

**CHAPTER 7**

**ALTERNATE BENEFIT PROGRAM**

**Authority**

P.L. 2011, c. 78.

**Source and Effective Date**

R.2013 d.044, effective January 23, 2013.  
See: 45 N.J.R. 667(a).

**Chapter Expiration Date**

Chapter 7, Alternate Benefit Program, expires on September 8, 2013.

**Chapter Historical Note**

Chapter 7, Prison Officers' Pension Fund, was adopted and became effective prior to September 1, 1969.

Pursuant to Executive Order No. 66(1978), Chapter 7, Prison Officers' Pension Fund, was readopted as R.1983 d.176, effective May 16, 1983. See: 15 N.J.R. 527(a), 15 N.J.R. 930(d). Pursuant to Executive Order No. 66(1978), Chapter 7, Prison Officers' Pension Fund, expired on May 16, 1988.

Chapter 7, Prison Officers' Pension Fund, was adopted as new rules by R.1988 d.577, effective December 19, 1988. See: 20 N.J.R. 2375(a), 20 N.J.R. 3142(b). Pursuant to Executive Order No. 66(1978), Chapter 7, Prison Officers' Pension Fund, expired on December 19, 1993.

Chapter 7, Alternate Benefit Program, was readopted with extensive revisions and recodified from N.J.A.C. 17:1-2 by R.2001 d.159, with the readoption effective April 25, 2001, and the recodification effective May 21, 2001. See: 33 N.J.R. 988(a), 33 N.J.R. 1601(a).

Chapter 7, Alternate Benefit Program, was readopted as R.2006 d.360, effective September 8, 2006. See: 38 N.J.R. 2032(a), 38 N.J.R. 4245(a).

In accordance with N.J.S.A. 52:14B-5.1b, Chapter 7, Alternate Benefit Program, was scheduled to expire on September 8, 2013. See: 43 N.J.R. 1203(a).

Subchapter 1, Administration, Subchapter 2, Enrollment, and Subchapter 3, Membership, were repealed; former Subchapter 4, Insurance, Death Benefits and Retirement, was recodified to Subchapter 22; former Subchapter 5, Transfers, was recodified to Subchapter 23; Subchapter 1, General Provisions, Subchapter 2, Definitions, Subchapter 3, Pension Provider Selection Board, Subchapter 4, Participation in the Alternate Benefit Program, Subchapter 5, Contributions to the ABP Retirement Plan, Subchapter 6, Vesting and Forfeiture—ABP Retirement Plan Only, Subchapter 7, Qualified Domestic Relations Order, Subchapter 8, Distributions and Minimum Distribution Requirements—ABP Retirement Plan, Subchapter 9, Rollovers and Transfers—ABP Retirement Plan, Subchapter 10, Plan Administration—ABP Program, Subchapter 11, General Provisions—ABP Program, Subchapter 12, New Jersey Additional Contributions Tax-Sheltered Program (Acts), Subchapter 13, Investments and Investment Direction—ABP Retirement Plan and Acts, Subchapter 14, Loans—ABP Retirement Plan, Acts, and Closed Plan, Subchapter 15, Accounts—ABP Retirement Plan and Acts, Subchapter 16, Administration of Distributions—ABP Retirement Plan and Acts, Subchapter 17, Alternate Benefit Program Group Life Insurance Plan, Subchapter 18, Alternate Benefit Program Group Long-Term Disability Benefit Plan, Subchapter 19, Amendment, Subchapter 20, Construction, and Subchapter 21, Claims and Appeal Procedures, were adopted as special new rules by R.2013 d.044, effective January 23, 2013 (to expire September 8, 2013). See: 45 N.J.R. 667(a).

**CHAPTER TABLE OF CONTENTS**

**SUBCHAPTER 1. GENERAL PROVISIONS**

- 17:7-1.1 Program established
- 17:7-1.2 Program consists of five plans
- 17:7-1.3 ERISA does not apply
- 17:7-1.4 Governmental plan rules
- 17:7-1.5 Exclusive benefit
- 17:7-1.6 No third-party beneficiary
- 17:7-1.7 No additional benefits—ABP Retirement Plan only

**SUBCHAPTER 2. DEFINITIONS**

- 17:7-2.1 Definitions

**SUBCHAPTER 3. PENSION PROVIDER SELECTION BOARD**

- 17:7-3.1 Composition
- 17:7-3.2 Selection of pension providers
- 17:7-3.3 Performance review

**SUBCHAPTER 4. PARTICIPATION IN THE ALTERNATE BENEFIT PROGRAM**

- 17:7-4.1 Mandatory participation in the Alternate Benefit Program
- 17:7-4.2 Ineligibility
- 17:7-4.3 Optional participation
- 17:7-4.4 Responsibility to determine eligibility for participation in ABP
- 17:7-4.5 Participation in the Teachers' Pension and Annuity Fund, the Public Employees' Retirement System, the Police and Firemen's Retirement System, or the Group Annuity Plan
- 17:7-4.6 Transfers from other programs to the ABP Retirement Plan
- 17:7-4.7 Present or former members of Police and Firemen's Retirement System; transfer of contributions

**SUBCHAPTER 5. CONTRIBUTIONS TO THE ABP RETIREMENT PLAN**

- 17:7-5.1 Enrollment in ABP Retirement Plan
- 17:7-5.2 Employee contribution; pick-up in ABP Retirement Plan
- 17:7-5.3 Employer contributions
- 17:7-5.4 Contributions transmitted to designated service provider for ABP Retirement Plan
- 17:7-5.5 Allocation of contributions to participant's account in Retirement Plan
- 17:7-5.6 Contributions limited by IRC § 401(a)(17) – ABP Retirement Plan only
- 17:7-5.7 Limit on annual additions—ABP Retirement Plan only

**SUBCHAPTER 6. VESTING AND FORFEITURE—ABP RETIREMENT PLAN ONLY**

- 17:7-6.1 Vesting schedules
- 17:7-6.2 Delayed vested contributions
- 17:7-6.3 Forfeitures
- 17:7-6.4 Forfeiture of employer contributions for dishonorable service
- 17:7-6.5 Vesting rules

**SUBCHAPTER 7. QUALIFIED DOMESTIC RELATIONS ORDER**

- 17:7-7.1 QDRO procedures
- 17:7-7.2 Age of alternate payee
- 17:7-7.3 Required findings for QDRO
- 17:7-7.4 Investment direction during domestic relations matter
- 17:7-7.5 Inability to locate alternate payee

**SUBCHAPTER 8. DISTRIBUTIONS AND MINIMUM DISTRIBUTION REQUIREMENTS—ABP RETIREMENT PLAN**

- 17:7-8.1 Distribution and repurchase
- 17:7-8.2 Minimum distribution
- 17:7-8.3 Definitions
- 17:7-8.4 Default retirement distribution
- 17:7-8.5 Minimum distribution life expectancy
- 17:7-8.6 Minimum distribution period
- 17:7-8.7 Distributions in cash—ABP Retirement Plan
- 17:7-8.8 Corrective distributions
- 17:7-8.9 Required minimum distribution waiver of 2009—ABP Retirement Plan

**SUBCHAPTER 9. ROLLOVERS AND TRANSFERS—ABP RETIREMENT PLAN**

- 17:7-9.1 Direct rollover of funds to other plans
- 17:7-9.2 Definitions
- 17:7-9.3 Rollover of funds from other plans—ABP Retirement Plan and ACTS
- 17:7-9.4 Eligible rollover distribution payable without delay—ABP Retirement Plan only

**SUBCHAPTER 10. PLAN ADMINISTRATION—ABP PROGRAM**

- 17:7-10.1 Authority of Plan Administrator
- 17:7-10.2 DSP responsibilities
- 17:7-10.3 Plan Administrator responsibilities
- 17:7-10.4 Information from employer
- 17:7-10.5 Plan Administrator may delegate or contract
- 17:7-10.6 Right to terminate the Program
- 17:7-10.7 Final allocation

**SUBCHAPTER 11. GENERAL PROVISIONS—ABP PROGRAM**

- 17:7-11.1 Anti-alienation
- 17:7-11.2 Levy or judgment
- 17:7-11.3 Audit
- 17:7-11.4 Expenses—ABP Retirement Plan only
- 17:7-11.5 Fiduciary responsibility
- 17:7-11.6 Certifying officer
- 17:7-11.7 Governing law
- 17:7-11.8 Internal Revenue Service approval—ABP Retirement Plan only
- 17:7-11.9 Mistaken contributions—ABP Retirement Plan and ACTS
- 17:7-11.10 Necessary information
- 17:7-11.11 No contract of employment
- 17:7-11.12 No rights other than those provided by the Program
- 17:7-11.13 Taxes
- 17:7-11.14 Notices
- 17:7-11.15 Program is binding
- 17:7-11.16 Power-of-attorney
- 17:7-11.17 Disclosure of information
- 17:7-11.18 Release
- 17:7-11.19 Records
- 17:7-11.20 Severability
- 17:7-11.21 Uniformity
- 17:7-11.22 Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) and Heroes Earnings and Assistance Relief Tax Act of 2008 (HEART)—ABP Retirement Plan and ACTS
- 17:7-11.23 Distribution to incompetent participant, beneficiary, or alternate payee
- 17:7-11.24 Payment to personal representative
- 17:7-11.25 Disclaimer by beneficiary

**SUBCHAPTER 12. NEW JERSEY ADDITIONAL CONTRIBUTIONS TAX-SHELTERED PROGRAM (ACTS)**

- 17:7-12.1 Employee voluntary contributions to ACTS
- 17:7-12.2 Contributions transmitted to designated service provider for ACTS

- 17:7-12.3 Vesting schedule
- 17:7-12.4 Additional terms and conditions

**SUBCHAPTER 13. INVESTMENTS AND INVESTMENT DIRECTION—ABP RETIREMENT PLAN AND ACTS**

- 17:7-13.1 Duty of investment direction
- 17:7-13.2 Procedure for giving investment direction
- 17:7-13.3 Limits on frequency of investment directions
- 17:7-13.4 Who directs investment
- 17:7-13.5 Duty to accept investment direction
- 17:7-13.6 Plan Administrator not responsible
- 17:7-13.7 Failure to give investment direction (default investment provider)

**SUBCHAPTER 14. LOANS—ABP RETIREMENT PLAN, ACTS, AND CLOSED PLAN**

- 17:7-14.1 Loan permitted

**SUBCHAPTER 15. ACCOUNTS—ABP RETIREMENT PLAN AND ACTS**

- 17:7-15.1 Account statement or confirmation
- 17:7-15.2 Account balance

**SUBCHAPTER 16. ADMINISTRATION OF DISTRIBUTIONS—ABP RETIREMENT PLAN AND ACTS**

- 17:7-16.1 Claim for distribution
- 17:7-16.2 Minimum advance notice
- 17:7-16.3 Payor may rely on apparent entitlement
- 17:7-16.4 Valuation of payments
- 17:7-16.5 Delay of payment
- 17:7-16.6 Dispute as to proper recipient
- 17:7-16.7 Distribution to minor beneficiary

**SUBCHAPTER 17. ALTERNATE BENEFIT PROGRAM GROUP LIFE INSURANCE PLAN**

- 17:7-17.1 Benefit
- 17:7-17.2 Purchase of group life insurance
- 17:7-17.3 Beneficiary designation
- 17:7-17.4 Life Insurance Premium Fund

**SUBCHAPTER 18. ALTERNATE BENEFIT PROGRAM GROUP LONG-TERM DISABILITY BENEFIT PLAN**

- 17:7-18.1 Group long-term disability insurance
- 17:7-18.2 Benefit
- 17:7-18.3 Amount of benefit
- 17:7-18.4 Definition of total disability
- 17:7-18.5 Disability premium fund
- 17:7-18.6 Credit by insurer; savings on commissions
- 17:7-18.7 Certain employer obligations prohibited

**SUBCHAPTER 19. AMENDMENT**

- 17:7-19.1 Program amendment
- 17:7-19.2 Amendment cannot change exclusive benefit

**SUBCHAPTER 20. CONSTRUCTION**

- 17:7-20.1 Construction and interpretation of Program
- 17:7-20.2 Construction of ABP Retirement Plan as a qualified plan—ABP Retirement Plan only
- 17:7-20.3 Conformance with Federal statutes—ABP Retirement Plan only
- 17:7-20.4 Conformance with enabling statute
- 17:7-20.5 Reference to statutes and regulations
- 17:7-20.6 Consistent with investment law
- 17:7-20.7 Statute of limitations
- 17:7-20.8 Venue
- 17:7-20.9 Construction of words and phrases
- 17:7-20.10 Conformance with United States of America Constitution and New Jersey Constitution