



RUTGERS
THE STATE UNIVERSITY OF NEW JERSEY

Alternate Benefits Program ABP Retirement: Overview

ABP Retirement Overview Outline

- Steps to retirement
- Submitting retirement application
- Life insurance at retirement
- Employment after retirement
- Telephone contacts & useful websites



Steps to Retirement (*Suggested Timeline*)

- **6-8 months before retirement:**
 - Request information about payout options from investment carrier
- **4-6 months before retirement:**
 - Notify your department in writing of your intent to retire
 - Determine last working day for staff employees (optional)
 - Retirement date will be the first of the month subsequent to the last day worked
 - Contact Social Security office if you plan to apply. (Age & date deadlines apply)
- **3 months before retirement:**
 - Send original, completed *Application for Retirement Allowance* to UHR (57 U.S. Highway #1, New Brunswick, NJ 08901-8554)
 - Make arrangements with carrier for payment options
 - If you or your spouse/civil union/same-sex domestic partner is 65+, enroll in Medicare A & B

Steps to Retirement (*cont.*)



- **1 month before retirement:**
 - Call Prudential at 1-800-262-1112 for life insurance conversion if interested

- **Shortly before retirement:**
 - If waiving/declining or changing health insurance plan, ensure to complete online via Benefitsolver.

- **Shortly after retirement:**
 - Receive cash settlement or annuity from carrier
 - Sick leave payout, can be deferred up to one year (staff employees)
 - Vacation payout (staff employees)

Receiving Your Retirement Income

- No minimum retirement age under the ABP
- Retirement income based on investment earnings and payout options
 - *Please contact your investment carrier for the necessary forms*
- How you receive your income is up to you
- Returns on contributions and earnings are taxable in the year they are received
- Consult your tax advisor


State-Authorized Investment Carriers

AXA Equitable	800-628-6673
Empower (Mass Mutual)	848-248-4875
MetLife	800-543-2520
Empower (Prudential)	855-652-2711
TIAA	800-842-8412
Corebridge (AIG)	908-740-4114
VOYA Financial	877-873-0321

Submitting Your Retirement Application

- An [ABP Retirement Allowance Application & Withdrawal Acknowledgement Form](#) must be submitted at least 3 months prior to retirement.
 - All information requested in Part 3 **must be** provided for each beneficiary listed.
- Return all completed applications to a Benefits Specialist via the OneSource Rutgers Faculty & Staff Service Center:
 - Portal: <http://onesource.rutgers.edu>
 - For assistance call: 732-745-SERV(7378)

ABP Application for Retirement Allowance



ABP-2-20-0919

State of New Jersey • Department of the Treasury
**DIVISION OF PENSIONS & BENEFITS — DEFINED BENEFIT &
DEFINED CONTRIBUTION BUREAU**
P.O. Box 295, Trenton, NJ 08625-0295
**ALTERNATE BENEFIT PROGRAM (ABP) —
APPLICATION FOR RETIREMENT ALLOWANCE**

ALL REQUESTED INFORMATION MUST BE PROVIDED.

PART ONE - TERMS AND CONDITIONS OF RETIREMENT

A member of the ABP becomes eligible to commence distributions at any age upon severance from employment or retirement. Members may receive benefits in the form of an annuity or cash distribution. Annuity benefits will be calculated by the DSP based upon the account accumulation, life expectancy, and the distribution option selected. Cash distributions to members under the age of 55 are limited to their employee contributions and accumulations. The remaining employer contributions and earnings are available for distribution upon attaining age 55. Participation in the ABP shall terminate and the individual shall be considered retired once he or she has elected to receive a cash distribution of the value of his or her accounts in a direct payout as a cash distribution, a rollover, or an annuity (or a combination of these distributions). The member is considered retired and is not eligible to enroll in any New Jersey State-administered retirement system, nor are they eligible to reenroll in the ABP.

PART TWO - MEMBER INFORMATION (Please print)

- 1. Social Security Number (Optional) _____

- 2. Name _____
Last *First* *Middle*

- 3. Address _____

Life Insurance at Retirement



- Must take minimum distribution within 30 days of retirement date
- Must have 10 years of service credit
- Must be at least age 60
- Amount = $\frac{1}{2}$ (one-half) of the annual base salary

Conversion of Life Insurance

- One-time option to convert to individual private policy through Prudential
- Must be done no later than 31 days after retirement date
- Cannot be denied for health reasons
- May want to contact other carriers for comparable life insurance rates
- To convert, contact the Prudential Group Life Conversion department at 1-877-889-2070
- You can use the online Prudential Life Insurance calculator at:
<http://www.state.nj.us/treasury/pensions/conversion-calc.shtml>
- Group number is G-14800



Conversion of Life Insurance Example

- Annual Base Salary prior to retirement = \$70,000
- Total death benefits as an active member = \$245,000
(3.5 x \$70,000)
- Life insurance benefit after retirement = \$35,000
(1/2 x 70,000)
- Amount eligible to convert = \$210,000
(\$245,000 - \$35,000)



New Jersey State Employee Deferred Compensation Program

Section 457 of the IRC

Voluntary Pre-Tax Employee Contributions

- Contact Prudential Financial directly to begin receiving distribution
- Distribution options:
 - A one-time lump-sum payment
 - A portion of your account in a specific dollar amount
 - Periodic installment payments
- For your questions about the plan, your account and necessary forms please call, 866-657-3327
- Information available at: <https://empower.com/njplans>

Flexible Spending Account (FSA)

Voluntary Pre-Tax Employee Contributions

- Ensure to claim remaining funds, submit cancellation to Further (Horizon MyWay)

- **The Unreimbursed Medical Flexible Spending Account (Medical FSA):**
 - Coverage terminates on the date the employment ends
 - COBRA option available

- **The Dependent Care Flexible Spending Account (Dependent FSA):**
 - Coverage terminates on the date the employment ends
 - No COBRA option available

- For additional information, please call Further (Horizon MyWay) at: 1-888-215-0025

Commuter Tax\$ave

Voluntary Pre-Tax Employee Contributions

- Ceases on last date of employment
- We recommend termination of benefit coverage prior to date of retirement
- For additional information, please call OneSource at 732-745-SERV (7378)

Employment After Retirement

- You must agree to and sign the terms and conditions on the ABP Request for Retirement Allowance
 - Complete severance of employment from the university
 - No pre-retirement planning allowed
 - **Must get written approval if retired and returning to public employment (form provided by UHR).**
- If you fail to sign the acknowledgement, your application for retirement allowance will not be processed
- For additional information, please refer to:
 - <http://www.state.nj.us/treasury/pensions/documents/factsheets/fact86.pdf>



Telephone Contacts

State Division of Pensions and Benefits:

- Client Services 609-292-7524

Deferred Compensation 866-657-3327

OneSource Rutgers
Faculty & Staff Service Center 732-745-7378

Social Security 800-772-1213

Internal Revenue Service 800-829-1040

NJ Division of Taxation 800-323-4400



Useful Websites

- University Human Resources
<http://uhr.rutgers.edu/information-prospective-retirees>
- Internal Revenue Service (IRS)
<http://www.irs.gov/>
- Medicare
<http://www.medicare.gov/>
- Social Security Online
<http://www.ssa.gov/>
- NJ Division of Pensions and Benefits
<http://www.state.nj.us/treasury/pensions/>
- Medicare Advantage Plans:
<https://www.nj.gov/treasury/pensions/hb-retired-shbp.shtml>



Additional Retirement Resources

Visit our Information for Prospective Retirees website, for supplemental PowerPoints and Videos:

<https://uhr.rutgers.edu/benefits/information-prospective-retirees>

Supplemental PowerPoints:

- Alternate Benefit Program (ABP) Retirement: Retiree State Health Benefits Program
- Alternate Benefit Program (ABP) Retirement: Paid Time Off (PTO) – Staff Members

