

3. The number of equity units paid out in the current month on account of terminations for death or withdrawals during the preceding month; less

4. The number of equity units transferred to the Variable Benefit Account as of the first of the month for retirements during the preceding month; plus

5. One third of one percent of the balance so obtained.

Amended by R.1997 d.294, effective July 21, 1997.

See: 29 N.J.R. 1685(a), 29 N.J.R. 3269(a).

Inserted new (d) and (h), recodified former (d) through (f) and (g) to (e) through (g) and (i).

17:8-1.6 Variable Benefit Account

(a) At the retirement of a participant, the number of equity units credited to a participant in his accumulation account as of the date of retirement shall be transferred to the Variable Benefit Account.

(b) The number of equity units to be transferred into the Variable Benefit Account shall be the sum of the equity units credited to his account as of the first day of the current quarter increased by one third of one percent per month for each month since the end of the prior quarter to the end of the month of retirement plus the additional equity units credited for contributions, if any, during the current quarter.

(c) In the event a participant elects a lump sum payment at retirement, the amount payable shall be the product of the number of equity units in his Variable Accumulation Account multiplied by the value per equity unit as of the end of the month of retirement.

(d) Annuities shall be payable to a participant from the Variable Benefit Account and will be expressed in terms of a number of equity units.

(e) The number of units payable monthly to a participant or his beneficiary shall be determined by dividing the number of equity units transferred to the Variable Benefit Account at retirement by the present value of one equity unit payable monthly for life on the basis of the interest and mortality tables then in effect, modified as appropriate for optional selections.

(f) The dollar amount of a retired participant's monthly annuity payment shall be the number of units payable to him monthly, multiplied by the value of each unit as of the end of the quarter preceding the month during which the current annuity payment is made.

1. This monthly dollar amount would vary from quarter to quarter, or otherwise at the discretion of the council, with changes in the value of the equity unit.

2. However, the number of units payable monthly to a participant or his beneficiary shall, except for modification under an option, remain constant.

(g) The total number of equity units credited to all retired participants or their beneficiaries in the Variable Benefit Account will be decreased by the total number of units paid each month.

(h) The total number of equity units credited to the Variable Benefit Account will be increased by one third of one percent per month.

(i) The total number of equity units in force in the Variable Benefit Account at the end of each month shall be determined as follows:

1. The number of equity units in force at the start of the month; plus

2. The number of equity units transferred from the Variable Accumulation Account as of the first of the month for retirements during the preceding month; less

3. The number of equity units paid out to retired participants or their beneficiaries during the current month; plus

4. One third of one percent of the balance so obtained.

(j) The number of equity units in force will be reviewed at least once in every three-year period and, if necessary, adjusted to equal the total present value in equity units of all annuities in force on the basis of actuarial valuation. The mortality gain or loss for the period shall be allocated to the Income Distribution Summary and then apportioned to the Variable Accumulation Account and the Variable Benefit Account as herein provided.

17:8-1.7 Income Distribution Summary

(a) The Income Distribution Summary shall be the account to which the investment income and gains or losses of the Variable Division shall be credited or charged. Such gains or losses shall reflect appreciation and depreciation in the market value of investments.

(b) The net gain or loss not previously allocated to accounts terminated during the current quarter shall be distributed to the Variable Accumulation Account and the Variable Benefit Account on the basis of the equity units in force in each account at the end of each quarter.

17:8-1.8 Computation of dollar values of equity units

(a) At the end of each month, which shall be the monthly unit valuation date, the value of the equity unit as of the end of such month shall be determined by dividing the excess of (b) over (c) by (d) below.

(b) Market value in dollars of the assets in the Variable Division at the end of the current month.

(c) The total contribution income received for the current quarter reduced by:

1. The contributions for the current quarter applicable to terminations during the current quarter; and

2. The contributions for the current quarter applicable to retirements during the current quarter.

(d) The sum of the total number of equity units in force in the Variable Accumulation Account and the Variable Benefit Account as of the end of the current month.

17:8-1.9 Payment of pension loan balance upon retirement

(a) At the retirement of a participant with a pension loan outstanding from the Teachers' Pension and Annuity Fund or the Public Employees' Retirement System, the participant may elect to use funds in his or her variable accumulation account to satisfy all or any portion of the pension loan.

(b) An election to use funds from a variable accumulation account to satisfy a pension loan balance must be filed with the Council within a 60 day period ending 30 days prior to the effective date of retirement on the approved form.

New Rule, R.1997 d.294, effective July 21, 1997.
See: 29 N.J.R. 1685(a), 29 N.J.R. 3269(a).

SUBCHAPTER 2. ENROLLMENT, CONTRIBUTIONS AND TRANSFERS

Subchapter Historical Note

The name of Subchapter 2, Enrollment and Contributions, was changed to Enrollment, Contributions and Transfers, by R.1997 d.294, effective July 21, 1997. See: 29 N.J.R. 1685(a), 29 N.J.R. 3269(a).

17:8-2.1 Enrollment; exceptions

Enrollment is to be effective only at the beginning of a calendar quarter except 10-month employees of boards of education may enroll as of September 1. In each case, an employee must be enrolled in a State-administered retirement system prior to enrolling in the Supplemental Annuity Collective Trust.

17:8-2.2 Enrollment applications

Each employee participating in the regular and tax-sheltered programs shall file a Supplemental Annuity Collective Trust enrollment application on the prescribed form, which shall be completed and certified by the employer.

17:8-2.3 Salary reduction; exceptions

As a condition of enrollment in the tax-sheltered annuity plan, salary reduction agreements on the approved form shall be entered into by the eligible employee and the employer. Such agreements shall commence only at the beginning of a calendar quarter, except 10-month employees of boards of education may enroll as of September 1. In each case, an employee must be enrolled in a State-administered retirement system prior to enrolling in the Supplemental Annuity Collective Trust.

17:8-2.4 Contributions; limitations

(a) Participants may contribute from one percent to 10 percent of base salary through payroll deductions on certification from the Division of Pensions; no fractional percentages are permitted.

(b) Contributions shall be in even dollar amounts rounded to the nearest dollar (\$0.50 and over rounded to the next higher dollar).

(c) In the event an employee is eligible to participate in both the regular supplemental annuity plan and the tax-sheltered annuity plan, the combined contributions may not exceed 10 percent of base salary.

17:8-2.5 Salary reductions; limitations

(a) The rate of salary reduction shall be stated as a percentage of base salary from one percent to 10 percent; no fractional percentages are permitted.

(b) Contributions shall be in even dollar amounts rounded to the nearest dollar (\$0.50 and over rounded to the next higher dollar).

17:8-2.6 Contribution change; regular SACT and the tax-sheltered annuity plan

(a) A participant may change or discontinue his or her percentage rate of contribution upon written request to the Division of Pensions and Benefits at least 30 days prior to the calendar quarter.

(b) The change shall be effective only at the beginning of a calendar quarter and upon certification from the Division of Pensions and Benefits.

(c) If payroll deductions to the SACT program have been suspended by the participant, such payroll deductions may be resumed by giving at least 30 days' written notice to the Division of Pensions and Benefits. The resumption of such payroll deductions shall not occur within three months of the date on which the payroll deductions were suspended.

(d) A participant changing his or her contribution to the tax-sheltered annuity plan shall file a new salary reduction agreement.

Amended by R.1997 d.294, effective July 21, 1997.
See: 29 N.J.R. 1685(a), 29 N.J.R. 3269(a).

Section name changed; amended Department references throughout; in (a), substituted "calendar quarter" for "effective date of the change"; and added (d).

17:8-2.7 (Reserved)

Repealed by R.1997 d.294, effective July 21, 1997.
See: 29 N.J.R. 1685(a), 29 N.J.R. 3269(a).

Section was "Salary reduction change; tax-sheltered supplemental annuity".