



State of New Jersey
DEPARTMENT OF THE TREASURY
DIVISION OF PENSIONS AND BENEFITS
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R. DAVID ROUSSEAU
State Treasurer

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Director

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Dear Retirement System Member,

Records indicate you may qualify for retirement under the 2008 STATE EARLY RETIREMENT INCENTIVE PROGRAM (ERI), which is described on the chart shown below. Participation is limited to full-time employees of selected agencies of the Executive Branch or the Judicial Branch of New Jersey State Government, who are enrolled in the Public Employees' Retirement System (PERS) or Teachers' Pension and Annuity Fund (TPAF), and who are eligible for State Health Benefits Program coverage provided by the employer.

The provisions of the ERI require eligible employees to **retire as of August 1, 2008**. To qualify for the ERI you must meet the age and membership credit criteria by the effective date of retirement, and the Division of Pensions and Benefits must receive your retirement application **no later than the ERI Application Deadline on July 15, 2008**. *Applications received after the July 15, 2008 deadline will not be honored.*

STATE ERI PROGRAM SUMMARY

CATEGORY	ELIGIBILITY CRITERIA	INCENTIVE
1	Age 58 or older with 25 years or more of credited service in the Public Employees' Retirement System (PERS), or Teachers' Pension and Annuity Fund (TPAF).	Service and Early Retirements: 3 additional years of service credit (an additional 5.45% of Final Average Salary). Veteran Retirement: * 3/55 of Final Salary added to retirement allowance. (an additional 5.45% of Final Salary.)
2 [‡]	Age 60 or older with at least 20, but less than 25 years of credited service in the PERS or TPAF.	Paid State Health Benefits Program (SHBP) post-retirement medical benefits. Certain retirees may be subject to a health contribution of 1.5% of the retirement allowance unless the retiree participates in the Retiree Wellness Program.
3 [‡]	Age 60 or older with at least 10, but less than 20 years of credited service in the PERS or TPAF	\$500 per month for 24 months after retirement, paid in a separate check from the retirement allowance.
<p>*Veteran Retirement Eligibility Criteria for PERS and TPAF</p> <ul style="list-style-type: none"> • Age 60 with 20 years of membership credit (only applicable to Category 2 of ERI) • Age 55 with 25 years of membership credit (must be at least age 58 for ERI eligibility) • Age 55 with 35 years of membership credit (must be at least age 58 for ERI eligibility) <p>‡ Judicial Branch employees are only eligible for Category 1 benefits.</p>		

TERMS AND CONDITIONS OF THE ERI

You must agree to the following terms and conditions when accepting retirement through the Early Retirement Incentive.

- **Retirement under the ERI is irrevocable seven days after your *ERI Application for Retirement Allowance* is received by the Division of Pensions and Benefits.** This means that seven days after your application is received, you cannot decide to cancel your retirement and return to State employment.
- A State ERI retiree cannot work for the State of New Jersey Executive Branch in any capacity for a period of **three years** from the retirement date. Similarly, a Judicial ERI retiree cannot work for the State of New Jersey Judicial Branch in any capacity for a period of **three years** from the retirement date. The following situations are covered under these conditions: as an employee; as a result of an appointment; as a contractor for professional services; or as part of a contract awarded to a third party. (An Executive Branch retiree may return on an hourly basis for emergency management purposes.)
- Each department or agency shall have the right to require an eligible employee who accepts retirement through the ERI to extend employment for up to one year. **This decision is at the option of the employer and is subject to approval by the State Treasurer or the Chief Justice.**

APPLYING FOR RETIREMENT

The materials enclosed with this letter are intended to provide the information you need to make an informed decision regarding your retirement. Also included are the forms needed to file for retirement under the ERI should you choose to do so. This package contains:

- **An *Estimate of Retirement Benefits under this ERI program*** — if you qualify for Category 1 of the ERI the estimate reflects your current eligible retirement benefit as well as the enhanced benefit you would be eligible for under the ERI. If you qualify for Category 2 or Category 3 of the ERI the estimate reflects your current eligible retirement benefit and you should consider the appropriate Category 2 or Category 3 incentive separately. We have estimated only the Maximum Option benefit and those benefits payable under Option 1. Instructions are provided with the estimate on how to obtain a more detailed estimate that includes available joint and survivor options. For an explanation of Option 1 and other methods of payment, see the information in the enclosed *ERI Application for Retirement Allowance*.
- ***ERI Application for Retirement Allowance*** — this booklet contains fact sheets and forms needed when applying for the 2008 State ERI.

Health Benefits — If you choose to retire under the ERI, and upon receipt of your completed *ERI Application for Retirement Allowance*, the Health Benefits Bureau will be notified and you will receive a separate mailing offering enrollment into State Health Benefits Program retired group coverage appropriate to your eligible ERI category.

Purchase of Service Credit — Service credit in the PERS or TPAF established through a purchase completed *after* the effective date of the ERI legislation **shall not be considered** in determining an employee's eligibility for the ERI. This means that qualification for the ERI, or an ERI category, by submitting a *Purchase Application* or using a "pending" purchase request **is not permitted**.

However, members who have previously authorized payroll deductions for the purchase of service credit or received a *Quotation Letter* for the purchase of service credit within 90 days prior to the effective date of the ERI legislation, may complete the purchase to qualify for the ERI, provided that the entire purchase is paid in full within 90 days of the *Quotation Letter* or **by the close of business on July 15, 2008**, whichever is earlier.