



Roger León  
Superintendent

# Newark Board of Education

Dr. Yolanda Méndez, Assistant Superintendent  
Human Resource Services

Where Passion Meets Progress

## PENSION, HEALTH, AND COMPENSATION FAQs

This document is designed to provide assistance for employees who are facing a change in status/role with the District.

### **Section 1: Benefits Status Upon Termination**

**1. If my employment is terminated for any reason, do I have to withdraw my monies from the pension fund?**

You do not have to withdraw your monies from the pension fund. The pension fund will notify you and the Newark Board of Education when your membership has been inactive for two years to remind you that your money is still in the system.

If your termination is the result of layoff, the abolishment of your position, or a reduction in force, it is your obligation to provide the Division of Pensions and Benefits with supporting documentation to keep your account open for up to 10 years.

**2. If my employment is terminated, do I have to retire?**

No. Your eligibility to retire is based upon your pension Membership Tier. To retire, you must be retirement age or have the qualifying service credit.

**3. Will I receive all monies I contributed to the pension fund if I decide to withdraw my pension contributions?**

You may withdraw all your contributions with a reduction for any outstanding loans and mandatory taxes. Additionally, you may receive a small amount of interest if you have at least 3 or more years of service in TPAF or PERS. To withdraw your pension contributions, you must waive your rights to a future retirement or death benefit.

**4. Will I be reimbursed for premiums I paid towards my Group Contributory Life Insurance policy?**

No. You will not be reimbursed for premiums paid towards the Group Contributory Life Insurance policy.

**5. What is the process for withdrawing my pension contributions?**

All withdrawal requests must be submitted through the Application for Withdrawal program of the Member Benefits Online System (MBOS), by logging on at:  
[www.nj.gov/treasury/pensions](http://www.nj.gov/treasury/pensions).

**6. How do I enroll in MBOS, if I have not already done so?**

You may log onto the following website and follow the guidelines for registration for first time users at <https://www.nj.gov/treasury/pensions/mbos-register.shtml>.

**Note:** You must have your pension membership number to register. You can obtain your membership number from your Pension Personal Benefit Statements or through NBOE Employees Self Service (ESS) at: <https://www.nps.k12.nj.us/employees/self-service>.

**Navigation is as follows:**

- 1 Select ESS Login.**
- 2. You will need your NBOE User ID and Password to sign in.**
- 3. Select Personal Details**
- 4. Select Additional Information**

**7. Can I transfer my pension membership to another location?**

Yes. If you change employers, but continue employment in a position covered by the same pension fund, you are eligible to continue membership as long as salary and Social Security requirements are met. Your membership must be in good standing.

**8. When will my health benefit coverage end after my termination?**

- All 12 Month Employees and 10 Month employees who terminate during the school year:
  - If the termination date is on the 1<sup>st</sup>-5<sup>th</sup> of a given month, benefits will terminate at the end of that month.
  - If the termination date is on the 6<sup>th</sup> or later of a given month, benefits will terminate at the end of the following month.
- 10 Month employees who terminate at the end of the school year:
  - If you had benefits throughout the school year, benefits terminate on August 31.
  - If you started your benefits coverage after the month of September, benefits terminate on July 31.

**9. How do I continue medical coverage?**

The Federal Consolidated Omnibus Reconciliation Act of 1985 (COBRA) provides for the continuation of group coverage under the Newark Board of Education private group program, AETNA, for you and your eligible dependents for up to 18 months. You will receive a COBRA Notice via U.S. mail from PayFlex, Inc. and you must complete the application and return it to the designated address within 60-days from the date of the notice if you elect to participate. The notice will include a COBRA Rate sheet listing the monthly premium for each plan according to the level of coverage (ex. family, single, employee/spouse/civil union partner, parent/child) so you will know the monthly cost for each plan.

Please note that instead of enrolling in COBRA continuation coverage, there may be other coverage options for you and your family through the Health Insurance Marketplace, Medicaid, or other group plan coverage options (such as a spouse's plan) through what is



Roger León  
Superintendent

# Newark Board of Education

Dr. Yolanda Méndez, Assistant Superintendent  
Human Resource Services

Where Passion Meets Progress

called a “special enrollment period”. Some of these options may cost less than COBRA continuation coverage. You can learn more about these options at [www.healthcare.gov](http://www.healthcare.gov).

## 10. What are my options for the balance of the 457(b) monies that I have contributed to the authorized tax sheltered annuity company?

- **Leave the assets in the plan** - Participants may leave the assets in the plan.
- **Rollover assets to Traditional IRA** - Participants may elect to rollover their assets to an IRA of their choice. In this option, participants do not have to pay any taxes since the money is not leaving its “pre-tax” status. The money is merely moving from one investment vehicle to another.
- **Rollover assets to different Employer Sponsored Plan** - Participants may elect to rollover their assets to a different employer plan. In this option, participants do not have to pay any taxes since the money is not leaving its “pre-tax status. The money is merely moving from one investment vehicle to another.
- **Roth IRA Conversion** - A Roth conversion occurs when participants take “pre-tax” assets from their 457(b) Plan and convert them to a Roth IRA. We strongly suggest participants to contact a qualified tax professional in order to understand the potential impact of Roth IRA conversions.
- **Cash Out** - Participants can take distributions without incurring any penalties. There is a mandatory 20% federal tax withholding upon distribution of the account. We strongly suggest participants to contact a qualified tax professional in order to understand the potential impact of cash distributions.

## 11. What are my options for the balance of the 403 (b) monies that I have contributed to the authorized tax sheltered annuity company?

Participants who are age 59 ½ and above or **Terminated** have the following options:

- **Leave the assets in the plan** - Participants may leave the assets in the plan.
- **Rollover assets to a Traditional IRA** - Participants may elect to rollover their assets to an IRA of their choice. In this option, participants do not have to pay any taxes since the money is not leaving its “pre-tax” status. The money is merely moving from one investment vehicle to another.
- **Rollover Designated Roth Account assets to Roth IRA** - Participants may elect to rollover their Roth assets to a Roth IRA of their choice. In this option, participants do not have to pay any taxes since the money is not leaving its “Roth” status. The money is merely moving from one Roth investment vehicle to another.
- **Rollover assets to different Employer Sponsored Plan** - Participants may elect to rollover their assets to a different employer plan. In this option, participants do not have to pay any taxes since the money is not leaving its “pre-tax” status. The money is merely moving from one investment vehicle to another

- **Rollover Designated Roth Account assets to a different Designated Roth account with a different Employer Sponsored Plan** - Participants may elect to directly rollover their Roth assets to a different Employer Sponsored Plan which allows for Roth contributions and Incoming Direct Rollovers from Designated Roth Accounts. In this option, participants do not have to pay any taxes since the money is not leaving its “Roth” status. The money is merely moving from one investment vehicle to another
- **Roth IRA Conversion** - A Roth conversion occurs when participants take “pre-tax” assets from their 403(b) Plan and converts them to a Roth IRA. We strongly suggest participants to contact a qualified tax professional in order to understand the potential impact of Roth IRA conversions.
- **Cash Out** - Participants that are age 59 ½ or older can take distributions without incurring any penalties. There is a mandatory 20% federal tax withholding upon distribution of the account. We strongly suggest participants to contact a qualified tax professional in order to understand the potential impact of cash distributions.
  - Participants that are not age 59 ½ can take distributions, but will incur in a 10% early withdrawal penalty and a mandatory 20% federal tax withholding upon distribution.

**12. What happens to unused TransitChek Quick-Pay Card funds?**

If you leave you terminate or cancel your benefit, you have until the end of your last benefit month to use all remaining funds on your Card, subject to the monthly cap of \$270.00 for transit, vanpools and commuter parking. You will forfeit all unused pretax and post-tax funds. If you have added post-tax money from a personal debit or credit card or bank account, the post-tax money will be returned to you.

**13. What happens to my unclaimed TransitChek Cash-Back funds?**

If you leave terminate or cancel your benefit, your TransitChek Cash-Back account will be closed 30 days after the end of your last benefit month. During this 30-day grace period, you may submit claims only for expenses incurred prior to the end of your last benefit month. Any balance remaining in your Cash-Back account after the grace period will be forfeited.

**14. What happens to my Flexible Spending Account (FSA) monies upon termination?**

FSA Benefits terminate effective the date of termination. You will have the ability to submit claims incurred prior up to 60-days from the date of termination. Any monies that are remaining in the account are forfeited.



Roger León  
Superintendent

# Newark Board of Education

Dr. Yolanda Méndez, Assistant Superintendent  
Human Resource Services

Where Passion Meets Progress

## **Section 2: Payroll and Final Payouts Upon Termination**

### **1. When will I receive my last paycheck?**

You will receive your final paycheck on the pay date that corresponds with your last day worked.

### **2. Will I be paid for my unused sick and personal days?**

- You will not be paid for the balance of sick and personal days; the days will remain in your leave accrual balance for one year. If you return to the Newark Board of Education during that time, your sick day balance will be restored subject to your union affiliation. The days will expire if you do not return to the district within 12 months.
- **If you retire**, you will be entitled to a pay out of accrued sick leave based on the provisions of your union contract. The payment will be made within 1 month after your retirement.

### **3. Will I be paid for unused Vacation Days?**

Accrued and unused vacation day will be paid out for the following employees:

- Non-union employees
- Union employees where the vacation payout is specified in the Collective Bargaining Agreement.

### **4. Can I remain a member of the Credit Union after I am terminated from employment?**

Yes. You can remain a member of the Credit Union.

### **5. I work in the After School Program. When will I receive my Supplemental Pay?**

The timing of all Supplemental Pay will be in accordance with the Supplemental Pay Schedule and the submission of the required documentation to payroll.

### **6. Will normal deductions come out of my last paycheck?**

Yes. All scheduled deductions will come out of your last paycheck.

### **7. Will terminated employees receive retro that is paid for a period that they were employed with the District?**

All retro payments are made based on the terms of the agreement between union and the District.

**8. How is escrow paid upon my termination?**

Your Escrow Refund will be processed automatically and refunded to you as a lump sum within 2 pay periods following your termination.

**Section 3: Benefits and Payroll upon Transfer**

**1. Do my benefits remain the same if my title changes from one union to another?**

Your medical, prescription, and vision coverage will remain the same. Dental coverage may change based on union affiliation; contact Benefits for details

**2. Will the pay schedule change?**

All employees are paid on the same pay calendar.

**3. What will happen to my unused sick and personal days when I change roles?**

Your accrued Personal and Sick days will transfer to your new role.

**4. What will happen to my unused Vacation days?**

Like Personal and Sick days, vacation days will transfer to your new role.

**5. Will transferred/reclassified employees receive retro that is paid for a period that they were employed in the previous role?**

It will be based on the terms of the agreement between the bargaining union and the District.

**6. Who should I contact if I have additional question?**

Benefits: [Benefits@nps.k12.nj.us](mailto:Benefits@nps.k12.nj.us)

Payroll: [Payrollcs@nps.k12.nj.us](mailto:Payrollcs@nps.k12.nj.us)

Labor Relations: [NPSLaborRelations@nps.k12.nj.us](mailto:NPSLaborRelations@nps.k12.nj.us)

Human Resource Services: [HumanResources@nps.k12.nj.us](mailto:HumanResources@nps.k12.nj.us)