

## **Frequently Asked Questions**

**Q. Is the Voluntary Separation from Service Incentive Plan a retirement incentive program?**

*A. This Voluntary Separation from Service Incentive Plan (VSIP) is not a retirement incentive program and is not in any way related to the exercise of retirement rights and programs administered by the New Jersey Division of Pensions and Benefits (NJDPB). The VSIP is solely a budget and operations initiative to manage institutional costs. The application cut-off and the irrevocability date for withdrawal of the separation decision are integral to the VSIP and the institution's planning and management of budget and operations matters. Once the irrevocability date passes, separation from the college will occur on the date certain as provided in the notice.*

Some employees who are eligible for separation under the VSIP may also be considering on a separate parallel track whether they wish to simultaneously make application to retire pursuant to the terms of an applicable retirement program and coordinate the retirement date with the VSIP separation date. The college neither encourages nor discourages the private and personal consideration of retirement. If considering retirement, it cannot be overemphasized that the VSIP separation will occur whether or not the retirement is approved and implemented per the terms of the applicable retirement plan or whether or not the employee decides to withdraw the retirement application. The purposes of the VSIP are distinct from retirement and the individual personal decision to retire has no relationship to the institutional interests in the VSIP.

**Q. When will payment be disbursed?**

A. As soon as administratively possible after 6/30/2024. All applicable Federal and State payroll taxes will apply. Employees should seek advice of an accountant regarding this payment.

**Q. How can I continue my health benefits when I resign?**

A. Employees enrolled in the State Health Benefits Program (SHBP) may continue health and dental coverage under COBRA, in any plan for which the employee is eligible, if coverage ends because of resignation. You may continue coverage under COBRA for 18 months. Coverage ends at the end of the month in which you terminate employment. . Please visit the link below for more information.

<https://www.nj.gov/treasury/pensions/hb-active-cobra.shtml>

**Q. What happens to my pension when I resign?**

A. If you have ended your New Jersey public employment, are not planning to return, and are not eligible to retire, you may withdraw your pension contributions. To withdraw the balance in a lump sum, you must no longer be working in any covered position.

If your membership has been inactive for two years and you have not filed for and received a withdrawal of contributions, the New Jersey Division of Pensions & Benefits (NJDPB) will send an Expiration Notice to your last known address (and a copy to your last employer in case they have a more current address) to remind you that your money is still in the system. Should you return to covered employment before the two-year period ends, you may continue your membership in the retirement system or transfer to another State-administered retirement system if you are qualified to do so. Should you return to covered employment after your account has expired or you have withdrawn your account, you will be treated as a new member in all respects. Service credit from a former membership may be purchased by members returning to the system after withdrawal of the former account.

If you are a **multiple member**,\* you cannot withdraw until you have terminated all jobs covered by the pension fund. By law, if you are on a leave of absence granted by your employer, withdrawal is not allowed. If you have a Workers' Compensation claim or litigation pending or if you have been dismissed and you have an appeal pending, your application cannot be processed until we receive required information from your employer.

To withdraw, you must complete the Application for Withdrawal through [MBOS](#). Paper withdrawal applications are not accepted.

Once you apply for withdrawal, your former employer will be contacted to complete the Employer's Certification for Withdrawal. Your withdrawal claim cannot be paid until your former employer has completed this form

- [Withdrawal from the Retirement System](#) fact sheet
- [Tax Information for Pension Distributions](#) fact sheet
- [Termination of Employment Through Resignation, Dismissal, or Layoff](#) fact sheet

\*You are considered a **multiple member** if you are employed and reported to the retirement system by more than one PERS-participating employer at the same time.

**Q. What happens to my PERS Loan when I resign?**

A. If you take out a loan and fail to make required loan repayments for three consecutive months due to termination of employment or taking a leave of absence without pay, the NJDPB will send you a letter providing options to pay the outstanding balance, either by a lump-sum payment or by making monthly

payments through the NJDPB's loan billing system. Your response is required within 30 days of receipt of the letter. If the payment is not made, the NJDPB will treat your loan as a deemed distribution. Unlike a normal pension distribution, a loan treated as a deemed distribution cannot be rolled over to an IRA or other qualified retirement plan. If all or any part of your loan is declared a deemed distribution, you will have to claim the loan amount as additional income when you file your federal income tax return for the year in which the loan distribution occurred.

**Q. When will my life insurance end?**

A. If you are covered by group life insurance while employed, the coverage ends 31 days after you cease employment (whether for reason of retirement, termination of employment, or leave of absence without pay).

**Q. Can I convert my life insurance into an individual policy?**

A. If you terminate employment without applying for retirement or your insured period during a leave of absence expires, you will continue to be covered for the next 31 days. Up until the end of that 31-day period, you may convert your group life insurance, without medical examination, to any individual policy customarily offered by Prudential, except term insurance or a policy containing disability benefits.

Example: If you had group life insurance of \$96,000 through the retirement system while employed, that life insurance coverage is eliminated when you terminate employment. You can purchase up to \$96,000 in life insurance coverage under an individual, non-group policy by contacting a Prudential agent before 31 days following your termination of employment.

For more information, see the [Conversion of Group Life Insurance](#) fact sheet.

**Q. Will I be paid for my earned Vacation, Sick and Comp Time upon my resignation?**

If you are a fixed work week employee, you will be paid your earned Vacation and Comp Time. Sick leave is only paid out upon retirement (half of earned sick leave, up to \$15,000).

If you are an NE (Non-Exempt) Employee you will be paid your earned Vacation and Comp Time. Sick leave is **only** paid out upon retirement (half of earned sick leave, up to \$15,000).

If you are an NL (Exempt) Employee you will be paid your earned vacation time. Compensatory time does not get paid out upon termination. Sick leave is only paid out upon retirement (half of earned sick leave, up to \$15,000).

**Q. How does Resignation affect my Flexible Spending Account (FSA)?**

A. Termination of FSA benefits typically occurs on the last day of the month in which employment is terminated unless the participant enrolls in COBRA for FSA. However, if you terminate employment or go on unpaid leave, your eligibility for either or both FSAs may change. While your Dependent Care FSA cannot be continued following termination or the start of unpaid leave, you may be able to change or continue your Unreimbursed Medical FSA election upon completion of the appropriate forms and requirements. To begin the process for this change or to continue coverage, contact Customer Service within 30 days of the event by calling 1-888-215-0025. In addition, the Family and Medical Leave Act (FMLA) may affect your rights to continue coverage while on leave.

<https://www.state.nj.us/treasury/pensions/documents/taxsave/2022/fsa-essential-guide-2022.pdf>

**Q. What happens to my Supplemental Retirement Plan upon my resignation?**

A. Deferred Compensation: Upon separation from service, you may begin your account distribution as soon as administratively feasible, you may elect a future distribution date, or you may do nothing. However, you must begin receiving distribution no later than April 1 of the year following your attainment of age 70 1/2 (if born before July 1, 1949) or age 72 (if born on or after July 1, 1949), or the year of employment termination, whichever is later. For daily valued funds, your account will be valued at the close of the day prior to your distribution date. For monthly valued funds, your account will be valued at the close of the month prior to your election for payment. A Distribution Election form must be completed and returned to the Benefits Department.

<https://www.nj.gov/treasury/pensions/documents/factsheets/fact32.pdf>

Additional Contributions/Tax-Sheltered (ACTS) Program: Typically, accounts are paid at termination of employment or retirement. Information provided by the provider(s) will outline regulations, tax consequences, and distribution options. This will include the discussion of options available at separation of service from your employer, in the event of your death, or under a hardship withdrawal.

**Q. How do I apply for retirement?**

A. For the **PERS members**, when considering retirement, there are steps that need to be considered before you apply. Find out what you need to know using our [Online Retirement Guide](#) and [Retirement Planning Guidebook](#) for PERS and TPAF.

Members must submit their retirement application online using [MBOS](#)  
<https://www.nj.gov/treasury/pensions/mbos-register.shtml>  
<https://www.nj.gov/treasury/pensions/documents/pdf/MBOS-ActiveInstructions.pdf>

**Q. How can I continue my medical plan in retirement?**

A. Your active employer group benefits coverage will continue for *one month* beyond your termination of employment. Most eligible members enrolled in coverage as active employees will automatically be enrolled as retirees; it is not necessary to complete an application

Exceptions include those members who have:

- Changed their retirement date;
- Waived coverage as an active employee;
- Applied for a Disability Retirement.

Members in any of these categories must complete a Retiree Health Benefit Enrollment and/or Change Form to be enrolled. If you are waiving coverage because of other coverage, a Cancel/Decline/Waive Retired Coverage form must be submitted at the time of retirement in order to be eligible for enrollment if/ when you lose the other coverage. If you do not submit an application within 60 days of your retirement date, you will not be permitted to enroll at a later date, unless you are subsequently approved for a Disability Retirement. If you are not eligible for employer-paid coverage, the premium will be deducted from your monthly retirement check, or you will be billed on a monthly basis if the amount of your retirement check is not enough to cover your premium.

<https://www.nj.gov/treasury/pensions/documents/factsheets/fact11.pdf>

**Q. Am I covered for prescription drug coverage in retirement?**

A. Prescription drug coverage is included with all retiree medical plans. OptumRx is the pharmacy benefits administrator for all Retired Group members.

**Medicare Part D**

Retired members of the SHBP who are enrolled in Medicare are automatically enrolled in the OptumRx Medicare Part D Prescription Drug Plan (PDP).

<https://www.nj.gov/treasury/pensions/documents/factsheets/fact11.pdf>

**Q. Am I covered for dental in retirement?**

A. The Retiree Dental Plans are offered to retirees eligible to enroll in the SHBP.

Retirees and their eligible dependents have a choice of two types of plans:

- A Dental Plan Organization (DPO); or
- The Retiree Dental Expense Plan

**Retirees Dental Rates**

For State, Local Government, and Local Boards of Education Retirees  
([see fact sheet #73, Retiree Dental Expense Plan](#))

Retiree will pay the full cost of the Retiree Dental Plan.

**Retiree Contributions**  
**Employees of State Universities/Colleges**

If you had 25 or more years of service credited in one pension system before July 1, 1997 (the effective date of P.L. 1996, c. 8 (Chapter 8)), the State of New Jersey agreed to pay the full health benefits cost in retirement.

If you had 25 or more years of service credit between July 1, 1997, and June 27, 2011 (the effective date of P.L.2011, c. 78)), you are governed by the terms applicable on the date you attained 25 years of service credit.

Under Chapter 78, if you had 20 years of service credit by June 28, 2011, and retire with at least 25 years of service credit, your health benefits cost will be 1.5 percent of your monthly retirement allowance.

If you attain 20 years of service credit after June 28, 2011, and retire with at least 25 years of service credit, you will pay a contribution toward post-retirement medical coverage based on the applicable percentage of premium as determined by your annual retirement allowance.

Retirees covered under certain negotiated labor agreements who attained 25 years after July 2, 2019, will pay either a percentage of retirement allowance or a percentage of premium as determined by annual retirement allowance, dependent on the plan selected.

<https://www.nj.gov/treasury/pensions/documents/factsheets/fact11.pdf> (see page 3)

**Medicare Part B Reimbursement**

If you had 25 or more years of service credited in one pension system before July 1, 1997, the State of New Jersey agreed to reimburse you at retirement for the standard cost of any Medicare Part B premiums paid by you and/or your spouse, civil union partner, or same-sex domestic partner. If you attained 25 years of service credit after July 1, 1997, any reimbursement of Medicare Part B premiums paid by you and/or your spouse/ partner may be limited by the terms of the bargaining unit agreement in place at the time of your retirement or by legislation (Chapter 8). State employees who began

employment after July 1, 1995, or who became eligible for health benefits after that date, will not be eligible for Medicare Part B reimbursement.

<https://www.nj.gov/treasury/pensions/documents/factsheets/fact11.pdf> (see page 3)

### **PAYMENT OF COVERAGE COSTS**

The State and certain employers have negotiated to pay some or all of the cost of SHBP coverage for retirees who meet specific service credit or retirement criteria outlined in the following sections. SHBP eligible retirees who do not qualify for State-paid or employer-paid coverage must pay the full cost of their health benefits coverage. Premiums are deducted from your monthly pension checks. If the monthly retirement allowance is not sufficient to cover the premium, you will be billed monthly.

#### **Medicare Coverage is Required if Eligible**

Upon retirement, if you and/or your dependent are age 65 or have been on Social Security Disability for 24 months or more, you are required to enroll in Medicare Parts A and B. If you have not enrolled in both parts of Medicare, you should contact Social Security to apply 90 days prior to your retirement date. In most cases, the Centers for Medicare Services (CMS) will advise the SHBP of your enrollment. If you are retiring from a non-participating location, or receive correspondence from the SHBP/SHEBP requesting proof of your Medicare enrollment, you are required to provide a photocopy of your Medicare ID card, or a letter of confirmation from Social Security stating the effective dates of Medicare Parts A and B and your Health Insurance Claim Number (HICN) or Medicare Beneficiary Identifier (MBI) number. If you and/or your dependents become eligible for Medicare and do not enroll in Parts A and B, your SHBP/SEHBP coverage will be terminated. Once terminated, your coverage will only be reinstated prospectively after the appropriate documentation is received.

If you are paying the full cost of your SHBP coverage, that cost generally decreases when you and/or your dependents enroll in Medicare Parts A and B because most medical plans charge lower premiums.

You will need to submit an online application if you want to change your plan or those that are Medicare eligible and want to make Medicare your primary insurance.

#### **Information for Plan Year 2024**

**State and Local Government Retired Health Benefit Applications** – All retirees MUST submit applications online using Benefitsolver. Navigate to [mynjbenefitshub](#), or you may log in through [myNewJersey](#).

- [Benefitsolver Enrollment Instructions](#)
- [Benefitsolver Frequently Asked Questions](#)
- [Benefitsolver Video Guide](#)

## How to apply online for Medicare

If you are within three months of turning age 65 or older and not ready to start your monthly Social Security benefits yet, you can use our online retirement application to sign up just for Medicare and wait to apply for your retirement or spouses benefits later. It takes less than 10 minutes, and there are no forms to sign and usually no documentation is required

[Apply for Medicare Part B Only](#)

[Return to Saved Application](#) | [Check Application Status](#) | [Replace Medicare Card](#)

To find out what documents and information you need to apply, go to the [Checklist For The Online Medicare, Retirement, and Spouses Application](#)

## If You Are Already Enrolled in Medicare

If you have Medicare, you can get information and services online. Find out how to [manage your benefits](#).

If you are enrolled in Medicare Part A and you want to enroll in Part B, please complete form [CMS-40B](#), Application for Enrollment in Medicare – Part B (medical insurance). If you are applying for Medicare Part B due to a loss of employment or group health coverage, you will also need to complete form [CMS-L564](#), Request for Employment Information.

You can use **one** of the following options to submit your enrollment request under the Special Enrollment Period:

1. Go to "[Apply Online for Medicare Part B During a Special Enrollment Period](#)" and complete [CMS-40B](#) and [CMS-L564](#). Then upload your evidence of Group Health Plan or Large Group Health Plan.
2. Fax or mail your [CMS-40B](#), [CMS-L564](#), and secondary evidence to [your local Social Security office](#) (see list of secondary evidence below).

**Note:** When completing the forms [CMS-40B](#) and [CMS-L564](#)

- State "I want Part B coverage to begin (MM/YY)" in the remarks section of the [CMS-40B](#) form or online application.
- If possible, your employer should complete Section B.
- If your employer is unable to complete Section B, please complete that portion as best as you can on behalf of your employer without your employer's signature and submit one of the following forms of secondary evidence:



- Income tax form that shows health insurance premiums paid.
- W-2s reflecting pre-tax medical contributions.
- Pay stubs that reflect health insurance premium deductions.
- Health insurance cards with a policy effective date.
- Explanations of benefits paid by the GHP or LGHP.
- Statements or receipts that reflect payment of health insurance premiums.

### **Medicare Part B costs**

Some people automatically get Medicare Part B (Medical Insurance), and some people need to sign up for Part B. [Learn how and when you can sign up for Part B.](#)

If you don't sign up for Part B when you're first eligible, you may have to pay a late enrollment penalty.

How much does Part B cost?

---

### **Medicare Part B premiums**

You pay a premium each month for Part B. Your Part B premium will be automatically deducted from your benefit payment if you get benefits from one of these:

- Social Security
- Railroad Retirement Board
- Office of Personnel Management

If you don't get these benefit payments, you'll get a bill.

Most people will pay the standard premium amount. If your modified adjusted gross income is above a certain amount, you may pay an Income Related Monthly Adjustment Amount (IRMAA). Medicare uses the modified adjusted gross income reported on your IRS tax return from 2 years ago. This is the most recent tax return information provided to Social Security by the IRS.

---

Who pays a higher Part B premium because of income?

You'll pay the higher premium if your modified adjusted gross income, as reported on your IRS tax return from 2 years ago, is more than:

- \$103,000 in 2024, if you file an individual tax return or are married and file separately
- \$206,000 in 2024, if you are married and file a joint tax return

Social Security will tell you if you have to pay a higher premium because of your income. If you've had a life-changing event that reduced your household income, you can [ask Social Security to lower the additional amount you'll pay](#).

Find out if you'll pay a higher Part B premium in 2024:

If your yearly income in 2022 (for what you pay in 2024) was			You pay each month
File individual tax return	File joint tax return	File married & separate tax return	(in 2024)
\$103,000 or less	\$206,000 or less	\$103,000 or less	\$174.70
above \$103,000 up to \$129,000	above \$206,000 up to \$258,000	Not applicable	\$244.60
above \$129,000 up to \$161,000	above \$258,000 up to \$322,000	Not applicable	\$349.40
above \$161,000 up to \$193,000	above \$322,000 up to \$386,000	Not applicable	\$454.20
above \$193,000 and less than \$500,000	above \$386,000 and less than \$750,000	above \$103,000 and less than \$397,000	\$559.00
\$500,000 or above	\$750,000 or above	\$397,000 or above	\$594.00

### **Retirement Interview – Ready to Retire**

#### **Online Video Interview Appointments**

#### **Request an Appointment**

- Video Counseling is by Appointment Only.

- [Make \(or cancel\) an Appointment Online.](#)
- Video appointments are available between 8:00 a.m. and 4:00 p.m. Monday – Friday (except State Holidays).
- Video appointment times are limited. If no appointments are available, check back in a few days. The NJDPB regularly opens new appointment dates.

### **Before Your Appointment**

- You will receive an email approximately 24 hours prior to your appointment date containing a link for the video interview. The link will be sent to the email address you use to register for your appointment.  
**Note:** Appointments made within two days will receive an email the morning of the appointment day. If you have not received your link, please check your Spam/Bulk folder.
- Keep the email and use the link at the time of your scheduled video interview.
- Check your computer or tablet to ensure your video camera, microphone, and speakers are working correctly. A telephone number is also provided if needed for audio connection.
- Prepare your questions so you can make the most effective use of your interview time.

### **On the Day of Your Appointment**

- Use the link in your email to log in to your online meeting at least five minutes before the start time to fix any possible connection issues.
- Interviews are hosted via a Microsoft Teams video meeting. If you do not have a Teams account, you will have an option to launch the interview in your web browser. If needed for audio, use the telephone number provided in the email.
- Video Counseling Appointments are limited to 30 minutes (one hour for Disability Retirement).
- If you are more than 10 minutes late, you must reschedule for another day. Interview times will not be extended if you are late.
- Have your photo ID ready.