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# MEMORANDUM

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DATE: December 15, 2008  
TO: Adjunct Faculty  
FROM: Harriet Hacker  
Re: PENSION PLAN CHANGES

The State of New Jersey has made changes to the pension plan available to adjunct faculty. Effective November 1, 2008, adjunct faculty members will be required to participate in the Alternate Benefit Program (ABP) pension plan and will no longer be eligible to participate in the Public Employees Retirement System (PERS) pension plan. The following addresses how this will affect adjuncts currently in PERS; adjuncts hired after November 1, 2008; and adjuncts currently satisfying the three consecutive semester waiting period prior to being enrolled in PERS.

Adjunct faculty currently participating in PERS will have a onetime irrevocable election to either remain in PERS or to transfer their accumulated pension service, contributions and any available employer contributions to ABP. The enclosed Election of Retirement Application form **MUST** be completed and returned to Human Resources no later than 30 days from the date of this memo. Failure to return the election form will result in your automatic enrollment in ABP.

The enclosed handbook entitled Considerations for Choosing between PERS and ABP will help those currently in PERS make their irrevocable decision to either remain in PERS or transfer to ABP. **The completed Election of Retirement Coverage form MUST be returned to me within 30 days.** *Please note that the State has indicated that those who do not return their election form will lose their right to have all retirement credit consolidated under one retirement account and may lose those benefits which have not vested.* Once this election form is received I will send those that elected to transfer to ABP the ABP enrollment and carrier election forms.

New adjunct faculty starting employment after November 1, 2008 will be enrolled in ABP. Participation in ABP will be effective with the date of hire.

Adjunct faculty currently satisfying the three consecutive semester employment requirement for enrollment in PERS will be enrolled in ABP if they begin the spring 2009 semester.

**ALTERNATE BENEFIT PROGRAM  
ELECTION OF RETIREMENT COVERAGE**

**THIS FORM MUST BE FILED WITHIN 30 DAYS OF THE DATE OF APPOINTMENT TO AN ABP ELIGIBLE POSITION OR WITHIN 90 DAYS OF A JOB TITLE BEING DECLARED ELIGIBLE BY THE DIVISION OF PENSIONS AND BENEFITS.**

In accordance with New Jersey Statutes, the Alternate Benefit Program has been established for eligible employees of public institutions of higher education. This program provides participation in a defined contribution retirement program as well as non-contributory group life insurance and long-term disability programs underwritten by the Prudential Insurance Company of America, Inc.

The statutes require that all new employees hired in an eligible position on a full-time permanent basis participate in the Alternate Benefit Program. The statutes permit members of the Teachers' Pensions and Annuity Fund of New Jersey (TPAF) or the Public Employees' Retirement System of New Jersey (PERS) at the time of appointment to waive participation in the Alternate Benefit Program and elect the PERS.

- **MEMBERS OF THE TPAF MUST EITHER (1) TRANSFER TO THE ALTERNATE BENEFIT PROGRAM OR (2) TRANSFER TO PERS. The statute does not permit continuation of membership in TPAF.**
- **MEMBERS OF PERS MUST EITHER (1) WAIVE THE ALTERNATE BENEFIT PROGRAM AND CONTINUE PARTICIPATION IN PERS OR (2) ELECT TO TRANSFER TO THE ALTERNATE BENEFIT PROGRAM.\*\***

\*\*You may select one investment carrier to receive the pension contributions eligible for transfer. Your accumulated pension contributions are sent to the carrier when this form is processed. The employer's Contingent Reserve is sent to the carrier at the earlier of your achieving 10 years of pension credit or attaining age 60. You must establish a valid account directly with the investment carrier you select before funds can be transferred.

**LITERATURE EXPLAINING THE BENEFITS OF THE ALTERNATE BENEFIT PROGRAM AND PERS SHOULD BE OBTAINED FROM YOUR PERSONNEL OFFICER BEFORE YOU COMPLETE THIS WAIVER.**

**INSTRUCTIONS TO EMPLOYER**

This form must be completed by members of the TPAF or PERS when (A) appointed to a position covered by the Alternate Benefit Program or (B) the member's current position becomes ABP eligible.

- For TPAF members electing to transfer to PERS, attach this election form to the individual's PERS Application for Interfund Transfer form when it is filed with the Division of Pensions and Benefits.
- For PERS members electing to remain in PERS, return this form to the Alternate Benefit Program.
- For PERS or TPAF members electing to transfer to the Alternate Benefit Program, attach this election form to the individual's Alternate Benefit Program Enrollment Application and Application for Withdrawal from PERS or TPAF.

**ALTERNATE BENEFIT PROGRAM  
ELECTION OF RETIREMENT COVERAGE**

*(Please do not complete this form until you have read the reverse side.)*

Name \_\_\_\_\_

Social Security # \_\_\_\_\_ Title \_\_\_\_\_

Employing Institution \_\_\_\_\_

I certify that I am now a member of:

The NJ Teachers' Pension and Annuity Fund  
and my membership number in the Fund is: # \_\_\_\_\_

The NJ Public Employees' Retirement System  
and my membership number is: # \_\_\_\_\_

**— SIGN ONE STATEMENT ONLY —**

I wish to transfer my pension contributions to the Alternate Benefit Program and waive my statutory right to remain in or transfer to the Public Employees' Retirement System. I understand that my decision is irrevocable. I wish my accumulated pension deductions and any contingent reserve funds to which I am entitled to be invested with the one investment carrier designated below:

- \_\_\_\_\_ AIG VALIC
- \_\_\_\_\_ AXA Financial (Equitable)
- \_\_\_\_\_ The Hartford
- \_\_\_\_\_ ING Life Insurance and Annuity Company
- \_\_\_\_\_ Met Life (formerly Travelers/CitiStreet)
- \_\_\_\_\_ TIAA-CREF

\_\_\_\_\_  
Employee Signature \_\_\_\_\_  
Date

**— OR —**

I wish to remain in the Public Employees' Retirement System (PERS) or transfer my pension contributions to the PERS from the Teachers' Pension and Annuity Fund and waive my statutory right to participate in the Alternate Benefit Program. I understand that my decision is irrevocable.

\_\_\_\_\_  
Employee Signature \_\_\_\_\_  
Date

**WITNESSED BY OFFICIAL OF EMPLOYING AGENCY**

Signature of Official \_\_\_\_\_

Title \_\_\_\_\_

Institution \_\_\_\_\_