

CHAPTER 8

SUPPLEMENTAL ANNUITY COLLECTIVE TRUST PROGRAM

Authority

N.J.S.A. 52:18A-111 et seq.

Source and Effective Date

R.2006 d.394, effective November 20, 2006.
See: 38 N.J.R. 2037(a), 38 N.J.R. 4881(a).

Chapter Expiration Date

Chapter 8, Supplemental Annuity Collective Trust Program, expires on November 20, 2011.

Chapter Historical Note

Chapter 8, Supplemental Annuity Collective Trust, was adopted and became effective prior to September 1, 1969.

Subchapter 4, Qualified Voluntary Employee Contributions, was adopted as R.1982 d.348, effective October 18, 1982. See: 14 N.J.R. 556(b), 14 N.J.R. 1164(e).

Pursuant to Executive Order No. 66(1978), Chapter 8, Supplemental Annuity Collective Trust, was readopted as R.1985 d.378, effective June 27, 1985. See: 17 N.J.R. 682(a), 17 N.J.R. 1907(b).

Pursuant to Executive Order No. 66(1978), Chapter 8, Supplemental Annuity Collective Trust, expired on June 27, 1990.

Chapter 8, Supplemental Annuity Collective Trust, was adopted as new rules by R.1990 d.515, effective October 15, 1990. See: 22 N.J.R. 1900(a), 22 N.J.R. 3238(b).

Pursuant to Executive Order No. 66(1978), Chapter 8, Supplemental Annuity Collective Trust, expired on October 15, 1995.

Chapter 8, Supplemental Annuity Collective Trust Program, was adopted as new rules by R.1996 d.321, effective July 15, 1996. See: 28 N.J.R. 2340(a), 28 N.J.R. 3612(a).

Pursuant to Executive Order No. 66(1978), Chapter 8, Supplemental Annuity Collective Trust Program, was readopted as R.2001 d.146, effective April 10, 2001. See: 33 N.J.R. 212(a), 33 N.J.R. 1399(a).

Chapter 8, Supplemental Annuity Collective Trust Program, expired on October 7, 2006.

Chapter 8, Supplemental Annuity Collective Trust Program, was readopted as new rules by R.2006 d.394, effective November 20, 2006. See: Source and Effective Date. See, also, section annotations.

CHAPTER TABLE OF CONTENTS

SUBCHAPTER 1. ADMINISTRATION

- 17:8-1.1 Council meetings
- 17:8-1.2 Records
- 17:8-1.3 Appeals from council decisions
- 17:8-1.4 Variable annuity; general description
- 17:8-1.5 Variable Accumulation Account
- 17:8-1.6 Variable Benefit Account
- 17:8-1.7 Income Distribution Summary
- 17:8-1.8 Computation of dollar values of equity units
- 17:8-1.9 Payment of pension loan balance upon retirement

SUBCHAPTER 2. ENROLLMENT, CONTRIBUTIONS AND TRANSFERS

- 17:8-2.1 Enrollment; exceptions
- 17:8-2.2 Enrollment applications

- 17:8-2.3 Salary reduction; exceptions
- 17:8-2.4 Contributions; limitations
- 17:8-2.5 Salary reductions; limitations
- 17:8-2.6 Contribution change; regular SACT and the tax-sheltered annuity plan
- 17:8-2.7 (Reserved)
- 17:8-2.8 Lump-sum contribution; limitation
- 17:8-2.9 through 17:8-2.11 (Reserved)
- 17:8-2.12 Redeposit and reinstatement
- 17:8-2.13 Beneficiary designation
- 17:8-2.14 Full monthly payments
- 17:8-2.15 Approved annuity
- 17:8-2.16 Transfers from alternate investment providers

SUBCHAPTER 3. RETIREMENT, TERMINATION AND TRANSFERS

- 17:8-3.1 Retirement options
- 17:8-3.2 Retirement; beneficiary designations
- 17:8-3.3 Withdrawal or retirement; effective date and form
- 17:8-3.4 Death; transfer to suspense
- 17:8-3.5 Withdrawal; exceptions
- 17:8-3.6 Termination; transfer to suspense
- 17:8-3.7 Separate pension accounts; transfer to trust
- 17:8-3.8 Payment of pension loan balance upon retirement; order of use of funds from different account types
- 17:8-3.9 Transfers to alternate investment providers

SUBCHAPTER 4. QUALIFIED VOLUNTARY EMPLOYEE CONTRIBUTIONS

- 17:8-4.1 Qualified voluntary employee contribution account
- 17:8-4.2 Participant contribution
- 17:8-4.3 (Reserved)
- 17:8-4.4 Tax information

SUBCHAPTER 1. ADMINISTRATION

17:8-1.1 Council meetings

(a) The council shall meet, as necessary, at the call of the Chairperson or the Secretary.

(b) Any two members of the council shall constitute a quorum for the purpose of conducting the business of the council.

(c) If a member is unable to attend a meeting, he shall designate a person to represent him as his alternate. The person so designated shall be permitted to vote on business brought before the council.

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

17:8-1.2 Records

(a) The minutes of the council meetings are public records and may be inspected during regular business hours at the office of the Division of Pensions and Benefits under supervision of the chief accountant or other representatives of the office.

(b) Records considered confidential include specific individual account or investment recommendations, mailing addresses of active and retired participants and individual files relating to beneficiary designation where no official purpose or reason for inspection is indicated.

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

17:8-1.3 Appeals from council decisions

The following statement shall be incorporated in every written notice setting forth the council's determination in a matter where such determination is contrary to the claim made by the claimant or his legal representative:

If you disagree with the determination of the council in this matter, you may appeal by sending a written statement to the council within 45 days from the date of this letter, informing the council of your disagreement and all of the reasons therefor. If no such written statement is received within the 45-day period, this determination shall be considered final.

17:8-1.4 Variable annuity; general description

(a) In a variable annuity the life income is a specific fixed number of variable equity units per month. The dollar value of the variable unit varies from time to time mainly by reason of gains and losses and dividend earnings on the Variable Division's investments. These gains and losses include those resulting from sales, from changes in market value and from mortality experience.

(b) Three accounts are maintained in order to account properly for the accumulation of the contributions received, the annuity payments to be made, and the gains and losses and earnings of the investment portfolio.

1. During the years prior to retirement, contributions are converted into equity units and accumulated in the Variable Accumulation Accounts.

2. At retirement when annuity payments for a participant are to begin, the number of equity units credited to a participant's accumulation account is transferred to the Variable Benefit Account.

3. An income distribution summary is maintained to record the changes in the value of the assets in the Variable Division.

17:8-1.5 Variable Accumulation Account

(a) All contributions received from participants shall be credited to the Variable Accumulation Account and shall be converted into a number of equity units.

(b) An individual accumulation account will be maintained for each participant.

(c) Participant's contributions shall be converted into equity units quarterly on the basis of the value per equity unit at

the end of the quarter during which the contributions are made.

(d) For eligible transfers from authorized tax-deferred annuity providers, the amount transferred shall be converted into equity units monthly on the basis of the value per equity unit at the end of the month during which the transfer is received by the Division of Pensions and Benefits.

(e) The total number of equity units credited to a participant's accumulation account will be increased by one third of one percent per month.

(f) In the event of termination of an accumulation account due to retirement prior to the end of a quarter, contributions since the first of the quarter shall be converted into equity units on the basis of the value per equity unit as of the end of the month of termination.

(g) Upon termination for death or withdrawal, the value of a participant's accumulation 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 to the end of the month of termination, multiplied by the value per equity unit as of the end of the month of termination plus the participant's contributions during the current quarter.

(h) For eligible transfers to authorized tax-deferred annuity providers, the amount designated by the participant for transfer shall not exceed the value of a participant's accumulation account calculated by taking the sum of the equity units credited to an account as of the first day of the current quarter, increased by one-third of one percent per month to the end of the month of transfer, multiplied by the value per equity unit as of the end of the month of transfer.

(i) The total number of equity units in force in the Variable Accumulation 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 credited as of the first of the month for participant's contributions received during the preceding quarter, if any; less

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).