



PENSION JUSTICE!

EQUITY-SECURITY-DIGNITY

DCRP

for members not eligible for TPAF & PERS

What is DCRP?

DCRP stands for Defined Contribution Retirement Program. A DCRP account is a 403(b)-style account. The member is the owner of the account and can manage investments through Prudential. Once retired, the member can elect to draw from the account or can convert the funds to an annuity.

Who is enrolled in DCRP?

Those who are in tiers 4 and 5 of the pension system (hired after 5/21/2010) and work less than 32 hours a week (but earn a minimum annual base salary of \$5,000 or more) must be enrolled in DCRP. Tier 3 members (hired on or after 11/2/2008 and before 5/22/2010) who do not make a minimum salary each year (currently \$9,000) also must be enrolled in DCRP.

Are contributions mandatory?

Yes — there are mandatory contributions to DCRP. Enrollees must contribute 5.5% of salary and the employer must contribute 3% of salary.

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njea.org/pensionjustice



If I later become eligible for a pensionable position, can I buy my DCRP years in the pension?

Credit in DCRP cannot be used to purchase time in any of the state-administered pension systems.

Do DCRP years count toward the 25 years I need for health benefits in retirement?

Years worked in a DCRP eligible position do not count toward the years you need for health benefits in retirement.

Do I have life insurance if I am in DCRP?

Yes, DCRP-covered positions qualify for employer-sponsored life insurance in the amount of 1.5 times your current annual salary while you are actively working.

Also NJEA/NEA members are eligible for free life insurance — you can find more information here: bit.ly/neamb-life

Can I choose how I invest my DCRP funds?

DCRP funds are invested through Empower. You can get more information your investments here: bit.ly/njplans-empower

Am I eligible for long-term disability if I am enrolled in DCRP?

Yes, if you become permanently and totally disabled while working in a DCRP covered position you may be eligible for long-term disability insurance.

What should you do with your DCRP account if you become employed in a pension-eligible position?

You must leave your funds in DCRP. (See next section.)

Can I withdraw my DCRP funds?

If you leave employment with the district or you become a full-time employee eligible for membership in one of the pension funds, you may wonder what happens to the funds in your DCRP account. If you were not vested — meaning you only worked for one year in a DCRP covered position — you can withdraw your contributions only. Once you are vested, you are entitled to the employer's contributions to the account. If you withdraw funds once you are vested, you can never participate in any of the state-administered retirement systems, which includes TPAF and PERS.

Note: Vesting of employer contributions happens when you begin your second year of employment. Vesting means that you are entitled to the funds that the employer contributed to the account in addition to your contributions.

Contact information for DCRP:

1-866-657-3327

Website: bit.ly/njplans-empower

DCRP Fact Sheet: bit.ly/dcrp-fact82