ORDINARY DISABILITY

The processing of Ordinary Disability retirement benefits normally takes 3-5 months. To qualify for Ordinary Disability retirement benefits you must:

- have an active pension account (active membership ceases after discontinuance of pension contributions for more than two consecutive years or withdrawal of member contributions from the retirement system); and
- have 10 or more years of New Jersey service credit in the pension system (the purchase of out-of-state, military, and U.S. government civilian service cannot be used to attain the 10 years); and
- be considered totally and permanently disabled (you must prove that you are physically or mentally incapacitated from performing your normal or assigned job duties with no possibility for significant improvement).

If the medical documentation supplied by you is not sufficient to support your claim of disability, you may be examined by physicians selected by the retirement system at no cost to you. The examination will be scheduled by the Division of Pensions and Benefits.

If you qualify for an Ordinary Disability retirement benefit, the annual benefit is equal to 43.6 percent of your Final Average Salary (FAS).

“Final Average Salary” means your average salary for the 36 months (30 months for members paid on that basis) immediately preceding your retirement on which pension contributions were taken. If your last 36 months are not your highest years of salary, your allowance may be calculated using your three highest fiscal years (July 1 to June 30) of salary. If this is the case, please indicate on your retirement application that you had higher fiscal years of salary.

Calculation Example: In the 36 months prior to retirement, a member’s average salary was $45,000. After approval of Ordinary Disability retirement benefits, the member would be entitled to an annual benefit of $19,620 ($45,000 X .436) under the Maximum Option (see Fact Sheet #5, Pension Options, for an explanation on how to provide for survivor benefits).

The retirement benefit is not reduced by any Social Security, Workers’ Compensation, or private insurance benefits that may be payable. However, any Workers’ Compensation award you receive may be reduced. See your employer for details.

Ordinary Disability retirement benefits are subject to federal tax to the same extent as other pensions; your benefits are not subject to New Jersey State income tax until you reach age 65.

ACCIDENTAL DISABILITY

The processing of Accidental Disability retirement benefits normally takes 3-5 months. To qualify for Accidental Disability retirement benefits you must:

- have an active pension account (active membership ceases after discontinuance of pension contributions for more than two consecutive years);
- be an active member of the PERS or TPAF on the date of the traumatic event (see definition on page 2);
- be considered totally and permanently disabled (you must prove that you are physically or mentally incapacitated from performing your normal or assigned job duties with no possibility for significant improvement) as a direct result of a traumatic event that happened during and as a direct result of carrying out your regular or assigned job duties;
- file an application within five years of the date of the traumatic event; and

1Special rules apply for former members who discontinued service after two years and terminated employment because of a disability. Contact the Division of Pensions and Benefits for more information.
• be examined by physicians selected by the retirement system at no cost to you. The examination will be scheduled by the Division of Pensions and Benefits.

A "Traumatic Event" has been defined by the courts as one in which the worker is involuntarily exposed to a violent level of force or impact which is not brought into motion by the worker.

To be eligible for Accidental Disability retirement benefits, the worker must demonstrate that:

• the injury was not induced by normal work effort;
• the worker met involuntarily with the object that was the source of the harm; and
• the source of the injury was a violent or uncontrollable power.

The following would not be considered traumatic events:

• Slip and fall cases, no force or power originates anywhere except from the person falling and the gravitational force on the person was not considered “great”;
• A worker who injured his wrist when a jackhammer twisted in his hand was not injured as a direct result of a great rush of force or uncontrollable power;
• A member’s heart attack, although the result of job stress and tension, was not considered a traumatic event.

If you qualify for an Accidental Disability retirement benefit, you will receive 72.7 percent of your base salary at the time of the traumatic event.

Calculation Example: On the date of the traumatic event that caused the member’s disability, a member’s annual salary was $45,000. After approval of Accidental Disability retirement benefits, the member would be entitled to an annual benefit of $32,715 ($45,000 X .727) under the Maximum Option (see Fact Sheet #5, Pension Options, for an explanation on how to provide for survivor benefits).

If you are receiving periodic Workers’ Compensation benefits, your Accidental Disability retirement benefits will be reduced dollar for dollar by the periodic benefits paid after your retirement date. The retirement benefit is not reduced by any Social Security or private insurance benefits that may be payable.

The Division of Pensions and Benefits reports your Accidental Disability retirement benefit as exempt from federal income tax; your benefits are not subject to New Jersey State income tax until you reach age 65.

If you apply for Accidental Disability retirement and are found by the Board of Trustees to be totally and permanently disabled, but not because of a traumatic event or the event was not the primary cause of your disability, you will be retired on an Ordinary Disability if you have 10 years of New Jersey service in the retirement system. You may be offered a Service or Early Retirement (this depends on your age and service credit at the time the application was received).

APPLYING FOR DISABILITY RETIREMENT BENEFITS

The Application for Disability Retirement can be obtained:

• from our Web site at: www.state.nj.us/treasury/pensions
• by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, NJ 08625-0295;
• by contacting the Office of Client Services by telephone at (609) 292-7524; or
• by e-mail request to: pensions.nj@treas.state.nj.us

The Application for Disability Retirement includes forms for your physicians to complete and a release for any hospital records related to your disability. Applicants for disability retirement must submit all supporting hospital and physician records. At least two forms of medical documentation are required; i.e. a statement from two treating physicians or one statement and records from a hospital stay related to the disability. Applications and supporting documents should be submitted to:
Division of Pensions and Benefits
Disability Review Unit
PO Box 297
Trenton, NJ 08625-0297

All medical information is confidential and used only by the Board of Trustees in reviewing the claim.

You must pay for the cost of any medical documentation that may be required to prove your claim. For example, if you had a hospital stay due to your disability and the hospital charges for the duplication of medical records from your stay, you would be responsible for any cost involved. The more complete the application, the faster it can be processed.

In order to be eligible to receive either Ordinary or Accidental Disability retirement benefits, you must terminate all retirement system covered employment prior to your retirement date.

Your employer has the right to apply for an involuntary disability retirement on your behalf.

The approval of Workers’ Compensation or Social Security Disability benefits has no bearing on your application for disability retirement from the retirement system.

If you retire with an outstanding loan balance, your monthly loan repayment schedule will continue into retirement until the loan balance plus interest has been repaid.

OTHER INFORMATION

Group Life Insurance

Most members of the retirement system are covered by group life insurance. If you are covered immediately prior to your retirement, you are entitled to reduced coverage in retirement as follows:

**PERS Members**

If you retire on a disability retirement, you are covered by group life insurance in the amount of 1½ times your final salary until age 60. At age 60 your life insurance coverage automatically reduces to 3/16 of your final salary.

**TPAF Members**

- If you retire on a disability retirement with contributory and noncontributory group life insurance, you are covered by group life insurance in the amount of 1½ times your final salary until age 60, when your life insurance coverage automatically reduces to 7/16 of your final salary.
- If you retire on a disability retirement with noncontributory group life insurance only, you are covered by group life insurance in the amount of 1½ times your final salary until age 60, when your life insurance coverage automatically reduces to 3/16 of your final salary.

**Conversion**

When your group life insurance is reduced, you have 31 days to convert the amount of insurance reduced to private individual insurance coverage. Please see Fact Sheet #13, Conversion of Life Insurance, for more detailed information.

**Employment after Retirement**

Since Ordinary and Accidental Disability benefits are considered retirement benefits, you no longer accumulate pension membership credit in the retirement system after approval by the Board of Trustees. Normally, all PERS and TPAF disability retirees are subject to an annual earnings test. If your pension, when added to the earnings from employment, exceeds what your former position currently pays, your pension will be reduced dollar for dollar by the excess earnings over the current salary of your former position. Each year the Division of Pensions and Benefits may request copies of your previous year’s federal tax return and W-2 forms.

If you return to employment in a position covered by the same retirement system from which you retired (and if the PERS position pays more than $1,500 per year or the TPAF position pays more than $500 per year), you should expect to cancel your retirement and re-enroll in the retirement system. Contact the Division of Pensions and Benefits and request Fact Sheet #21, Employment After Retirement (PERS) or #28, Employment After Retirement (TPAF) for the...
procedures to follow when returning to public employment in New Jersey.

Health Benefits

Fact Sheet #11, *Enrolling in the State Health Benefits Program When You Retire*, provides information about continuing your State Health Benefits Program coverage in retirement.

If you are not covered by the State Health Benefits Program, contact your employer about continuing your coverage.

Cost-of-Living Adjustments

The Pension Adjustment Program provides cost-of-living adjustments (COLA) to you and your eligible survivors if you are receiving a monthly retirement allowance from one of the state-administered retirement systems. The first adjustment is available in the 25th month after your retirement. Subsequent cost-of-living adjustments are computed annually and the adjustment is reflected in the February 1st check (which is payment for the month of January). If your spouse or beneficiary is entitled to receive a monthly pension upon your death, the COLA will be applied to that benefit based upon your year of retirement. See Fact Sheet #18, *Cost-of-Living Adjustments*, for further information.

Fact Sheets and Forms

The fact sheets, forms, and other publications mentioned above are available from your employer, by contacting the Division of Pensions and Benefits, or over the Internet at:

www.state.nj.us/treasury/pensions