TO:         Certifying Officers, State and County Colleges and Universities
FROM:      Joseph Zisa, Manager 1, Fiscal Resources
           Division of Pensions and Benefits
SUBJECT:   Pension Eligibility — Adjunct Faculty and Part-Time Instructors

As a result of pension reform legislation, Chapter 89, Public Laws of 2008, recently passed by
the State Legislature and signed into law by Governor Corzine on September 29, 2008, any
adjunct faculty member or part-time instructor whose employment agreement begins after
October 31, 2008 is eligible to participate in the Alternate Benefit Program (ABP).

Among the reforms contained in that law was a change in the definition of "member" or
"participant" under the ABP. Effective November 1, 2008, any new adjunct faculty member or a
new part-time instructor entering service under a new employment agreement will be required to
participate in the ABP and is no longer eligible to participate in the Public Employees'
Retirement System (PERS). Additionally, any existing adjunct faculty member or a part-time
instructor employed under an agreement which took effect prior to November 1, 2008, will
become eligible to participate in the ABP once a new employment agreement is executed and
the individual enters service under that agreement.

Enrollment of adjunct faculty members and part-time instructors in the ABP should begin
immediately upon the commencement of employment and not after the completion of 12-months
of service as was the case for enrollment into PERS prior to this change in law.

Adjunct faculty members and part-time instructors already enrolled in the PERS who enter
into a new employment agreement after October 31, 2008, must choose to either:
A) Irrevocably waive their benefits under the ABP and continue their participation in the
   PERS, or
B) Irrevocably waive their benefits under the PERS and transfer their accumulated pension
   service, contributions and any available employer contributions\(^1\) under PERS to the ABP.

Each adjunct faculty member or part-time instructor participating in the PERS must make this
election by completing an Election of Retirement Coverage form within 30 days following
commencement of employment in the ABP eligible position\(^2\).

If after reviewing this information you have additional questions regarding the ABP or any of
the information in this letter, contact the Defined Contribution Plans Unit at (609) 292-3605 or e-mail
the Unit at: typabp1@treas.state.nj.us.

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\(^1\) Transfers of employee TPAF or PERS contributions occur upon election to waive TPAF or PERS coverage.
Transfers of employer contributions occur after the member has accrued ten years of non-concurrent service credit
under TPAF, PERS and ABP.

\(^2\) Individuals with existing TPAF or PERS membership at the time of ABP enrollment, who do not make an election to
waive benefits under one of the two retirement systems, will lose the right to have all retirement credit consolidated
under one retirement account and may lose those benefits which have not vested.