

EMAIL MESSAGE – December 27, 2019

TO: Certifying Officers, All Funds

FROM: New Jersey Division of Pensions & Benefits

SUBJECT: Reminder: Electronic Fund Transmittal Required for Pension Loans

This message is a reminder that, effective January 2020, all pension loans will require disbursement by Electronic Fund Transfer (EFT), also known as Direct Deposit.

Please review the information below and share it with your administrative staff and employees.

- The change applies to all loans for eligible members of the Public Employees' Retirement System (PERS), Teachers' Pension and Annuity Fund (TPAF), Police and Firemen's Retirement System (PFRS), and State Police Retirement System (SPRS).
- For loan applications submitted through the Member Benefits Online System (MBOS) before Friday, January 3, 2020, the final loan disbursement by paper check will be on January 8, 2020.
- The loan application and "Pension Loan" button in MBOS will be unavailable from Friday, January 3 until Tuesday, January 7, 2020.
- When the new loan application becomes available, all loan applications submitted through MBOS will require a valid ACH bank routing number and account number.
- The first loan disbursement by EFT will occur on Wednesday, January 22, 2020.
- The interest rate and administrative processing fee applies to all pension loans. The interest rate for loans taken in 2020 will be 7.25 percent. The processing fee is \$15.00 per loan.
- Paper loan checks will no longer be produced under any circumstances.
- Once submitted through MBOS, a loan application cannot be canceled and a loan that has been disbursed cannot be returned. Members may request an early loan payoff on MBOS or by calling 609-292-7524. Interest may apply on the outstanding balance of the loan.
- A Certifying Officer Letter, and announcement flier for employees, were also distributed on December 4, 2019, and is available on the NJDPB website www.nj.gov/treasury/pensions/co-letters.shtml
- The *Pension Loans* fact sheet and *Certified Loan Request* form are being updated for the EFT disbursement process. A *Frequently Asked Questions* webpage for loans will also be available after the first of the year.