



## State of New Jersey

DEPARTMENT OF THE TREASURY  
DIVISION OF PENSIONS AND BENEFITS

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July 13, 2020

**TO:** Certifying Officers of the Police and Firemen's Retirement System (PFRS)  
**FROM:** New Jersey Division of Pensions & Benefits (NJDPB)  
**SUBJECT:** Suspension of Loan Repayment under the CARES Act

At its July 13, 2020, meeting the Board of Trustees for the Police and Firemen's Retirement System of New Jersey (PFRSNJ) adopted provisions of the federal CARES Act which allow a "qualified individual" to request the suspension of pension loan repayments until December 31, 2020.

A "qualified individual" is an active or retired member of the PERS, TPAF, PFRS, SPRS, or JRS who:

- Is diagnosed with COVID-19 by a test approved by the Centers for Disease Control and Prevention; or
- Has a spouse or dependent diagnosed with COVID-19 by a test approved by the Centers for Disease Control and Prevention; or
- Experiences adverse financial consequences as a result of (i) being quarantined, furloughed, laid off; or having work hours reduced due to COVID-19; (ii) being unable to work due to lack of child care due to COVID-19; (iii) being unable to work due to closing or reduced hours of a business owned or operated by the individual due to COVID-19; or (iv) other factors as determined by the Secretary of the Treasury.

If suspended, loan repayments will be delayed through December 31, 2020, interest will continue to accrue on the outstanding loan balance, and the individual will not be eligible to take an additional loan for the duration of the suspension. As of January 2021, and the end of the suspension period, the loan balance will be recertified to include accrued interest, the loan repayments will resume on a revised schedule, and the repayment may increase in accordance with federal guidelines. As of this date, specific guidance on the recertification of suspended loans is pending from the Internal Revenue Service.

If an active member retires during a repayment suspension, the loan balance and accrued interest will be carried into the member's retirement account. As of January 2021, and the end of the suspension period, the loan balance will be recertified to include accrued interest and loan repayments will resume on a recalculated repayment schedule as a deduction from the member's monthly retirement allowance until the loan balance plus interest is satisfied.

A suspension cannot be applied to a loan which is in default and has been designated as a deemed distribution, even if the five-year repayment period has not reached maturity.

## **REQUEST FOR SUSPENSION OF LOAN REPAYMENT FORM**

Active members or retirees who meet the definition of a “qualified individual” and wish to request the suspension of loan repayments under the CARES Act, should complete and submit the *Request for Suspension of Loan Repayment* form to the NJDPB.

The form for active employees is included with this mailing and can be provided to your qualified employees. It is also available, along with the version for qualified retirees, on the NJDPB website: [nj.gov/treasury/pensions/](http://nj.gov/treasury/pensions/) Select the “Publications” drop menu and then under Forms select as appropriate for either Active Employees or Retirees, and then Pension Forms.

Retirement system members who are “qualified individuals” may print the form, complete it, and submit to the NJDPB by mail or by email using the address provided at the bottom of the request form. Note: *Do not* return the form by fax, as this will delay processing.

### **ADDITIONAL INFORMATION**

If you have questions regarding this message, contact the NJDPB’s Office of Client Services at (609) 292-7524, or email the NJDPB at: [pensions.nj@treas.nj.gov](mailto:pensions.nj@treas.nj.gov)

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