



# PENSION JUSTICE!

## EQUITY-SECURITY-DIGNITY

# What happens if I leave a career in education prior to being eligible for retirement?

**First, you need to know if you are vested in the pension system. To be vested means you have at least 10 years of pension credit.**

### NOT VESTED – Fewer than 10 years of service

If you are not vested, your pensions account will remain active for 24 months after your last payment or after the end of an official leave of absence. If you return to public education within those 24 months, you can resume contributing to that pension account. Also, if you gain public sector employment anywhere else that is part of the state pension system, you can transfer your pension account. (See the new employer for more information.)

If you leave public sector employment in New Jersey entirely, and you have fewer than 10 years in your pension account, you will have to withdraw your funds. When you withdraw your funds, you are entitled to

your contributions, plus a nominal interest rate. You are not entitled to any employer contributions to your pension. You should roll those withdrawn contributions into an IRA/401(k)/403(b)/457 to avoid any tax penalties. If you later become a public employee in another state, you may be eligible to purchase your public service time in New Jersey into that state's pension system (if applicable).

### VESTED – At Least 10 Years of Service

If you are vested, you can choose to withdraw your funds OR you can leave your money in the pension system and collect a deferred retirement benefit when you are eligible, which is age 65 if you are in Tier 5. This means you would collect a pension based on the years of service and salary you

had while you were working. You must file for deferred retirement through your MBOS account. If you do not file for retirement before your 65th birthday, you can collect as soon as you do file, but no retroactive pension payments will be made.

### What if I withdraw my pension contributions and return to public sector employment later?

If you return to public sector employment, but have a withdrawn pension account, you no longer have credit for that time. You can purchase the time when you return to work, so long as the former employer has a record of your past employment. The cost to purchase former service varies, and it based on your age and salary at the time of the purchase.

### HERE ARE SOME EXAMPLES OF WHAT A DEFERRED RETIREMENT BENEFIT WOULD LOOK LIKE:

Age when you left service	Total Years of Service	Final Average Salary (highest 5 years)	Annual benefit at 65	Monthly benefit at 65
32	10	\$60,000	\$10,000	\$833
28	10	\$30,000	\$5,000	\$417

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