**STATE OF NEW JERSEY**

**Conversion of Group life Insurance for Employees in a Pension (including 401A and 403B)**

As an employee of the State of New Jersey, you are entitled to convert the same amount of non-group policy insurance coverage issued by The Prudential Insurance Company of America, Inc. when you exit the University.

This conversion is guaranteed. You cannot be refused coverage for health or other reasons, and no physical examination need be taken. You may select any type of policy customarily offered by Prudential except term life insurance or a policy containing disability benefits. *The individual policy will be effective at the end of the* ***31-day period*** *following cessation of employment or termination of insurance*.

You may convert any dollar amount of group life insurance up to the maximum amount you are permitted to convert.

Several examples showing the amount of insurance that may be converted are shown below:

**Upon Termination of Employment**

A PERS member has a base salary of $40,000 in the twelve months prior to termination and the member had Contributory Group Life Insurance.

The death benefit would be $120,000 (3 x $40,000)

If the member decides to convert the insurance coverage, (s)he could purchase up to $120,000 worth of life insurance.

**Upon a Service Retirement**

A TPAF member had a base salary of $60,000 during the year before retirement and had both Noncontributory and Contributory Group Life Insurance. Active coverage = 3.5 x $60,000 = $210,000.

25% for the Noncontributory Insurance ($15,000) plus 18.75% for the Contributory insurance ($11,250)

The member would receive a total of $26,250 in paid up group life insurance in retirement.

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Difference of Group Life Insurance coverage: $210,000 – 26, 250 = $183,750

$183,750 could be converted to an individual policy with Prudential at retirement.

**Upon a Disability Retirement**

A PFRS member with a base salary of $46,000 the year before retiring on an Ordinary Disability Retirement at age 39.

The member continues to have group life insurance coverage equal to 3.5 times salary, or $161,000 until reaching the service retirement age 0f 55.

At age 55, the group life insurance benefit would be reduced to 50% of final salary, 0r $23,000.

The member may then convert $138,000 in coverage to a private, non-group policy with Prudential.

**Upon a Deferred Retirement**

A PERS member has a base salary of $36,000 during the final year of employment.

The premiums will be higher than the member would pay if otherwise able to qualify medically for an individual policy with any insurance carrier.

YOU MUST complete and return your Conversion Request Form to PRUDENTIAL along with YOUR initial premium payment no later than **31 days after** YOUR Group Life Insurance Coverage ended. Please note, YOUR CONVERSION right under YOUR State of New Jersey group life insurance coverage expires 31 days, not 92 days, after YOUR Group Life Insurance Coverage ends.

If YOU have any questions about the conversion process and do not have a PRUDENTIAL Representative assisting YOU, please call the Conversion Office at 1-855-364-7783, weekdays from 8:00 a.m. to 8:00 p.m. Eastern time.