

to purchase a conversion policy.

5) Social Security Pension through the

Social Security Administration: All members are entitled to a Social Security pension. In deciding when to retire, it is important to remember that financial experts say you will need 70-80 percent of your preretirement income to have a comfortable retirement. Since Social Security replaces only about 40 percent of preretirement income for the average worker, it is important to have pensions, savings and investments.

Regardless of the age you choose to retire, it is a good idea to contact Social Security in advance to see which month is best to claim benefits. In some cases, your choice of a retirement month could mean higher benefit payments for you and your family.

Apply for benefits **about three months before the date you want your benefits to start**. It may be advantageous to have your Social Security benefits start in January, even if you do not plan to retire until later in the year. Depending on earnings and benefit amount, it may be possible to start collecting benefits even though you continue to work. Under current rules, many people can receive the most benefits possible with an application that is effective in January. If you are thinking about retiring in the near future, visit Social Security's website to use the retirement planner (www.socialsecurity.gov/retire2/).

6) Medicare through the Social Security Administration: Medicare is a health insurance plan for people who are age 65 or older. Medicare has four parts— 1) Hospital insurance (Part A) helps pay for inpatient hospital care and certain follow-up services; 2) Medical insurance (Part B) helps pay for doctors' ser-

vices, outpatient hospital care and other medical services. If you are already getting Social Security retirement you will be enrolled in Medicare Parts A and B automatically. However, because you must pay a premium for Part B coverage, you have the option of turning it down; 3) Medicare Advantage plans (Part C) are available in many areas. People with Medicare Parts A and B can choose to receive all of their health care services through a provider organization under Part C; 4) Prescription drug coverage (Part D) helps pay for medications doctors prescribe for medical treatment. If you are not getting Social Security, **you should sign up for Medicare before your 65th birthday, even if you are not ready to retire.**

7) The Camden County Retired Employees Association (CCREA): The CCREA is open to all retired Council #10 members. The CCREA offers valuable information, and good fellowship to retirees. The association has a monthly luncheon meeting, providing members a chance to stay in touch with former coworkers. Each luncheon features a guest speaker talking on subjects of interest to the retirees. Council #10 will pay the first year's dues of any retiring member interested in joining. For more information on the CCREA, call the Council #10 office at (856) 541-4191.

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Serving Public Employees
in Camden County
Since 1935

A RETIREMENT BENEFIT REVIEW



You worked long and hard and now you are ready to retire.

What do you need to know?

You will make many decisions at the time of your retirement. Not everyone should make the same choices. This brochure is designed to help you begin thinking about some of your choices and to give you an idea of when decisions should be made. It is **not** intended to be a complete guide to retirement benefits.

What benefits will I have in retirement?

The answer is not the same for everyone. Members may have all or some of the following benefits—

1) Retirement Pension through the New Jersey Public Employees Retirement System (PERS): Most members will be eligible to collect a pension from PERS. Starting at age 60, members enrolled in PERS before 11/2/2008 are eligible for a “Service Retirement” pension. The pension is based on a final average salary or FAS (FAS is the average base salary received in the 36 months immediately preceding retirement or the 3 highest fiscal years of salary during PERS membership) and years and months of credited service in PERS including purchased credit. The maximum annual allowance at retirement is equal to (Years of service/55) x FAS. A member with a final average salary of \$50,000 retiring after 25 years of service will have a maximum annual allowance of (25/55) x \$50,000 or \$22,727.

NOTE: Early Retirement (25 years of membership credit and under age 60) and other

through your employer: Many members will be eligible for retirement health benefits provided by their employer subject to eligibility and premium contribution requirements defined by their contract and State law. Review your bargaining unit contract and speak with a Council #10 representative for more information. **Contact your employer for information and timelines on enrollment.**

3) Dental Coverage through your employer or through Council #10: Many members will be eligible for retirement dental benefits through their employer or Council #10 subject to eligibility and premium contribution requirements. Review your bargaining unit contract and speak with a Council #10 representative for more information. **Contact your employer or the Council #10 office for information and timelines on enrollment.**

4) Life Insurance through PERS: Life insurance is payable only if the member retired with 10 or more years of pension service. When a retired member dies, the named beneficiaries are entitled to benefits generally equal to 3/16 x the total base salary during the year preceding retirement. Members are eligible to convert their group life insurance coverage to an individual policy, without medical examination and at their own expense, when they retire. This conversion is guaranteed (they cannot be denied coverage for health or other reasons), but it may be more expensive or less suitable than other policies. Members have a one-time option prior to the 31st day after they cease employment. After that date, they will not be eligible

types (e.g., Veterans and Disability) have separate requirements and may be calculated using different formulas.

Pension recipients may choose the maximum allowance, or decide among a number of survivor benefit options. The pension amount varies depending on the option selected. The selection **cannot** be changed at a later date.

Members should use the Member Benefits Online System (MBOS) **six to eight months before retirement** to obtain an estimate of the retirement allowances available. By providing the birth date of a beneficiary, MBOS will estimate not only the Maximum Option but alternate payment options. Using the MBOS Retirement Estimate Calculator allows members to obtain and compare estimates for different retirement dates.

Members should file an Application for Retirement Allowance with the Division of Pensions and Benefits **four to six months before retirement**. The Application for Retirement Allowance should be submitted online using the Member Benefits Online System (MBOS). Using MBOS provides fast, efficient processing of your retirement application. Additional information on using MBOS and the Application for Retirement Allowance can be found in the MBOS Users' Guide, available on MBOS and on the Division's Web site at: www.state.nj.us/treasury/pensions.

2) Health and Prescription Coverage