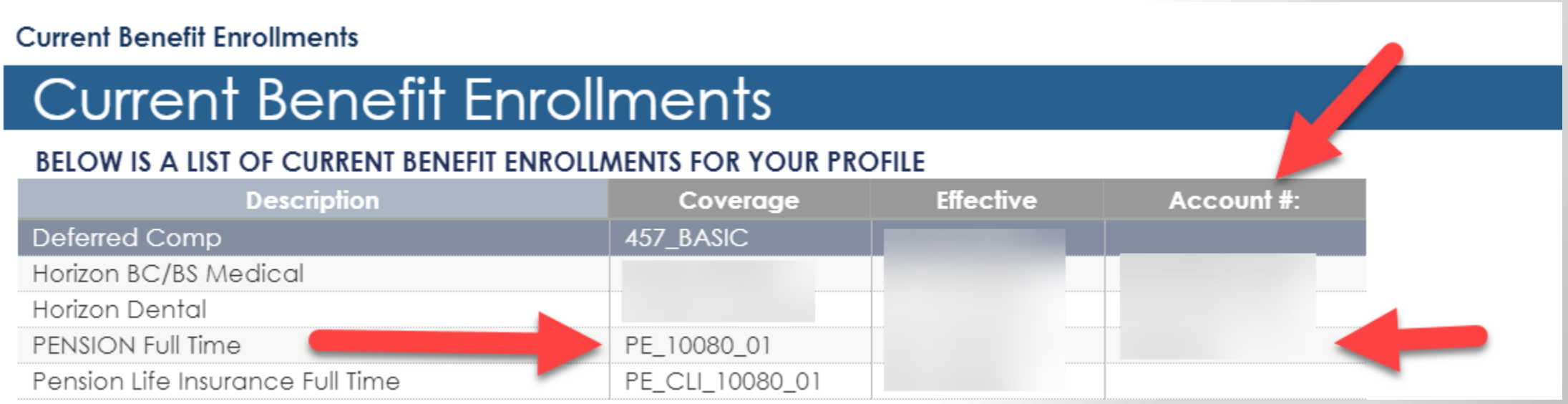
Tier 2- Enrolled after May 21, 2010, and on or before June 28, 2011

Tier 3- Enrolled after June 28, 2011

Where can I find my Pension Number?

Your Pension number is available in Self-Service

Under *Current Benefits Enrollment*



Vesting

A guarantee to receive a retirement benefit when you reach normal retirement age.

PERS:

After 10 years

PFRS:

After 10 years

DCRP:

After 1 year of continuous contributions

Responsibilities of an Active Employee

Sign-up for Member Benefits Online System (MBOS) by creating a MyNJ account, link here: MyNJ sign up

You will need: Social Security Number and Pension Number

Important Note: MyNJ now requires two-factor authentication

Authentication can be done via an app or text message

If you access MyNJ from the same computer,

your authentication needs to be renewed every two weeks.

Trouble Logging into MyNJ?

There is a “forgot your login ID /password” option on the sign-in page.

Still having trouble logging in?

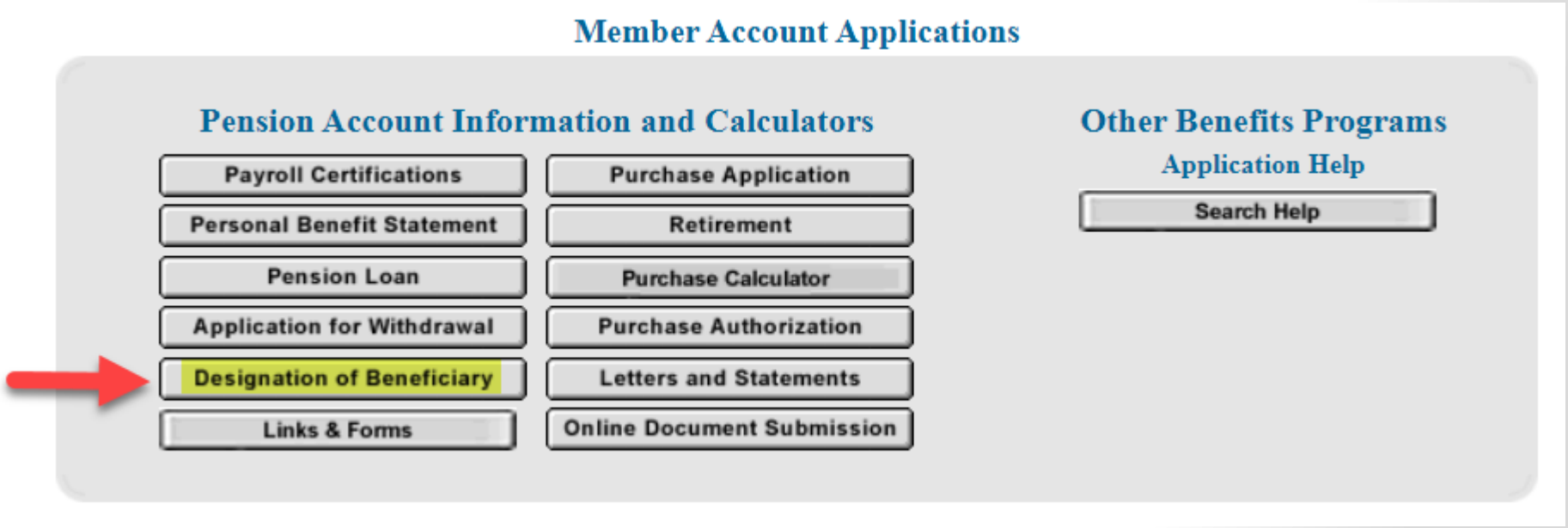
If you are still trouble logging on,
please refer to the NJ Division and Benefits website.

Helpful Resources for Logging in: MBOS Help

Please also see the available Video Library

Designating a Beneficiary

Once on MBOS, please Designate a Beneficiary.

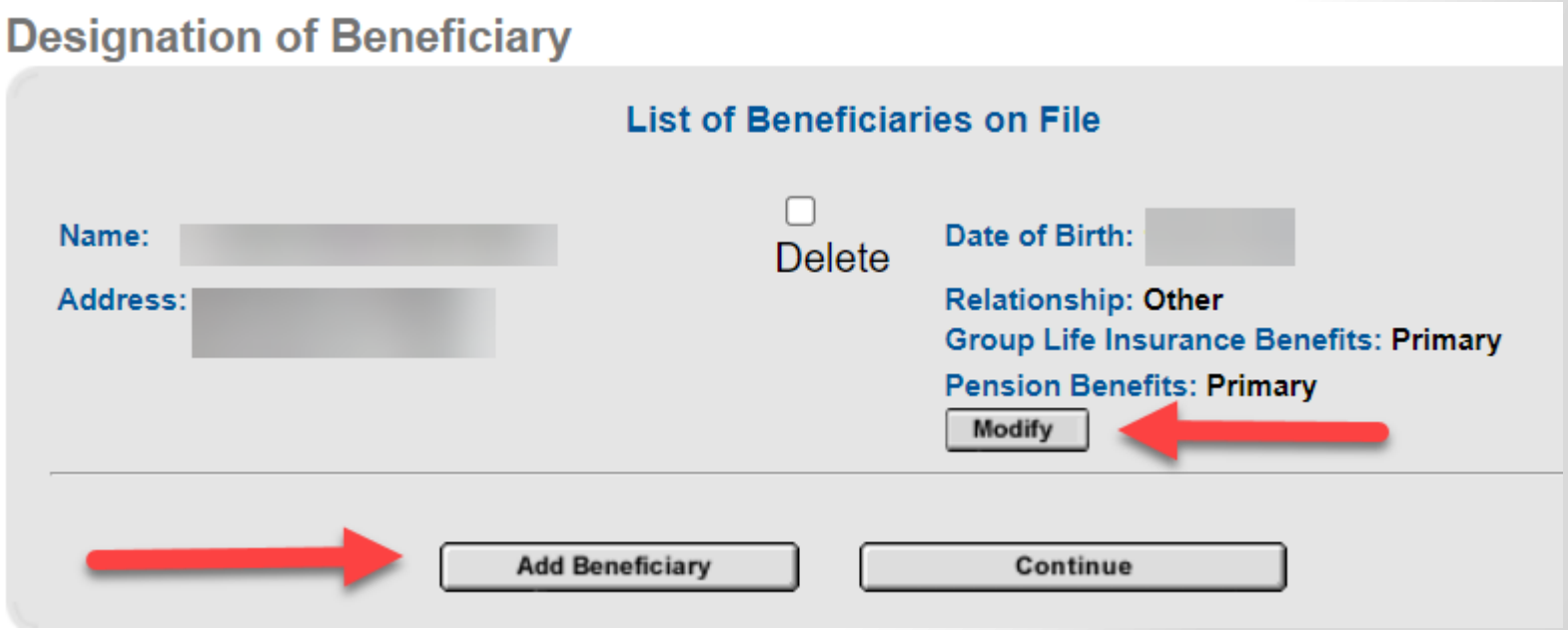


To designate a beneficiary, you will need:
name, address, social security number, and date of birth.

Designating a Beneficiary

Important Notes:

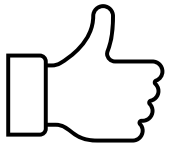
- A beneficiary can be a person, an organization, your estate, or a trust.
- If you designate a minor as your beneficiary, it is recommended you speak with an attorney.
- Beneficiary Information should always be kept up-to-date



Designating a Beneficiary

Important Note

It is recommended you designate **both** a primary and a contingent beneficiary for both Life Insurance and Pension.

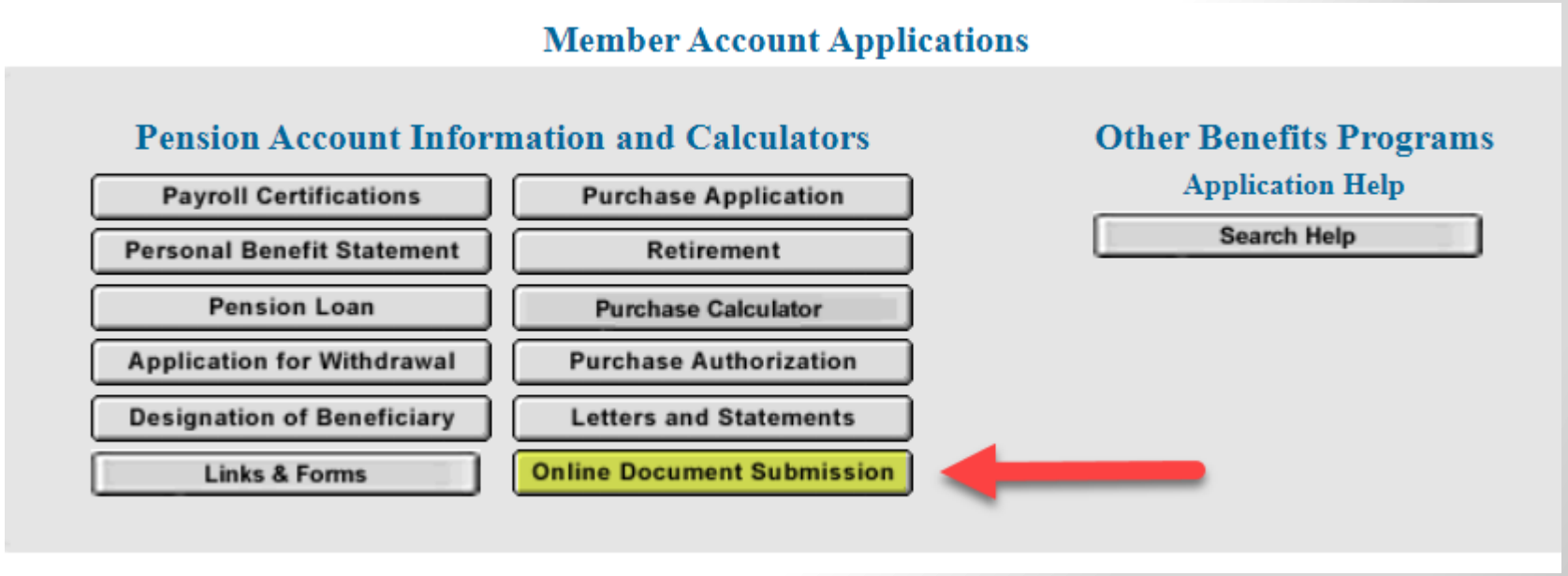


Submit Proof of Age

Acceptable documents for proof of age

- Birth Certificate with visible raised seal
- Current Digital NJ Driver's License
- US Passport or US Passport Card

Documents can be uploaded to MBOS



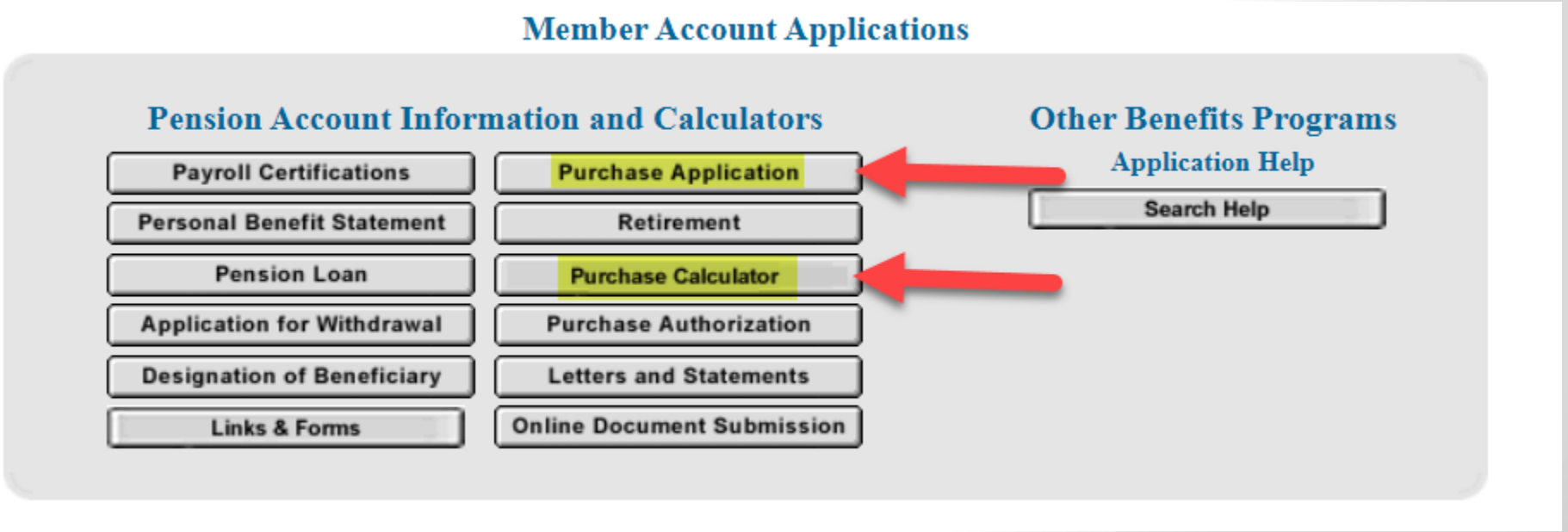
Purchasing Service Credit

What can qualify me to buy back Service Credit?

- Went into an unpaid status due to a leave of absence
- Served in active military duty before being enrolled
- Previous service which was uncredited
- Initially hired in a Provisional Civil Service Status
- Initially hired as a temporary/seasonal employee

Purchasing Service Credit

How do I purchase Service Credit?



Purchasing Service Credit

Some Important Notes:

Credit is purchased at the rate of your current or highest salary

Therefore, it is in your best interest to purchase credit ASAP.

Credit can be paid for via:

- One lump-sum
- Payroll deductions
- Down payment followed by payroll deductions
- Funds rolled over from your deferred compensation account

Pension Loans

Eligibility for a Pension loan:

- Actively making contributions
- Be enrolled for at least three years and two months
- Must have your bank's routing and account numbers

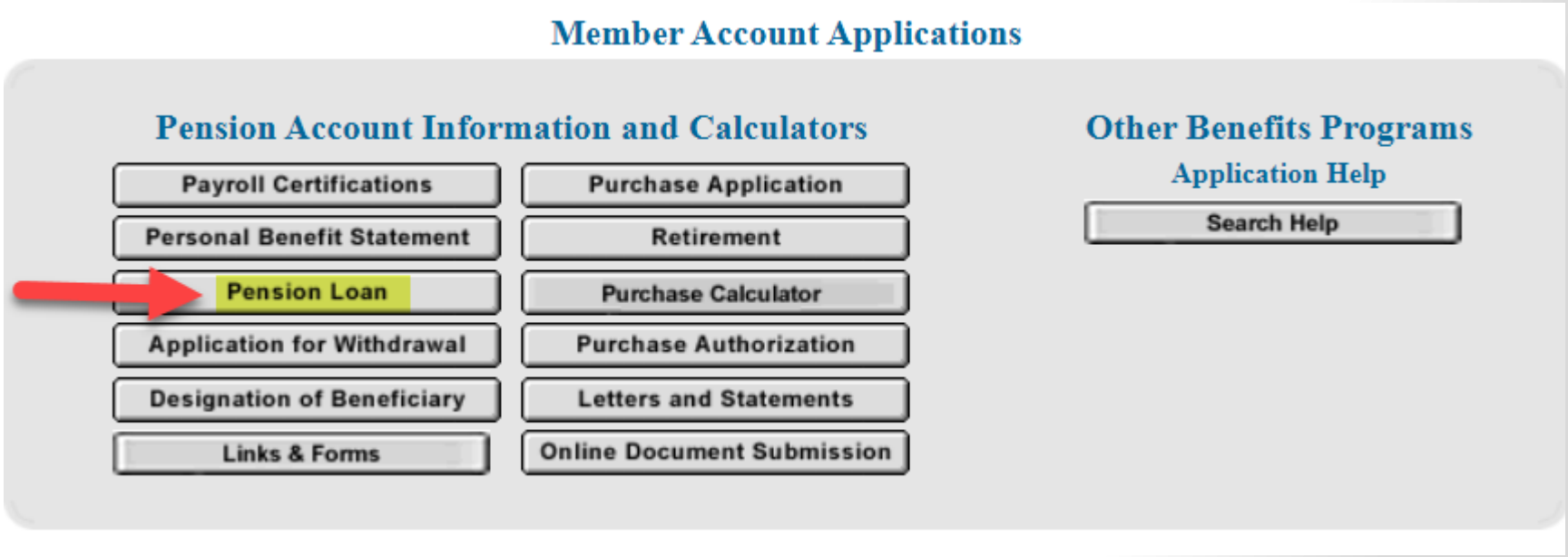
Other Important Notes:

- Can borrow up to 50% of your total contributions
- Only permitted two loans per calendar year
- Entire loan must be paid off within five years
- Current interest rate is 11% for applications received in 2024
- Administrative processing fee of $15

Pension Loans

How do I apply for a Pension Loan?

Apply through MBOS



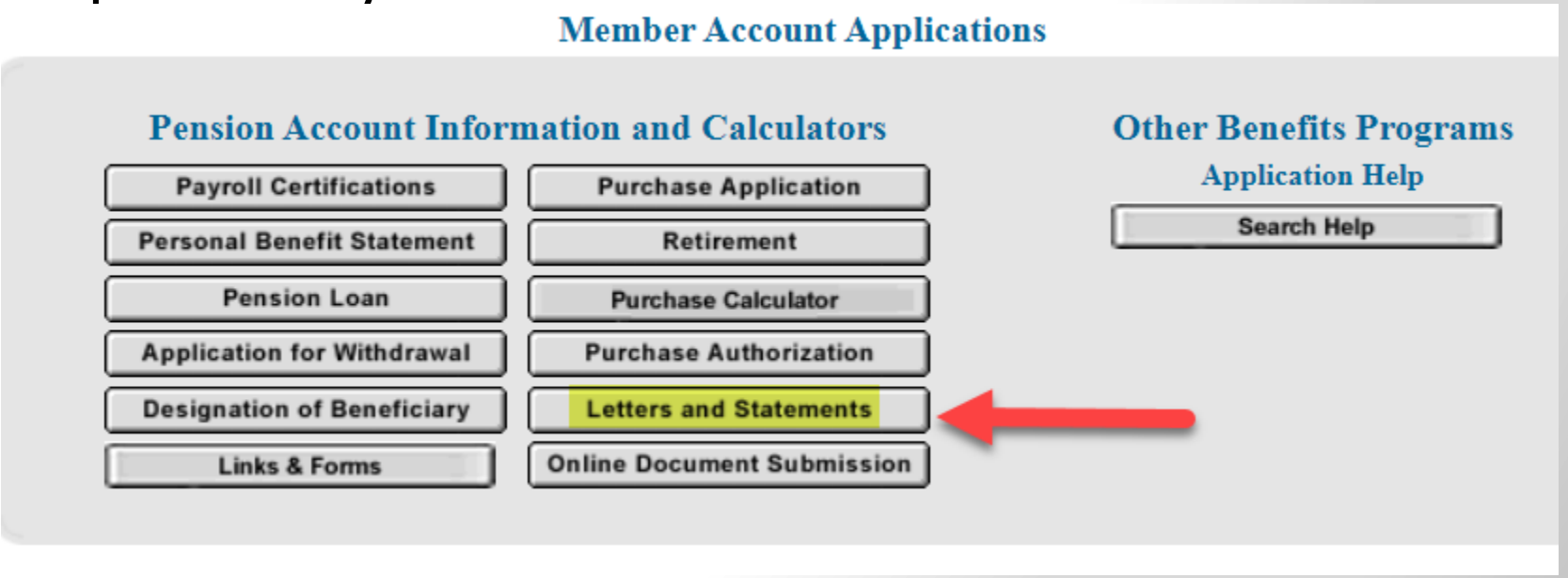
Pension Loans

Repayment

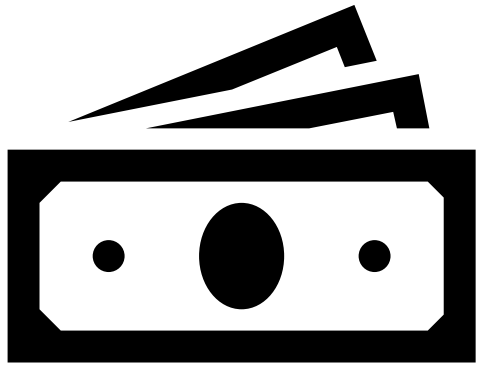
Done through payroll deductions

Paying off a loan early:

Request a Lump-Sum Payoff Letter from MBOS

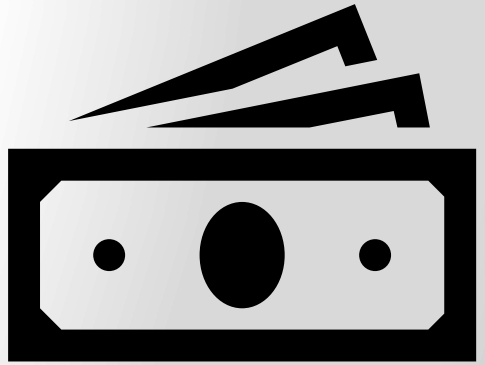


Pension Loans



Need help?

Have questions?



[Pension Loans Tutorial Video]

Group Life Insurance

Automatically enrolled for PERS and PFRS

PERS:

- Contribute 0.5% of annual salary (Appears on pay stub as CLI)
- Benefit: 3 times the salary earned in the last 12 months of service
- Option to discontinue contributions after 1 year of service
- Can **NEVER** re-enroll
- If contributions are discontinued, benefit is reduced to 1.5 times salary earned in the last 12 months of service

PFRS:

- 3.5 times salary earned in the last 12 months of service
- No employee contribution

Veteran Status

- Military veteran may be entitled to special retirement benefits.
- To establish veteran status, send your *DD Form 214* to

New Jersey Department of Military & Veterans Affairs

ATTN: DVP-VBB

P.O. Box 340

Trenton, NJ 08625-0340

Important:

Be sure to state you are applying for veteran status in the **pension system**.

Helpful Resources

Guidebooks and Fact Sheets

PERS Member Guidebook

PFRS Member Guidebook

Purchasing Service Credit, Fact Sheet 1

Pension Loans, Fact Sheet 81

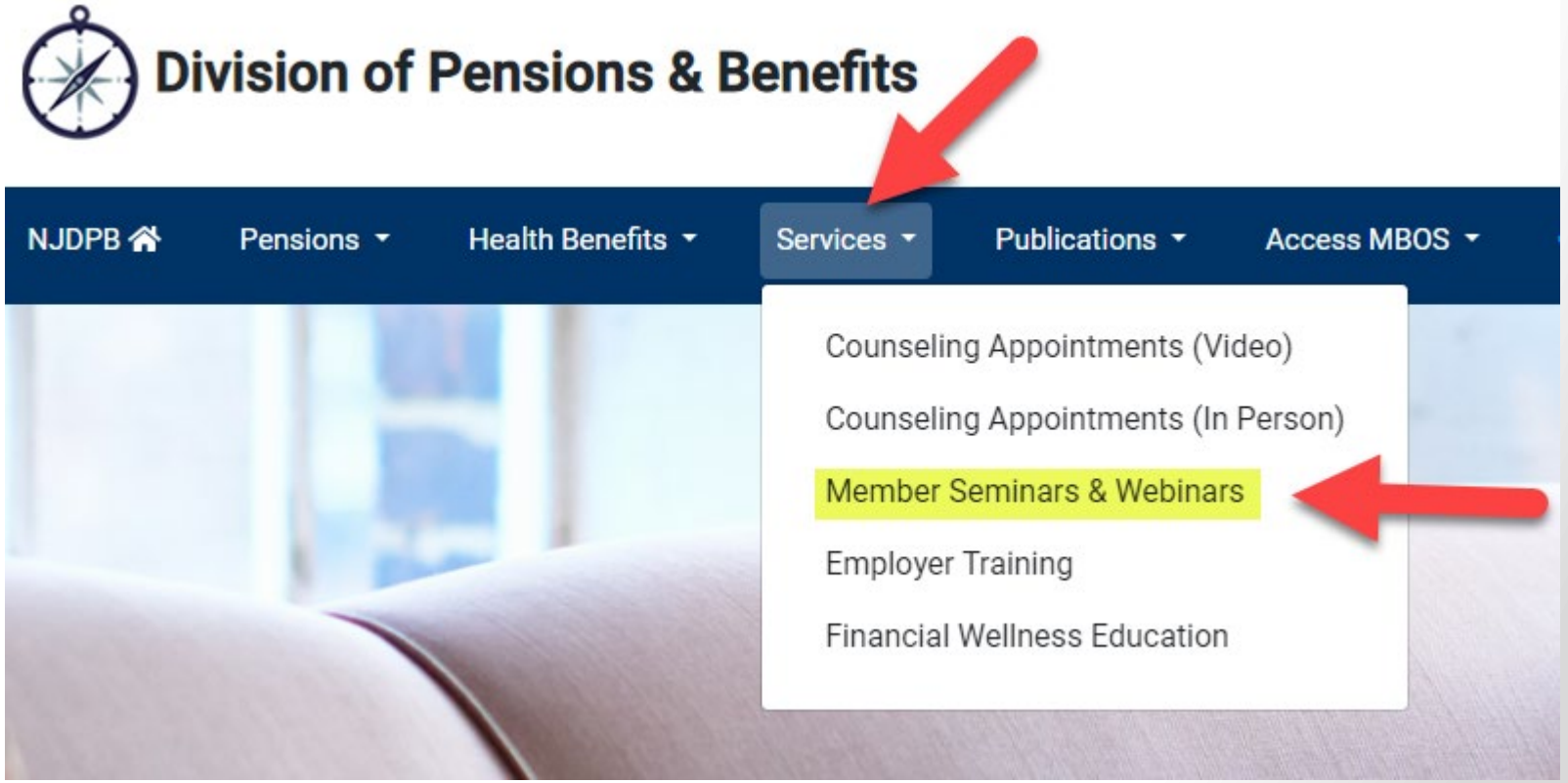
PERS Certificate of Group Life Insurance

PFRS Certificate of Group Life Insurance

Veteran Status, Fact Sheet 17

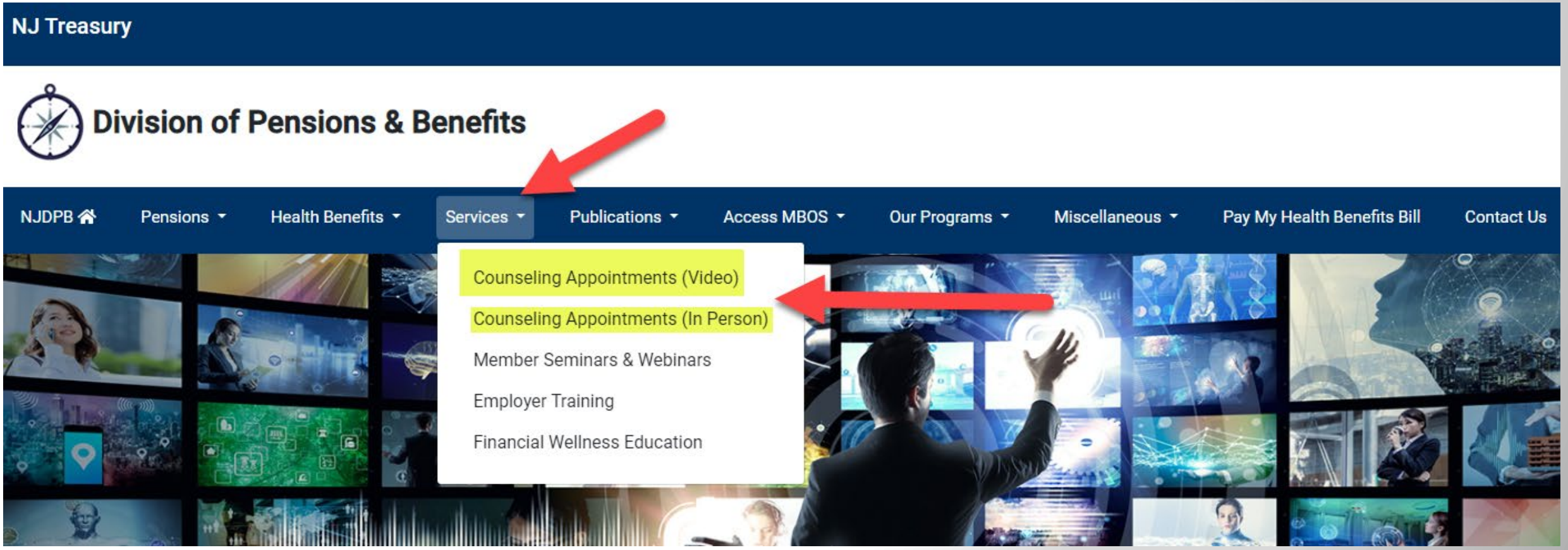
Helpful Resources

Member Seminars and Webinars



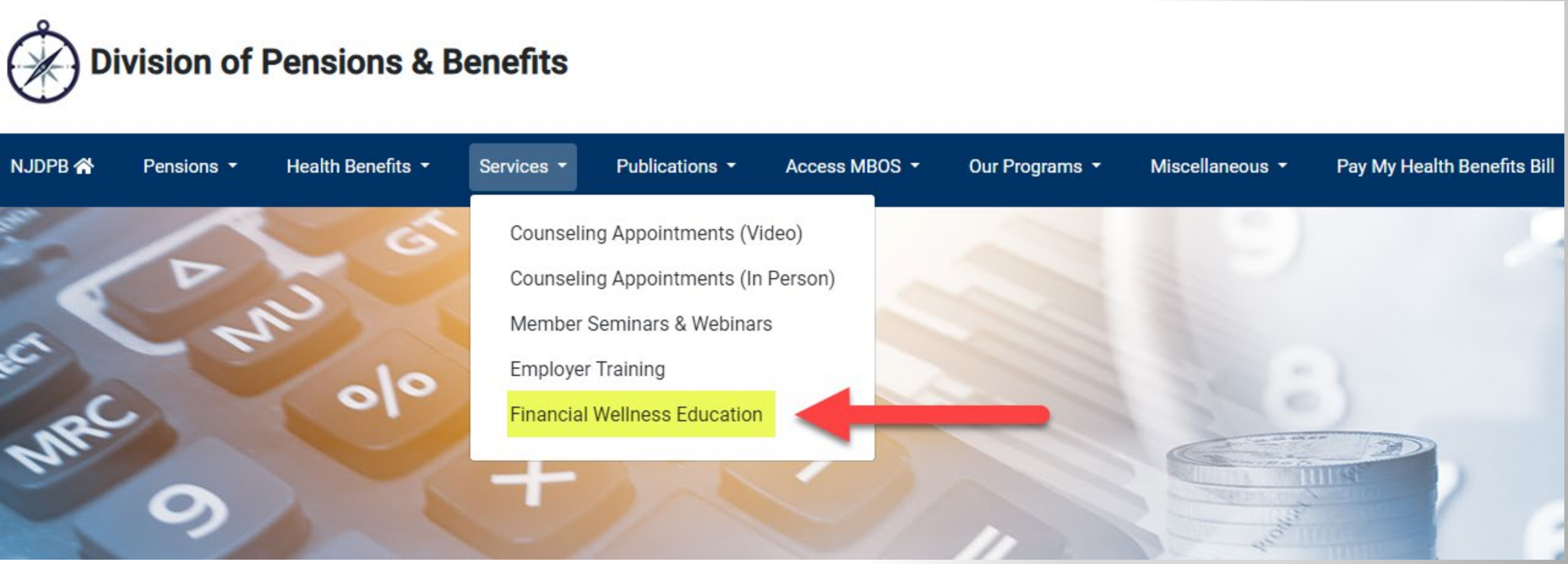
Helpful Resources

Counseling Appointments with NJDPB

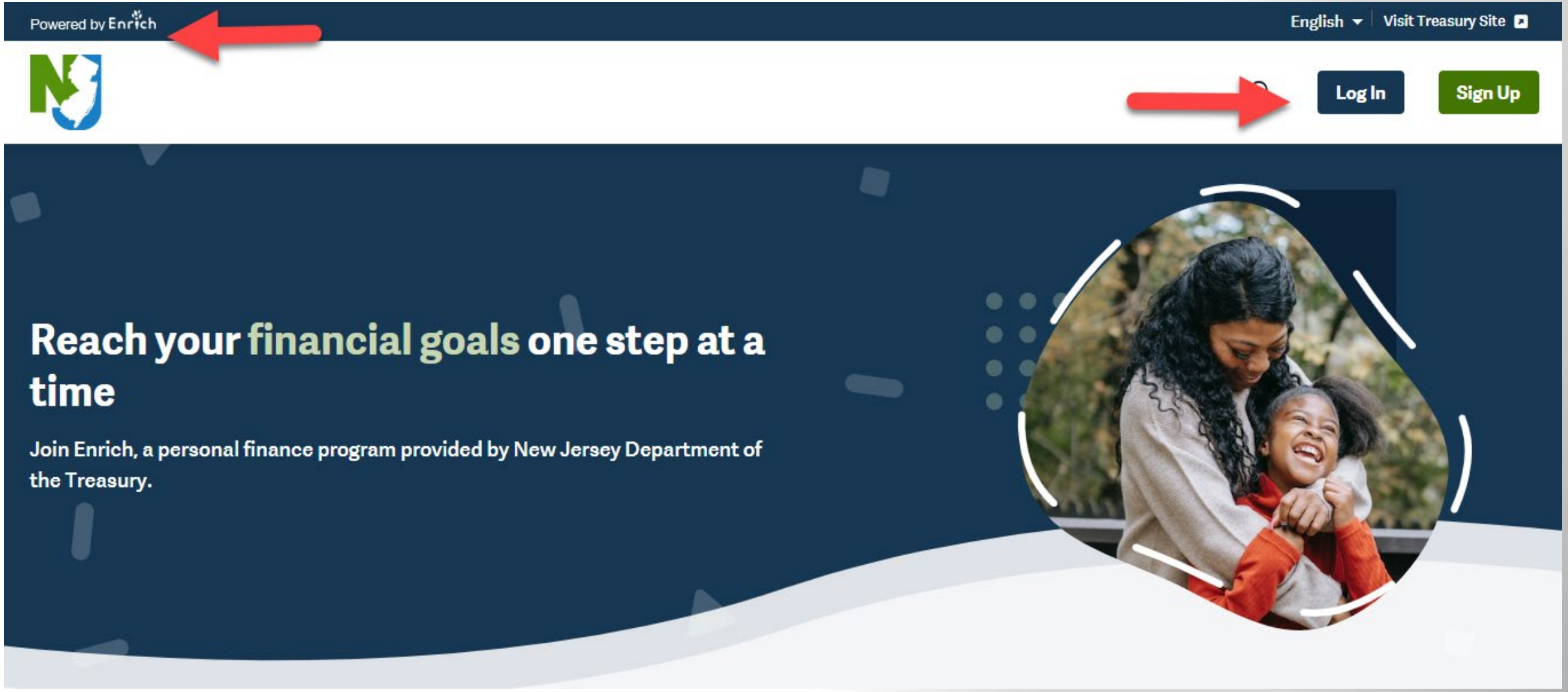


Helpful Resources

Financial Wellness Education



Helpful Resources



NJDBP Contact Information

NJDBP website

Phone number (609) 292-7524

Email: pensions.nj@treas.nj.gov

Live Chat Box- appears on bottom right corner of website

Do you have questions about deferred comp or want to get enrolled?

Schedule an appointment

Enroll in Deferred Comp

Monmouth County Representative
Nikki Cibelli, CRC ®
Cell: 609-617-4634
Cibeln1@nationwide.com
www.bit.ly/ScheduleWithNikki

Retirement Resource Group
888-401-5272
NRSFORU.COM
nrsforu@nationwide.com
www.bit.ly/nationwiderrg

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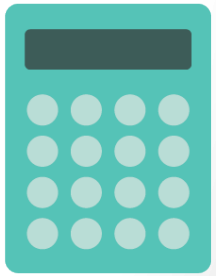
Take action

Use the My Interactive Retirement Planner℠



Use the Paycheck Impact Calculator

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Find these tools and more at nrsforu.com

Helpful Resources

Nationwide

[My Interactive Retirement Planning Tool]

The My Interactive Retirement Planner℠ from Nationwide® illustrates not just preparing for but also living in retirement.

The **Detailed income view** shows you how your assets could be distributed over time during your retirement years. Different assets may have different withdrawal time frames, which means without proper planning, some years you could experience a shortfall and other years a surplus. This tool allows you to make more proactive and informed decisions so you have the income you need at the right time. It:

- Illustrates how your retirement plan account, Social Security benefit and any other income sources, including a pension, will work together
- Highlights the years there is a projected shortfall or surplus in income
- Allows you to see a detailed breakout year by year
- Offers the ability to model potential changes to your outlook using ages, contributions and expected spending

The Detailed income view calculation provides an outlook that:

- Takes future tax rates into consideration
- Incorporates a comprehensive inflation computation
- Includes rate of return on retirement plan asset classes during accumulation

HR Benefits Contact Information

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(732) 866-3622, extension 6671

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Questions?

Thank you!