

## Types of Retirement

The following types of retirement benefits are calculated using your "Years of Service" and "Final Compensation."

- **Years of Service** — means the years and months of membership service you have credited to your SPRS account
- **Final Compensation** — for a SPRS Tier 1 member enrolled *on or before* May 21, 2010, Final Compensation means the salary upon which pension contributions were based in the last 12 months of creditable service preceding retirement.

For a SPRS Tier 2 member enrolled *after* May 21, 2010, Final Compensation means the *average* salary upon which pension contributions were based for any *three fiscal years* (July-June) of membership that provides the largest possible benefit.

For all SPRS members Final Compensation includes the value of the maintenance allowance for the same period.

- **Service under Other Pension Systems** — Only service rendered as a member of the State Police may be used to satisfy the minimum creditable service requirements of the retirement types described below. This includes the creditable service of members appointed to the Division of State Police under N.J.S.A. 53:5A-5(c-d). If you transferred or purchased service credit from another New Jersey State-administered retirement system, this service credit cannot be used to fulfill SPRS minimum service requirements. However, such service credit may be applied to your retirement allowance as an additional one percent of Final Compensation for each year of service credit up to the limits specified or to meet the 25-year requirement for State-paid health benefits coverage in retirement.

There are several types of retirement for which you may qualify.

### Service Retirement

This type of retirement is available at any age when you complete 20 years of creditable service as a member of SPRS. The amount of your annual retirement allowance is equal to 50% of your Final Compensation.

If you are retiring on a mandatory retirement at age 55 **and** you were an active member of the retirement system on August 29, 1985, Chapter 175, P.L. 1985, guarantees you an annual retirement allowance of 50% of your Final Compensation, even if you have not completed 20 years of service with the State Police.

### Special Retirement

This type of retirement is available at any age to members who have 25 years or more of service credit in the SPRS. The amount of your annual retirement allowance is equal to 65% of your Final Compensation **plus** 1% for each year of creditable service over 25 years but not to exceed 30 years. The maximum allowance is, therefore, 70% of your Final Compensation.

### Deferred Retirement

This type of retirement is available to SPRS members with at least ten years of service credit and who are not yet 55 years of age when they terminate employment. The annual retirement allowance is 2% of Final Compensation for each year of service up to 25 years.

The effective date of a Deferred Retirement is the first of the month after you attain age 55. You must file an *Application for Retirement Allowance* to receive a Deferred Retirement, and you should file the application when you terminate covered employment. If you are terminated for cause, you may not be eligible to receive Deferred Retirement benefits. The SPRS Board of Trustees will make that determination at the time you file your application.

At any time before your Deferred Retirement becomes effective, you may change your mind and apply for a lump-sum withdrawal of all your pension contributions instead. However, once you cancel your Deferred Retirement and withdraw your contributions, all the rights and privileges of membership in the retirement system end.

Please note the following important information about your life insurance, health care coverage, loans, and purchase arrears if you are considering a Deferred Retirement.

- **Life Insurance** — Your group life insurance coverage is not in effect between the time you terminate employment and when your Deferred Retirement becomes effective. If you die before your Deferred Retirement becomes effective, the beneficiary on your retirement