

**PFRS ENROLLMENT BY MEMBERSHIP TIER  
PENSIONABLE SALARY LIMITS**

<b>TIER 1</b> (Enrolled <i>on or before</i> May 21, 2010)	<b>TIER 2</b> (Enrolled <i>after</i> May 21, 2010 and on or before June 28, 2011)	<b>TIER 3</b> (Enrolled <i>after</i> June 28, 2011)
The PFRS contribution rate for <b>Tier 1</b> members enrolled <i>on or before</i> May 21, 2010, is applied to the full pensionable salary up to the “federal pensionable maximum.”*	The PFRS contribution rate for <b>Tier 2</b> members enrolled <i>after</i> May 21, 2010, is applied to the pensionable salary up to a compensation limit based on the annual maximum wage for Social Security deductions (\$128,400 for 2018). <b>Tier 2</b> members who earn in excess of the annual compensation limit will be enrolled in the Defined Contribution Retirement Program (DCRP) in addition to the PFRS. A contribution of 5.5 percent of the salary in excess of the limit (plus three percent from the employer) is forwarded to a DCRP account.	The PFRS contribution rate for <b>Tier 3</b> members enrolled <i>after</i> June 27, 2011, is applied to the pensionable salary up to a compensation limit based on the annual maximum wage for Social Security deductions (\$128,400 for 2018). <b>Tier 3</b> members who earn in excess of the annual compensation limit will be enrolled in the Defined Contribution Retirement Program (DCRP) in addition to the PFRS. A contribution of 5.5 percent of the salary in excess of the limit (plus three percent from the employer) is forwarded to a DCRP account.

\***Federal Pensionable Maximum** – Since the PFRS is a qualified pension plan under the provisions of the Internal Revenue Code, Section 401(a)(17), the current federal ceiling on pensionable compensation (\$275,000 for 2018) applies to the base salaries of PFRS members.

**PFRS RETIREMENT BENEFITS BY MEMBERSHIP TIER**

	<b>TIER 1</b> <b>(Enrolled <i>on or before</i> May 21, 2010)</b>	<b>TIER 2</b> <b>(Enrolled <i>after</i> May 21, 2010 and on or before June 28, 2011)</b>	<b>TIER 3</b> <b>(Enrolled <i>after</i> June 28, 2011)</b>
<b>SERVICE RETIREMENT</b>	<p>Service Retirement eligibility requirements fall into two categories.</p> <ul style="list-style-type: none"> <li>• A member in service and age 55 or older may retire without any required minimum years of service.</li> <li>• A member with at least 20 years of service may retire at any age provided the member was enrolled in the PFRS as of January 18, 2000.</li> </ul> <p>The Tier 1 calculations for a Service Retirement are:</p> <ul style="list-style-type: none"> <li>• Less than 20 years of service credit, the Annual Benefits equals 2 percent of Final Compensation for each year of service.</li> <li>• At least 20 years but less than 25 years of service credit, the Annual Benefit equals 50 percent of Final Compensation.</li> <li>• If age 65 (mandatory retirement age) with 20 or more years of service credit, the Annual Benefit equals 50 percent of Final Compensation, <b>plus</b> 3 percent of Final Compensation for each year of service over 20, up to 25 years, if enrolled in the PFRS as of January 18, 2000.</li> <li>• At least 30 years of service credit, the Annual Benefit equals 2 percent per year of average Final Compensation for the first 30 years of service, <b>plus</b> an additional 1 percent of average Final Compensation for each year of service credit over 30 years.</li> </ul>	<p>Service Retirement eligibility for Tier 2 members is:</p> <ul style="list-style-type: none"> <li>• A member in service and age 55 or older you may retire without any required minimum years of service.</li> </ul> <p>The Tier 2 calculations for a Service Retirement are:</p> <ul style="list-style-type: none"> <li>• Less than 20 years of service credit, the Annual Benefit equals 2 percent of Final Compensation for each year of service.</li> <li>• At least 20 years but less than 25 years of service credit, the Annual Benefit equals 50 percent of your Final Compensation.</li> <li>• At least 30 years of service credit, the Annual Benefit equals 2 percent per year of average Final Compensation for the first 30 years of service, <b>plus</b> an additional one percent of average Final Compensation for each year of service credit over 30 years.</li> </ul>	<p>Service Retirement eligibility for Tier 3 members is:</p> <ul style="list-style-type: none"> <li>• A member in service and age 55 or older you may retire without any required minimum years of service.</li> </ul> <p>The Tier 3 calculations for a Service Retirement are:</p> <ul style="list-style-type: none"> <li>• Less than 20 years of service credit, the Annual Benefit equals 2 percent of Final Compensation for each year of service.</li> <li>• At least 20 years but less than 25 years of service credit, the Annual Benefit equals 50 percent of your Final Compensation.</li> <li>• At least 30 years of service credit, the Annual Benefit equals 2 percent per year of average Final Compensation for the first 30 years of service, <b>plus</b> an additional one percent of average Final Compensation for each year of service credit over 30 years.</li> </ul>

**Tier 1 — Final Compensation** means the salary upon which pension contributions were based in the **last 12 months** of creditable service preceding retirement.

**Tier 2 and Tier 3 — Final Compensation** means the *average* salary upon which pension contributions were based for any **three fiscal years** of membership preceding retirement that provides the largest possible benefit possible.

**PFRS RETIREMENT BENEFITS BY MEMBERSHIP TIER**

	<b>TIER 1</b> <b>(Enrolled <i>on or before</i> May 21, 2010)</b>	<b>TIER 2</b> <b>(Enrolled <i>after</i> May 21, 2010 and on or before June 28, 2011)</b>	<b>TIER 3</b> <b>(Enrolled <i>after</i> June 28, 2011)</b>
<b>DEFERRED RETIREMENT</b>	<p>Available to members who have at least 10 years of service credit and are not yet 55 years of age when they terminate employment.</p> <p>The Deferred Retirement is effective on the first of the month after attaining age 55.</p> <p>The Annual Benefit for a Deferred Retirement equals 2 percent of Final Compensation for each year of service.</p>	<p>Available to PFRS members who have at least 10 years of service credit and are not yet 55 years of age when they terminate employment.</p> <p>The Deferred Retirement is effective on the first of the month after attaining age 55.</p> <p>The benefit calculation for a Deferred Retirement equals 2 percent of Final Compensation for each year of service.</p>	<p>Available to PFRS members who have at least 10 years of service credit and are not yet 55 years of age when they terminate employment.</p> <p>The Deferred Retirement is effective on the first of the month after attaining age 55.</p> <p>The benefit calculation for a Deferred Retirement equals 2 percent of Final Compensation for each year of service.</p>
<b>SPECIAL RETIREMENT</b>	<p>Available to Tier 1 members at any age, who have at least 25 years of service credit in the PFRS.</p> <p>The Tier 1 Annual Benefit for a Special Retirement equals 65 percent of Final Compensation <b>plus</b> 1 percent for each year of creditable service over 25 years <i>but not to exceed 30 years</i>.</p> <p>The maximum allowance is therefore 70 percent of your Final Compensation.</p>	<p>Available to Tier 2 members at any age, who have at least 25 years of service credit in PFRS.</p> <p>The Tier 2 Annual Benefit for a Special Retirement equals 65 percent of Final Compensation <b>plus</b> 1 percent for each year of creditable service over 25 years <i>but not to exceed 30 years</i>.</p> <p>The maximum allowance is therefore <b>70</b> percent of your Final Compensation.</p>	<p>Available to Tier 3 members of any age who have at least 25 years of service credit in the PFRS.</p> <p>The Tier 3 Annual Benefit for a Special Retirement equals <b>60</b> percent of Final Compensation <b>plus</b> 1 percent for each year of creditable service over 25 years <i>but not to exceed 30 years</i>.</p> <p>The maximum allowance is therefore <b>65</b> percent of your Final Compensation.</p>

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**PFRS RETIREMENT BENEFITS BY MEMBERSHIP TIER**

	<b>TIER 1</b> <b>(Enrolled on or before May 21, 2010)</b>	<b>TIER 2</b> <b>(Enrolled after May 21, 2010 and on or before June 28, 2011)</b>	<b>TIER 3</b> <b>(Enrolled after June 28, 2011)</b>
<b>ORDINARY DISABILITY RETIREMENT</b>	Upon Board approval the Annual Benefit is equal to 40 percent of your Final Compensation <b>or</b> 1.5 percent of Final Compensation for each year of service credit, whichever is higher.	Upon Board approval the Annual Benefit is equal to 40 percent of your Final Compensation <b>or</b> 1.5 percent of Final Compensation for each year of service credit, whichever is higher.	Upon Board approval the Annual Benefit is equal to 40 percent of your Final Compensation <b>or</b> 1.5 percent of Final Compensation for each year of service credit, whichever is higher.
<b>INVOLUNTARY ORDINARY DISABILITY RETIREMENT</b>	<p>The employer has the right to apply for an Involuntary Ordinary Disability Retirement on an employee’s behalf* provided that all qualifications for Ordinary Disability Retirement are met</p> <ul style="list-style-type: none"> <li>• Upon Board approval of an application by the employer* — and with at least 4 years of PFRS service, but less than 20 years, — the Ordinary Disability retirement is 40 percent of Final Compensation, <b>or</b> 1.5 percent of Final Compensation for each year of PFRS service, whichever is higher.</li> <li>• Upon Board approval of an application by the employer* — and with 20 or more years of service, — the Ordinary Disability retirement is 50 percent of Final Compensation, <b>plus</b> an additional 3 percent of Final Compensation for every year of PFRS service over 20 up to a maximum of 25 years.</li> </ul>	<p>The employer has the right to apply for an Involuntary Ordinary Disability Retirement on an employee’s behalf* provided that all qualifications for Ordinary Disability Retirement are met</p> <ul style="list-style-type: none"> <li>• Upon Board approval of an application by the employer* — and with at least 4 years of PFRS service, but less than 20 years, — the Ordinary Disability retirement is 40 percent of Final Compensation, <b>or</b> 1.5 percent of Final Compensation for each year of SPRS service, whichever is higher.</li> <li>• Upon Board approval of an application by the employer* — and with 20 or more years of service, — the Ordinary Disability retirement is 50 percent of Final Compensation, <b>plus</b> an additional 3 percent of Final Compensation for every year of PFRS service over 20 up to a maximum of 25 years.</li> </ul>	<p>The employer has the right to apply for an Involuntary Ordinary Disability Retirement on an employee’s behalf* provided that all qualifications for Ordinary Disability Retirement are met</p> <ul style="list-style-type: none"> <li>• Upon Board approval of an application by the employer* — and with at least 4 years of PFRS service, but less than 20 years, — the Ordinary Disability retirement is 40 percent of Final Compensation, <b>or</b> 1.5 percent of Final Compensation for each year of SPRS service, whichever is higher.</li> <li>• Upon Board approval of an application by the employer* — and with 20 or more years of service, — the Ordinary Disability retirement is 50 percent of Final Compensation, <b>plus</b> an additional 3 percent of Final Compensation for every year of PFRS service over 20 up to a maximum of 25 years.</li> </ul>

\*The employer must file a Resolution and/or an Official Letter with **all** involuntary disability applications. See the *PFRS Member Handbook* for details.

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<b>SPECIAL DISABILITY RETIREMENT</b>	<p>To qualify for a Special Disability Retirement you must:</p> <ul style="list-style-type: none"> <li>• Be a PFRS member in service at the time the application is filed with the Division of Pensions and Benefits (an official leave of absence is considered in service); and</li> <li>• Be under 55 years of age;</li> <li>• Have five or more years of New Jersey service credit; and</li> <li>• Receive a heart transplant.</li> </ul> <p>The annual benefit calculation for a Special Disability Retirement is equal to 50 percent of Final Compensation.</p>	<p>To qualify for a Special Disability Retirement you must:</p> <ul style="list-style-type: none"> <li>• Be a member in service at the time the application is filed with the Division of Pensions and Benefits (an official leave of absence is considered in service); and</li> <li>• Be under 55 years of age;</li> <li>• Have five or more years of New Jersey service credit; and</li> <li>• Receive a heart transplant.</li> </ul> <p>The annual benefit calculation for a Special Disability Retirement is equal to 50 percent of Final Compensation.</p>	<p>To qualify for a Special Disability Retirement you must:</p> <ul style="list-style-type: none"> <li>• Be a member in service at the time the application is filed with the Division of Pensions and Benefits (an official leave of absence is considered in service); and</li> <li>• Be under 55 years of age;</li> <li>• Have five or more years of New Jersey service credit; and</li> <li>• Receive a heart transplant.</li> </ul> <p>The annual benefit calculation for a Special Disability Retirement is equal to 50 percent of Final Compensation.</p>
<b>ACCIDENTAL DISABILITY RETIREMENT</b>	<p>If approved, the annual benefit is equal to 2/3 of your annual compensation on which pension contributions were being made at the time of retirement or the date of the “traumatic event”, whichever provides the higher benefit.</p>	<p>If approved, the annual benefit is equal to 2/3 of your annual compensation on which pension contributions were being made at the time of retirement or the date of the “traumatic event”, whichever provides the higher benefit.</p>	<p>If approved, the annual benefit is equal to 2/3 of your annual compensation on which pension contributions were being made at the time of retirement or the date of the “traumatic event”, whichever provides the higher benefit.</p>

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