

# Overview of Defined Benefit Options

## Retirement Plan: New Jersey PERS & TPAF Tier 1 (hired before 7/1/2007)

### Survivor Benefit Options for Example

	Both Alive			Client as Survivor		Spouse as Survivor	
	Monthly Income	% of Primary Option	Monthly Cost of the Option	Monthly Value	Percent of Income	Monthly Value	Percent of Income
Maximum Option	\$4,204	N/A	N/A	\$4,204	N/A	\$0	N/A
Option A	\$3,573	85%	\$631	\$4,204	Pop-Up	\$3,573	100%
Option B	\$3,741	89%	\$462	\$4,204	Pop-Up	\$2,806	75%
Option C	\$3,931	93.5%	\$273	\$4,204	Pop-Up	\$1,965	50%
Option D	\$4,069	96.8%	\$135	\$4,204	Pop-Up	\$1,017	25%
Option 1	\$4,069	96.8%	\$135	\$4,069	100%	\$0	0%

The Maximum Option provides the highest retirement allowance payable. Upon your death, all pension benefits will cease. If your death should occur before you have received distribution of all your accumulated pension contributions, with interest, the remainder of any undistributed contributions will be paid to your beneficiary.

Option A provides that upon your death, your beneficiary will receive the same monthly allowance that you were receiving at the time of your death, for the duration of his/her lifetime. If your designated beneficiary dies before you, your monthly allowance increases to the Maximum Option amount.

Option B provides that upon your death, your beneficiary will receive 75% of the monthly allowance that you were receiving at the time of your death, for the duration of his/her lifetime. If your designated beneficiary dies before you, your monthly allowance increases to the Maximum Option amount.

Option C provides that upon your death, your beneficiary will receive 50% of the monthly allowance that you were receiving at the time of your death, for the duration of his/her lifetime. If your designated beneficiary dies before you, your monthly allowance increases to the Maximum Option amount.

Option D provides that upon your death, your beneficiary will receive 25% of the monthly allowance that you were receiving at the time of your death, for the duration of his/her lifetime. If your designated beneficiary dies before you, your monthly allowance increases to the Maximum Option amount.

Option 1 sets aside an initial reserve based on your life expectancy. This reserve is then reduced each month by the amount of your initial monthly retirement allowance. Upon your death, the balance of the reserve, if any, is paid to your beneficiary(ies). The balance will be paid in a lump sum or the beneficiary may request equal monthly payments over 5, 10, 15, or 20 years. If you exhaust your initial reserve, you will continue to receive your monthly retirement allowance for the rest of your life. However, there are no further pension benefits payable to your beneficiary(ies). You may designate more than one beneficiary for Option 1. A beneficiary may be a person, a charity, an institution, or your estate. You may change a beneficiary under this option at any time.



# Survivor Benefit Options at Various Ages

## Various option values at different retirement ages for Example

The grid displays below the estimated monthly income from the pension plan for the various options available in the pension plan at different retirement ages.

			Options								
Date	Example's Age	Spouse's Age	Maximum Option	Option A	Option B	Option C	Option D	Reducing Retirement Reserve	Option 2	Option 3	
6/2025	55	54	\$3,522	\$3,082	\$3,223	\$3,381	\$3,462	\$3,497	\$3,117	\$3,399	
6/2026	56	55	\$3,658	\$3,183	\$3,329	\$3,494	\$3,585	\$3,614	\$3,219	\$3,512	
6/2027	57	56	\$3,795	\$3,282	\$3,434	\$3,605	\$3,707	\$3,730	\$3,320	\$3,624	
6/2028	58	57	\$3,931	\$3,381	\$3,538	\$3,715	\$3,829	\$3,845	\$3,420	\$3,735	
6/2029	59	58	\$4,067	\$3,478	\$3,640	\$3,823	\$3,949	\$3,958	\$3,518	\$3,844	
6/2030	60	59	\$4,204	\$3,573	\$3,741	\$3,931	\$4,069	\$4,069	\$3,615	\$3,952	
6/2031	61	60	\$4,340	\$3,667	\$3,841	\$4,036	\$4,188	\$4,180	\$3,711	\$4,058	
6/2032	62	61	\$4,477	\$3,761	\$3,940	\$4,141	\$4,316	\$4,289	\$3,805	\$4,164	
6/2033	63	62	\$4,613	\$3,852	\$4,036	\$4,244	\$4,440	\$4,396	\$3,898	\$4,267	
6/2034	64	63	\$4,749	\$3,942	\$4,132	\$4,346	\$4,563	\$4,502	\$3,989	\$4,369	
6/2035	65	64	\$4,886	\$4,031	\$4,226	\$4,446	\$4,683	\$4,607	\$4,079	\$4,470	
6/2036	66	65	\$5,022	\$4,118	\$4,319	\$4,545	\$4,801	\$4,711	\$4,169	\$4,570	
6/2037	67	66	\$5,158	\$4,204	\$4,410	\$4,643	\$4,911	\$4,813	\$4,256	\$4,668	
6/2038	68	67	\$5,295	\$4,289	\$4,501	\$4,739	\$5,019	\$4,913	\$4,342	\$4,765	
6/2039	69	68	\$5,431	\$4,372	\$4,589	\$4,834	\$5,127	\$5,013	\$4,426	\$4,861	
6/2040	70	69	\$5,568	\$4,454	\$4,677	\$4,928	\$5,234	\$5,111	\$4,510	\$4,955	