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NJSEDCP  
State Employees  
Deferred Compensation Plan

**Consider making  
the most of your  
financial future**

With the NJSEDCP

# You're eligible to contribute up to \$41,000—or more—in 2022! Here's how...

As a faculty member or employee of a New Jersey college or university, you may already know the benefits of making voluntary additional contributions to your 403(b) plan, the Alternate Benefit Program (ABP), or the Additional Contributions Tax-Sheltered (ACTS) Program. But did you know that you are also eligible to participate in the **New Jersey State Employees Deferred Compensation Plan (NJSEDCP)?**

Each of these three programs offers advantages such as pre-tax deferrals, tax-deferred investing, and a variety of investment options. However, the NJSEDCP, a 457(b) deferred compensation plan, offers other specific advantages as well, including:

- **No coordination of salary deferrals** with those made to your 403(b) program—effectively doubling the amount you may defer from your current salary each year.
- **The option to make pre-tax contributions, Roth after-tax contributions, or a combination of both.** If you satisfy certain plan and tax law requirements, the Roth money you withdraw at retirement—including earnings—won't be taxable.
- **Distributions upon retirement or separation of service not subject to the 10% penalty tax** regardless of age at withdrawal—as may be the case with your 403(b) account.
- **If eligible—a special 457 plan catch-up contribution** during the three years prior to retirement.
- Access to salaried, noncommissioned **Prudential retirement counselors.**

So, whether or not you already make voluntary additional contributions to the ABP and/or the ACTS Program, **be sure to take advantage of the benefits that the NJSEDCP offers.**

In fact, if you are contributing the annual maximum amount (\$20,500 in 2022) to the ABP or ACTS Program and want another tax-deferred retirement savings opportunity, you'll be happy to know that you may also contribute the maximum annual amount to the NJSEDCP—for a combined total of \$41,000 in 2022—or even more if you are age 50 or older. For more detailed information regarding contribution limits, please see the chart on the back of this page.

To enroll—or for more information about the NJSEDCP—call toll-free **866-NJSEDCP** (866-657-3327) or visit [newjersey.retirepru.com](https://www.newjersey.retirepru.com). Toll-free TDD is available at 877-760-5166.

Prudential retirement counselors are available to meet with you. They are located throughout the state. To find a counselor in your area, visit [newjersey.retirepru.com](https://www.newjersey.retirepru.com).



|                                       | 457(b) Plan<br>New Jersey State Employees Deferred<br>Compensation Plan (NJSEDCP)  | 403(b) Plan<br>Alternate Benefit Program (ABP) or<br>Additional<br>Contributions Tax-Sheltered (ACTS)<br>Program  |
|---------------------------------------|--|---|
| Service provider(s)                   | Prudential Retirement®   | Available carriers (note: Prudential Retirement offers ABP 401(a) only) <ul style="list-style-type: none"> <li>• AIG</li> <li>• Equitable</li> <li>• Empower</li> <li>• MetLife</li> <li>• TIAA</li> <li>• Voya Financial</li> </ul>  |
| Contribution limit                    | 2022 annual limit of \$20,500.<br>You may make pre-tax contributions, Roth after-tax contributions, or a combination of both.*   | 2022 annual limit of \$20,500.<br>You may make pre-tax contributions, Roth after-tax contributions, or a combination of both.*  |
| Age 50 catch-up contributions         | Up to \$6,500 (in addition to annual limit, or \$27,000 total in 2022) if eligible.  | Up to \$6,500 (in addition to annual limit, or \$27,000 total in 2022) if eligible.   |
| Special 457 catch-up contributions    | Up to \$20,500 (in addition to annual limit, or \$41,000 total in 2022) if eligible, during each of the three taxable years prior to normal retirement age. Amount of catch-up based on accumulated "unused contributions." One-time election.   | N/A   |
| 403(b) 15-year catch-up contributions | N/A  | <ul style="list-style-type: none"> <li>• Up to \$3,000 (in addition to annual limit, or \$23,500 total in 2022) if eligible.</li> <li>• This catch-up can be used in addition to the age 50 catch-up, if eligible.</li> </ul>   |
| How to enroll                         | <ul style="list-style-type: none"> <li>• Online at <a href="http://newjersey.retirepru.com">newjersey.retirepru.com</a>.</li> <li>• Via phone by calling Prudential Retirement toll-free at <b>866-NJSEDCP</b> (866-657-3327). Toll-free TDD is available at 877-760-5166.</li> <li>• Forms and enrollment materials may be obtained through your on-site Prudential retirement counselor or from your Human Resources office.</li> <li>• Request a meeting with an on-site retirement counselor by visiting <a href="http://newjersey.retirepru.com">newjersey.retirepru.com</a></li> </ul> | <ul style="list-style-type: none"> <li>• Visit the Division of Pensions and Benefits website at <a href="http://state.nj.us/treasury/pensions">state.nj.us/treasury/pensions</a> to download the necessary forms or obtain contact information for individual carriers.</li> <li>• Obtain the necessary forms from your benefits office.</li> <li>• To enroll in the ABP 401(a) plan with Prudential, contact your Prudential retirement counselor. Their information can be found online at <a href="http://newjersey.retirepru.com">newjersey.retirepru.com</a>.</li> </ul> <p><b>Note:</b> You need to complete a Salary Reduction Agreement and the Carrier Election and Allocation form. In addition, you must obtain the necessary forms to establish an account with the carrier(s) you select for your investments.</p> |
| Beneficiary designations/changes      | <ul style="list-style-type: none"> <li>• Online at <a href="http://newjersey.retirepru.com">newjersey.retirepru.com</a>.</li> <li>• Via phone by calling Prudential Retirement toll-free at <b>866-NJSEDCP</b> (866-657-3327). Toll-free TDD is available at 877-760-5166.</li> </ul>  | <ul style="list-style-type: none"> <li>• Visit the Division of Pensions and Benefits website at <a href="http://state.nj.us/treasury/pensions">state.nj.us/treasury/pensions</a> to download the necessary forms or obtain contact information for individual carriers.</li> <li>• Obtain the necessary forms from your benefits office.</li> </ul>   |
| Loans                                 | Loans not available.   | Loans are available. For loan provisions, please contact your investment carrier(s).  |

\*Qualified Roth distributions are federally tax-free, provided the Roth account has been open for at least five years and the owner has reached age 59½, has died, or has become disabled. Qualified Roth distributions may be subject to state and local income tax.

\*\*Pre-tax IRA assets are eligible for rollovers into the plan. Check with your current provider for any applicable surrender or transfer fees.

Any outstanding loan balance not paid back under plan rules after termination of employment becomes taxable in the year of default. Under the Tax Cuts and Jobs Act, for defaults related to termination of employment after 2017, the individual has until the due date of that year's return (including extensions) to roll over the outstanding loan amount to an IRA or qualified employer plan.



|   | 457(b) Plan<br>New Jersey State Employees Deferred Compensation Plan (NJSEDCP)   | 403(b) Plan<br>Alternate Benefit Program (ABP) or<br>Additional Contributions Tax-Sheltered (ACTS)<br>Program  |
|---|--|--|
| <b>In-service withdrawals</b>                                   | <ul style="list-style-type: none"> <li>• <b>Unforeseeable Emergency Withdrawal</b>—Available under certain circumstances (subject to income taxes). To request an emergency withdrawal, call toll-free at 866-NJSEDCP (866-657-3327). Toll-free TDD is available at 877-760-5166.</li> <li>• <b>Purchase of Service Credit</b>—Contact the Division of Pensions and Benefits at 609-292-7524.</li> <li>• <b>In-Service Withdrawals</b>—Rollover assets only.</li> <li>• <b>Voluntary In-Service Distributions</b>—You can receive a one-time, in-service distribution of your account in a lump sum if the total account balance is less than \$5,000 and no deferrals have been made during the prior two years.</li> </ul> | <ul style="list-style-type: none"> <li>• <b>Hardship Withdrawals</b>—Available from voluntary 403(b) accounts. Please contact your investment carrier(s) for more information.</li> <li>• <b>Purchase of Service Credit</b>—Contact the Division of Pensions and Benefits at 609-292-7524.</li> <li>• <b>In-Service Withdrawals</b>—subject to 10% penalty if taken prior to age 59½.</li> </ul>   |
| <b>Account access</b>   | <ul style="list-style-type: none"> <li>• Online at <a href="http://newjersey.retirepru.com">newjersey.retirepru.com</a>.</li> <li>• Toll-free at <b>866-NJSEDCP</b> (866-657-3327). Toll-free TDD is available at 877-760-5166.</li> </ul>   | <ul style="list-style-type: none"> <li>• Access your account via the website and/or phone number of your selected investment carrier(s).</li> <li>• Prudential ABP 401(a) account access can be found online at <a href="http://newjersey.retirepru.com">newjersey.retirepru.com</a> or by calling toll-free at <b>855-NJABP-11</b> (855-652-2711).</li> </ul>   |
| <b>Rollover INTO plan</b>                                       | Rollovers accepted from other 457 plans, IRAs,** and 401(k) and 403(b) programs.   | Rollovers accepted from other 403(b) programs, IRAs,** and 401(k) and 457 plans.   |
| <b>Rollover OUT OF plan after separating from state service</b> | Rollovers available to other 457 plans, IRAs, and 401(k) and 403(b) programs.  | Rollovers available to other 403(b) programs, IRAs, and 401(k) and 457 plans.  |
| <b>Distribution options after separating from state service</b> | <ol style="list-style-type: none"> <li>1. Leave funds in your plan (subject to federal rules on required minimum distributions)</li> <li>2. Take a full or partial lump-sum distribution</li> <li>3. Take a systematic withdrawal</li> <li>4. Roll over some or all of your balance to an eligible retirement plan or IRA</li> <li>5. Purchase an annuity</li> </ol> <ul style="list-style-type: none"> <li>• No election is required until a distribution is requested.</li> <li>• Not subject to 10% tax penalty for withdrawals before age 59½.</li> </ul>  | <p>Distribution options vary based on your selected investment carrier(s). However, at a minimum, your distribution options will include:</p> <ol style="list-style-type: none"> <li>1. Lump-sum distribution</li> <li>2. Purchase an annuity</li> </ol> <ul style="list-style-type: none"> <li>• 10% tax penalty for withdrawals before age 59½.</li> <li>• Failure to make an election to receive at least a minimum distribution from the ABP 401(a) plan may result in the forfeiture of other “retiree” benefits to which a former employee might be entitled.</li> </ul> |
| <b>Required Minimum Distribution (RMD) rules</b>                | Subject to RMD rules beginning April 1 of the year following the year you retire or attain age 72, whichever is later.   | Subject to RMD rules beginning April 1 of the year following the year you retire or attain age 72, whichever is later.   |

\*Qualified Roth distributions are federally tax-free, provided the Roth account has been open for at least five years and the owner has reached age 59½, has died, or has become disabled. Qualified Roth distributions may be subject to state and local income tax.

\*\*Pre-tax IRA assets are eligible for rollovers into the plan. Check with your current provider for any applicable surrender or transfer fees.

Any outstanding loan balance not paid back under plan rules after termination of employment becomes taxable in the year of default. Under the Tax Cuts and Jobs Act, for defaults related to termination of employment after 2017, the individual has until the due date of that year’s return (including extensions) to roll over the outstanding loan amount to an IRA or qualified employer plan.

**Note:** The New Jersey State Employees Deferred Compensation Plan (NJSEDCP) is a 457 plan. The Additional Contributions Tax-Sheltered (ACTS) Program is a 403(b) program, and the Alternate Benefit Program (ABP) has both 401(a) and 403(b) components.

|  |  |                     |  |
|--|--|---------------------|--|
| <b>If you participate in:</b>                      | 457 plan only  | 403(b) program only | Both 403(b) program and 457 plan                                 |
| <b>General annual limit:</b>                       | \$20,500   | \$20,500            | \$41,000 (\$20,500 to each)                                      |
| <b>If age 50 or older any time in 2021, add:</b>   | \$6,500  | \$6,500             | \$6,500 to 403(b) program and \$6,500 to 457 plan                |
| <b>If eligible for special 457 catch-up, add:</b>  | Up to \$20,500*  | Not available       | Up to \$20,500*  |
| <b>If eligible for full 15-year catch-up, add:</b> | Not available  | \$3,000**           | \$3,000 to 403(b) program only**                                 |
| <b>2021 limit including all catch-up amounts:</b>  | \$27,000 or up to \$41,000 if eligible for maximum special 457 catch-up* | \$30,000            | \$57,000 or up to \$71,000 if eligible for special 457 catch-up* |

\*Special 457 catch-up can be used only in the three years prior to attaining normal retirement age under the plan. The catch-up allows for double the dollar limit (\$20,500 x 2 = \$41,000 for 2022), OR the basic annual limit (\$20,500 for 2022) plus amounts allowed but not contributed in prior years in which the participant was eligible to contribute. Participant must choose between the "age 50" and "special 457 catch-up" rules each year he/she is eligible; contributions cannot be made under both in the same tax year. If you need information about eligibility or the procedure for electing the "special 457 catch-up," please call toll-free at 866-NJSEDCP (866-657-3327). Toll-free TDD is available at 877-760-5166.

\*\*15-year catch-up is only available to state employees who are contributing to either the ABP or ACTS Program. Employees must have completed 15 years of service, and a calculation must be performed by the individual investment carrier(s) to determine if the employee is eligible for the full \$3,000 catch-up amount. Lifetime limit is \$15,000 under this catch-up provision.



*Where will retirement take you?*



**This material is intended to provide information only. This material is not intended as advice or recommendation about investing or managing your retirement savings. By sharing this information, Prudential Retirement® is not acting as your fiduciary as defined by the Department of Labor or otherwise. If you need investment advice, please consult with a qualified professional.**

Prudential Retirement counselors are registered representatives of Prudential Investment Management Services LLC (PIMS), Newark, NJ. PIMS is a Prudential Financial company.

Prudential Financial and its representatives are not tax or legal advisors. Consult your own legal or tax advisor with specific questions.

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# NO ACTION REQUIRED: FOR YOUR INFORMATION

## Overview

As of April 1, 2022, Empower acquired the full service retirement business of Prudential Retirement. Over a period of time, you may see references to Prudential and Empower as we transition our experiences. Throughout this process, we want you to know that our focus is on you and making this transition as seamless as possible. For your reference, outlined below is the entity level detail of the acquisition, including important information to help determine who will be servicing your account or other products.

## Post-close

On April 1, 2022, Great-West Life & Annuity Insurance Company (GWLA), the parent company of Empower Retirement, LLC (Empower) acquired the full service retirement business of Prudential Financial, Inc. In connection with the transaction, GWLA acquired all shares of the following entities, which are no longer affiliated with Prudential Financial, Inc.: Prudential Retirement Insurance and Annuity Company, Prudential Bank & Trust, FSB, Global Portfolio Strategies, Inc., TBG Insurance Services Corporation, MC Insurance Agency Services, LLC, and Mullin TBG Insurance Agency Services, LLC.

Please use the following to determine if Empower is now the service provider for your account. If you have multiple accounts, you may be a customer of Prudential Financial, Inc. and its affiliates (together, Prudential) and Empower.

| ACCOUNT TYPE   | SERVICE PROVIDER   |
|--|--|
| <p><b>If you are an annuitant, contingent annuitant or other beneficiary under a group annuity contract issued or reinsured by Prudential's pension risk transfer business or plan participant whose benefit is administered by Prudential's pension risk transfer business...</b></p> <p><b>How do I know if this applies to me?</b></p> <p>You were previously issued an annuity certificate from the Prudential Insurance Company of America <u>in connection with your employer's defined benefit plan</u> OR previously received a communication from your employer that Prudential has issued a guaranteed annuity covering all or a portion of your pension benefit or pays your pension benefit.</p> | <p>...Your account remains with Prudential and was not impacted by the transaction.</p> <p>The "Important Disclosures Regarding the Empower Transaction" listed below <b>do not apply</b> to your account.</p>   |
| <p><b>If you independently purchased an individual annuity, life insurance or investment product with Prudential...</b></p> <p><b>How do I know if this applies to me?</b></p> <ul style="list-style-type: none"><li>• You independently purchased a product from Prudential (other than a SmartSolutions IRA) that is unrelated to an employer workplace plan.</li><li>• The product you purchased is issued by The Prudential Insurance Company of America (PICA), Prudential Annuities Life Assurance Corporation (PALAC), Pruco Life Insurance Company, or Pruco Life Insurance Company of New Jersey.</li><li>• You purchased an investment product or service through Pruco Securities, LLC.</li></ul> | <p>...Your account remains with Prudential and was not impacted by the transaction.</p> <p>The "Important Disclosures Regarding the Empower Transaction" listed below <b>do not apply</b> to your account.</p>   |
| <p><b>If you are a participant in the Prudential Employee Savings Plan (PESP), the Jennison Associates Savings Plan, the Assurance Savings Plan, the Prudential Supplemental Employee Savings Plan, the Prudential Financial, Inc. 2021 Omnibus Incentive Plan and the attendant Prudential Long-Term Incentive Program, the Prudential Financial, Inc. 2016 Deferred Compensation Plan for Non-Employee Directors or the PGIM, Inc. Omnibus Deferred Compensation Plan...</b></p> <p><b>How do I know if this applies to me?</b></p> <ul style="list-style-type: none"><li>• You receive statements and other notifications from Prudential in connection with one or more of these plans.</li></ul>        | <p>...Empower is currently providing services to the plans as a sub-contractor to Prudential for a transitional period. During this period, Prudential will remain the service provider for the plans.</p> <p>Please carefully review the "Important Disclosures Regarding the Empower Transaction" below that <b>apply to you, as applicable</b>.</p> |

**ACCOUNT TYPE****SERVICE PROVIDER**

**If you are a participant in a retirement plan previously serviced by Prudential Retirement, which may include defined benefit plans, non-qualified plans, defined contribution plans, and 401(k) plans (including a plan that permits self-directed brokerage accounts), or you are an account holder of a SmartSolution IRA, Auto Roll IRA, or NFS Prudential Brokerage Account...**

**How do I know if this applies to me?**

- You receive a notification from Prudential Retirement notifying you that Empower will become the service provider for your account.
- You receive a welcome email or letter from Empower.

...Empower is now the service provider for your account. However, with respect to Smart Solution IRA accounts and certain Auto Roll IRAs, Prudential Investment Management Services LLC (PIMS) remains the broker-dealer for a transitional period.

Please carefully review the “Important Disclosures Regarding the Empower Transaction” below that **apply to you**.

**Important Disclosures Regarding the Empower Transaction**

Effective April 1, 2022, the following will apply to you:

- All references to “Prudential Retirement” refer to Empower. Prudential Retirement is no longer a business unit of Prudential.
- Certain insurance products written by The Prudential Insurance Company of America were reinsured to GWLA and Great-West Life & Annuity Insurance Company of New York (for New York business). Empower Retirement will become the administrator of this business acquired from Prudential.
- Empower Retirement refers to the products and services offered by GWLA and its subsidiaries, including Empower Retirement, LLC. Empower Retirement is not affiliated with Prudential or its affiliates.
- Full-service retirement sales personnel and certain service personnel are no longer registered representatives of Prudential Investment Management Services LLC (PIMS) and are registered representatives of GWFS Equities, Inc. For a transitional period, certain back office and service personnel will remain registered representatives of PIMS.
- During a transition period, Prudential and, as applicable, its affiliates will continue to provide services to Empower. PIMS will continue to provide certain broker-dealer services under the terms of existing services agreements for certain plans and will continue to be the broker-dealer of record for existing SmartSolution IRA accounts and certain Auto Roll IRA accounts for a transitional period.
- Any documents pertaining to fraud or security commitments by Prudential Retirement are no longer applicable and are replaced with Empower’s commitments set forth at <https://participant.empower-retirement.com/participant/#/articles/securityGuarantee>.
- If Empower is the service provider for your account, Prudential’s Privacy Statements and Privacy Notices are replaced with Empower’s Privacy Notice set forth at <https://www.empower-retirement.com/privacy> for that account.

All product names, logos, and brands are property of their respective owners. “EMPOWER”, “EMPOWER RETIREMENT”, all associated logos, and product names are trademarks of Great-West Life & Annuity Insurance Company. Prudential, the Prudential logo and the Rock Design are trademarks of Prudential Financial, Inc. and its affiliates and are used under license.

Information provided herein, including linked documents, is being provided for informational or educational purposes only. By sharing it, neither PIMS nor Prudential is acting as your fiduciary as defined by the Department of Labor or otherwise. If you need investment advice, please consult with a qualified professional. Prudential Financial, its affiliates, and their financial professionals do not render tax or legal advice. Please consult with your tax and legal advisors regarding your personal circumstances.

**Have additional questions? For Prudential accounts and products, please call 800-621-1089. For Empower accounts and products, please call 877-778-2100.**