

**Collective Negotiations Agreement**

*between the*

**County of Passaic**

*and*

**International Brotherhood of Teamsters, Local 125**

*representing civilian employees in the Passaic County Sheriff's Office*

*for the period of*

**January 1, 2023 to December 31, 2027**

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## ARTICLE I. RECOGNITION AND PERIOD OF AGREEMENT

### Section 1. Union Recognition.

The Passaic County Sheriff (“Sheriff”) and the County of Passaic (“County”) do recognize the International Brotherhood of Teamsters, Local 125 (“Union”) as the exclusive representative for the purpose of collective negotiations pursuant to the New Jersey Employer-Employee Relations Act, N.J.S.A. 34:13A-1, et seq. for civilian employees of the Sheriff. The Sheriff, County and Union (collectively referred to as the “Parties”) bargained in good faith with respect to wages, hours of work, and other terms and conditions of civilian employees in the Passaic County Sheriff’s Office (“Sheriff’s Office”).

### Section 2. Period of Agreement.

The Sheriff, County and Union mutually agree that the following shall represent the Collective Negotiations Agreement (“Agreement”), effective January 1, 2023 and shall remain in full force and effect for a five (5) year term, expiring December 31, 2027.

### Section 3. Recognized Job Titles.

As used herein, the term “employee” or “employees” shall be defined as the following New Jersey Civil Service Commission job titles:

|                                 |  |
|---------------------------------|--|
| Account Clerk                   | Maintenance Repairer                         |
| Administrative Secretary        | Maintenance Worker 2 Grounds                 |
| Assistant Cook                  | Maintenance Worker 3 Grounds                 |
| Budget Examiner                 | Mechanic                                     |
| Building Maintenance Worker     | Mechanics Helper                             |
| Cashier                         | Medical Records Clerk                        |
| Clerk 1 Billing S/E             | Payroll Clerk                                |
| Clerk 2                         | Personnel Officer                            |
| Clerk 3                         | Practical Nurse (LPN)                        |
| Clerk 4                         | Principal Account Clerk                      |
| Clerk Stenographer 1            | Principal Payroll Clerk                      |
| Clerk Stenographer 2            | Program Development Specialist 1 Corrections |
| Clerk Stenographer 3            | Project Coordinator                          |
| Clerk Stenographer 4            | Project Coordinator, Construction            |
| Clerk Transcriber               | Chief Project Coordinator, Construction      |
| Communications Officer          | Receptionist Billing S/E                     |
| Community Service Aide          | Records Support Technician                   |
| Computer Operator Trainee       | Records Support Technician 1                 |
| Computer Service Technician     | Records Support Technician 2                 |
| Cook                            | Records Support Technician 3                 |
| Counselor Penal Institution     | Records Support Technician 4                 |
| Data Entry Operator             | Recreation Program Specialist                |
| DP Programmer Systems Analyst   | Senior Account Clerk                         |
| Graduate Nurse (RN)             | Senior Budget Examiner                       |
| Head Nurse (RN)                 | Senior Clerk Transcriber                     |
| Identification Officer          | Senior Maintenance Repairer                  |
| Keyboarding Clerk 1             | Senior Mechanic                              |
| Keyboarding Clerk 1 Billing S/E | Senior Payroll Clerk                         |
| Keyboarding Clerk 2             | Senior Practical Nurse (LPN)                 |

Keyboarding Clerk 3  
Keyboarding Clerk 4  
Mail Clerk  
Maintenance Worker 1 Grounds

Social Worker  
Supervising Account Clerk  
Supervisor of Nurses  
Telephone Operator

## **ARTICLE II. PREAMBLE**

This Agreement has, for its purpose, the promotion of harmonious relations between the Sheriff and its employees, the establishment of equitable and peaceful procedures for the resolution of differences, the establishment of rates of pay, hours of work and other conditions of employment satisfactory to both Parties and the avoidance of interruption or interference with the efficient operation of the Sheriff, which is essential to the wellbeing of the citizens of the County.

## **ARTICLE III. GRIEVANCE PROCEDURE**

### **Section 1. Definition.**

A grievance shall be any difference of opinion, controversy or dispute arising between the Parties hereto relating to any matter of wages, hours, disciplinary action and working conditions, or any dispute between the Parties involving interpretation or application of any provision of this Agreement.

### **Section 2. Procedure.**

The Sheriff and Union mutually agree to the following grievance steps:

1. **Step One.** The employee shall present the grievance in writing to the employee's immediate supervisor within ten (10) days of its occurrence. The supervisor shall then attempt to address the matter and shall respond in writing to the employee within ten (10) working days.
2. **Step Two.** If the grievance has not been settled, a Union Representative shall present it in writing to the appropriate Division Head within ten (10) days after the supervisor's response is received or due. The Division Head shall then respond in writing to the Union Representative within ten (10) working days.
3. **Step Three.** If the grievance remains unsettled, it shall be presented in writing by the Union Representative to the Sheriff within ten (10) days after response of the Division Head is received or due. The Sheriff or his designated representative shall respond in writing to the Union Representative within ten (10) working days.
4. **Step Four.** If the grievance is still unresolved within ten (10) days after written notice is received or due from the Sheriff, either party may request binding arbitration of the grievance, pursuant to the Public Employment Relations Commission ("PERC") rules and regulations, N.J.A.C. 19:12-5.1. The cost of arbitration shall be borne equally by the County and Union.

## **ARTICLE IV. MANAGEMENT RIGHTS**

The Sheriff retains the right, in accordance with applicable laws and procedures, to do the following:

1. Direct employees;

2. Hire, promote, transfer, assign and retain employees in positions within the agency, as well as to suspend, demote, discharge or take reasonable disciplinary action against employees, with Union representation if requested and in accordance with applicable Civil Service Commission laws and the New Jersey Administrative Code;
3. Relieve employees from duties because of lack of work or other legitimate reasons;
4. Maintain the efficiency of the government operations entrusted to the Sheriff;
5. Determine the methods, means and personnel by which such operations are to be conducted;
6. Take whatever legal action may be necessary to carry out the mission of the agency in situations of emergency; or
7. Take disciplinary action in accordance with applicable Civil Service Commission laws and the New Jersey Administrative Code when an employee fails to comply with reasonable management requests.

#### **ARTICLE V. WORKWEEK-HOURS OF WORK**

##### **Section 1. 5 & 2 Full Time Employees.**

1. The standard workweek shall consist of five (5) consecutive days, Monday through Friday, with two (2) consecutive days off, Saturday and Sunday.
2. The standard workweek shall be forty (40) hours. Each employee shall be entitled to a paid one (1) hour lunch period, which in case of an emergency is to be taken in an area designated by the employee's supervisor.
3. The hours of work shall be from 8:00 AM to 4:00 PM.

##### **Section 2. 5 & 2 Part Time Employees.**

1. At the determination of the Sheriff, in general, a part time employee working twenty-four (24) hours weekly may work three (3) eight (8) hour days and receive one (1) hour paid lunch for an eight (8) hour day.
2. Any part time employee that works less than eight (8) hours per day will not be entitled to a paid lunch hour. However, such employee will be entitled to half (1/2) an hour paid lunch.
3. The Sheriff shall determine the shift a part time employee will work.
4. Part time employees as described herein will receive full medical benefits for the employee only in addition to cost-of-living increases, pro-rated vacation per year, pro-rated sick leave and night differential, if applicable.
5. Part time employees working twenty-four (24) hours or less will not receive perfect attendance days, personal days or paid holidays, except if the holiday falls on the regularly scheduled workday of the employee and the employee is not working because the office/assignment where the employee works is closed due to the holiday.

6. An employee must continue to work a minimum of twenty-four (24) hours weekly for each quarter to receive medical benefits in accordance with County policy.
7. Any employee working less than twenty-four (24) hours weekly will not receive any negotiated wage increases nor applicable night differential.

**Section 3. All Employees.**

1. Lunch periods assigned to employees shall be duty free, with the exception of an emergency. Any employee who shall be requested to work during the employee's lunch period shall be afforded a duty-free lunch period during the respective work shift in that same workday when reasonably possible, and, if no lunch period is reasonably possible during the same workday, the employee will receive one (1) hour compensatory time. Use of lunch during the first or last hour of the employee's assigned shift may be permitted on an emergency basis subject to the approval of a sworn supervisor. Denial of such emergency use may be grieved through Step 3 of the grievance procedure. The Step 3 decision shall be final and is not subject to arbitration.
2. If an employee is more than thirty (30) minutes late in reporting to work without good cause, the immediate supervisor may send the employee home for the balance of that working day, in which event such employee shall not receive pay for that day.
3. The Sheriff has the right to place an employee on staggering starts and finishes for the good of the Sheriff's Office. Changes in shifts shall consider seniority where practical.
4. All personnel, as a condition of employment, must be available to work any and all shifts as needed to maintain the effective operation of the Sheriff's Office.
5. An employee who becomes ill while on compensatory time, vacation leave, perfect attendance leave or personal leave shall be charged sick time and must provide a doctor's note in lieu of being charged for said leave.
6. Unused comp time shall be cumulative from year to year subject to the limits established by the Fair Labor Standards Act (FLSA). It shall be noted that, at no time, shall an employee carry over more than two hundred and forty (240) hours of accumulated comp time.
7. Adequate staffing will be enforced within each division, always, by the division's immediate supervisor. No comp time, personal leave, perfect attendance leave or vacation leave will be authorized if staffing is compromised.
8. Shift coverage due to illness will be first offered to the senior person on the previous shift. If declined, the next person with seniority will be asked and so on until all personnel on the previous shift have been asked to work overtime on the next shift. If no working personnel accept the overtime, then it will be offered to all off duty employees according to seniority within the division who are not on family leave, sick time, vacation leave, comp time leave, perfect attendance leave or personal leave. If the overtime is refused by all personnel, the most junior person on duty must take the overtime. At no time will an employee leave their post without being properly relieved.
9. Seniority privileges within each division and shift apply to vacation leave, perfect attendance leave, comp time leave and personal leave requested by the division's January 15th deadline. After said deadline, all above-referenced time off requests will be on a first come first served basis.

## ARTICLE VI. OVERTIME PAYMENT

### Section 1. Eligibility for Overtime.

Time and one-half (1 ½) the employee's regular rate of pay shall be paid in thirty (30) minute segments after such employee has worked ten (10) minutes beyond the employee's full-time workday, eight (8) hour work shift or twelve (12) hour work shift, provided that such employee reported for work on time for his/her original shift, and further provided that said employee worked the full shift and a forty (40) hour workweek.

### Section 2. Work on Scheduled Day Off.

If an employee is scheduled to work on a day normally scheduled as his/her day off and has otherwise worked a regular schedule during the workweek (sick, personal, vacation and holiday time are considered part of the workweek), such employee shall be paid at the rate of time and one-half (1 ½) his/her base pay.

### Section 3. Court Appearances.

Whenever an employee is required to appear in court for a job-related incident at a time other than his/her regular duty hours, he/she shall be paid time and one-half (1 ½) for the time spent in court. The court time minimum for calculation purposes shall be two (2) hours of overtime pay.

### Section 4. Payment of Overtime.

Payment for overtime work shall be in the form of pay or compensatory time off at the employee's discretion. Said election by the employee for either must be submitted within four (4) days of the overtime occurrence and shall be paid at the same rate of overtime.

### Section 5. Part Time Employees.

Part time employees working more than twenty-four (24) hours but less than forty (40) hours in one workweek will receive straight time for additional time. Any time worked over forty (40) hours in one week will receive time and one-half (1 ½) in pay. A departmental overtime form must be submitted within four (4) days.

## ARTICLE VII. SALARIES

### Section 1. Salary Guide.

Based annual wages for employees covered by this Agreement shall be as set forth in Appendix A annexed.

### Section 2. Civil Service Titles.

The County and Sheriff reserve the right to place newly implemented Civil Service titles not already listed on the salary guide at a level deemed appropriate for the position.

### Section 3. Rate of Pay in 2023.

Effective retroactive to January 1, 2023, all employees on the Salary Guide shall remain frozen and receive a one thousand dollar (\$1,000.00) increase to their base salary. Employees at max on the Salary Guide shall receive a fifteen hundred dollar (\$1,500.00) increase to their base salary.



**Section 4. Rate of Pay in 2024.**

Effective January 1, 2024, all employees shall move one step on the Salary Guide on his/her anniversary date as defined in Article VIII. Increments and Longevity, Section 1. Anniversary Date. Employees at max on the Salary Guide shall receive a two percent (2.00%) cost of living adjustment on his/her base salary.

**Section 5. Rate of Pay in 2025.**

Effective January 1, 2025, all employees shall move one (1) step on the Salary Guide on his/her anniversary date as defined in Article VIII. Increments and Longevity, Section 1. Anniversary Date. All employees at max on the Salary Guide shall receive two percent (2.00%) cost of living adjustment on his/her base salary.

**Section 6. Rate of Pay in 2026.**

Effective January 1, 2026, all employees shall move one (1) step on the Salary Guide on his/her anniversary date as defined in Article VIII. Increments and Longevity, Section 1. Anniversary Date. All employees at max on the Salary Guide shall receive a two percent (2.00%) cost of living adjustment on his/her base salary.

**Section 7. Rate of Pay in 2027.**

Effective January 1, 2027, all employees shall move one (1) step on the Salary Guide on his/her anniversary date as defined in Article VIII. Increments and Longevity, Section 1. Anniversary Date. All employees at max on the Salary Guide shall receive a two percent (2.00%) cost of living adjustment on his/her base salary.

**Section 8. Separation from Employment.**

Employees that have separated from employment since December 31, 2017 will receive pro rata payment for amounts stated above in Section 3 to Section 7 based on the duration of their employment between December 31, 2017 and their separation date.

**ARTICLE VIII. INCREMENTS AND LONGEVITY**

**Section 1. Anniversary Date.**

During the term of this Agreement, increments to which employees are entitled to shall be awarded as follows:

1. All employees whose anniversary date falls between January 1 and June 30 shall receive the increment to which they would have been entitled to on their anniversary date, retroactive to January 1 of the contract year.
2. All employees whose anniversary date falls between July 1 and December 31 shall receive the increment to which they would have been entitled to on their anniversary date, retroactive to July 1 of the contract year.

**Section 2. Promotion.**

Anniversary date for increments for full time employees will not change unless a promotion occurs. The promotional date will then serve as the employee's anniversary date.

**Section 3. Longevity.**

Longevity pay shall be determined by length of employment<sup>1</sup> as follows:

- 2% of base pay at the beginning of the seventh (7th) year
- 4% of base pay at the beginning of the tenth (10th) year
- 6% of base pay at the beginning of the fifteenth (15th) year
- 8% of base pay at the beginning of the twentieth (20th) year
- 10% of base pay at the beginning of the twenty-fifth (25th) year

**Section 4. Eligibility for Longevity.**

Employees hired after May 3, 2010 shall not be entitled to longevity.

**ARTICLE IX. NIGHT DIFFERENTIAL**

**Section 1. 5 & 2 Full Time Employee Schedules between 3:00 PM and 7:00 AM.**

1. Employees working on shifts whose working hours fall between 3:00 PM and 7:00 AM shall receive, in addition to their regular pay, a shift differential found under Article IX. Night Differential, Section 1. 5 & 2 Full Time Employee Schedules between 3:00 PM and 7:00 AM, Sub-Sections 2 and 3, below, which shall be divided equally into the number of pay periods in each year and said amount shall be incorporated into the base salary and shall be paid each regular pay. Said amounts shall also be paid to all employees working the second and third shifts when on vacation, personal, sick, comp, perfect attendance and holiday leave.
2. Employees hired prior to January 1, 2015, whose working hours fall between 3:00 PM and 7:00 AM, shall receive, in addition to their regular pay, an additional ten (10%) percent of their base salary.
3. Employees hired on or after January 1, 2015, whose working hours fall between 3:00 PM and 7:00 AM, shall receive, in addition to their regular pay, an additional five (5%) percent of their base salary.
4. Employees must work a minimum of two (2) hours into the corresponding shift period and be assigned to the 5 & 2 Schedule for a minimum of four (4) weeks to qualify for any differential pay.
5. Employees entitled to shift differentials shall be compensated in two (2) hour completed blocks (i.e., an employee working 3.5 hours is only entitled to a 2-hour differential payment but an employee working four (4) hours is entitled to four (4) hours of differential payment).

**Section 2. 5 & 2 Part Time Schedules between 3:00 PM and 7:00 AM.**

Part time 5 & 2 employees working twenty-four (24) hours per week or more shall receive night differential as follows:

1. Employees hired prior to January 1, 2015, whose working hours fall between 3:00 PM and 7:00 AM, shall receive, in addition to their regular pay, an additional ten (10%) percent of their base salary.

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<sup>1</sup> As of January 1, 1992, length of employment for all new employees will be determined by length of service with the County.

2. Employees hired on or after January 1, 2015, whose working hours fall between 3:00 PM and 7:00 AM, shall receive, in addition to their regular pay, an additional five (5%) percent of their base salary.
3. Employees must work a minimum of two (2) hours into the corresponding shift period and be assigned to the 5 & 2 schedule for a minimum of four (4) weeks to qualify for any differential pay.
4. Employees entitled to shift differentials shall be compensated in two hour completed blocks (i.e., an employee working 3.5 hours is only entitled to a 2-hour differential payment but an employee working 4 hours is entitled to 4 hours of differential payment).

### **Section 3. Establishment of Swing Shift by the Sheriff.**

In the event the Sheriff's Office establishes a swing shift, 5 & 2 employees, differential payments shall be as follows:

1. Employees hired prior to January 1, 2015, whose working hours fall between 3:00 PM and 7:00 AM, shall receive, in addition to their regular pay, an additional ten (10%) percent of their base salary.
2. Employees hired on or after January 1, 2015, whose working hours fall between 3:00 PM and 7:00 AM, shall receive, in addition to their regular pay, an additional five (5%) percent of their base salary.

## **ARTICLE X. RETIREMENT & SEPARATION OF EMPLOYMENT**

### **Section 1. Payment for Unused Benefit Time at Separation of Employment.**

Upon discharge, the employee will receive, no later than the next pay period, all monies to which the employee is owed including, but not limited to, payment for all earned and unused vacation, personal leave, perfect attendance bonus and sick time, except that if an employee forfeits his job pursuant to N.J.S.A. 2C:51-1, et seq., s/he shall receive no benefits whatsoever. An employee shall not be entitled to compensation for sick time earned if terminated for just cause.

### **Section 2. Payment for Unused Benefit Time at Resignation of Employment.**

Upon resignation, the employee will receive, no later than the next pay period, all monies to which the employee is owed including, but not limited to, payment for all earned and unused vacation, personal leave, perfect attendance bonus and sick time so long as the employee has complied with County procedures regarding resignation or has been granted a waiver of applicable County procedures. Granting such a waiver is at the discretion of the Sheriff.

### **Section 3. Retirement.**

1. All employees covered under this Agreement must apply no less than three (3) months prior to retirement at the Department of Human Resources. The employee must bring the following: (a) employee's birth certification; (b) birth certificate of employee's spouse; (c) marriage certificate; (d) divorce papers, if applicable; and (e) birth certificate of any child under the age of eighteen (18).
2. The retirement benefits are explained in the PERS Pension Booklets. The County shall continue to provide and pay for medical/hospitalization and prescription coverage for all retired employees in

the Union as outlined in **Appendix B**.

3. For existing employees, the County shall pay in full, all medical and prescription premiums, except for the employee's contribution or co-pay<sup>2</sup> for all members who retire with a minimum of twenty-five years (25) of service with the County.
4. Employees who retire on a disability pension shall continue to receive full medical benefits as provided under this Agreement at no cost to the retiree or the retiree's family, as if the employee were an active member of the Department. Upon retirement, the member shall be eligible for the same level of healthcare benefits that the retiree had immediately prior to retirement, unless said retiree chooses a different plan.

**Section 4. Payment of Accumulated Sick Time for Employees Hired Prior to May 3, 2010.**

For employees hired prior to May 3, 2010, upon retirement, shall receive payment for accumulated sick time in the amount of fifty percent (50%) of the accumulated sick time with a maximum amount of fifteen thousand dollars (\$15,000.00). Renumeration for all accrued time shall be paid out in accordance with existing County policy.

**Section 5. Payment of Accumulated Sick Time for Employees Hired After May 3, 2010.**

For employees hired after May 3, 2010, upon retirement, shall receive payment for accumulated sick time in the amount of fifty percent (50%) of the accumulated sick time with a maximum amount of twelve thousand dollars (\$12,000.00). Renumeration for all accrued time shall be paid out in accordance with existing County policy.

**ARTICLE XI. VACATION, SICK, PERSONAL AND BEREAVEMENT LEAVES**

**Section 1. Vacation Request Procedure.**

Provided vacation requests are submitted by January 15th each year, such requests will be granted based on seniority within each Division (Patrol, Corrections, Courthouse) of the Sheriff's Office. Vacation time is earned according to the date of hire with the County. If an employee is on an approved vacation and a recognized holiday falls during said vacation, the employee gets the holiday and is not charged a vacation day for the holiday.

**Section 2. Vacation Accrual for Employees Hired Prior to May 16, 2016.**

Vacation time shall be granted as follows to employees hired prior to May 16, 2016:

| <b>YEARS OF SERVICE</b> | <b>WORKING DAYS VACATION EACH YEAR</b> |
|-------------------------|--|
| 1 to 5 years            | 12                                     |
| 6 to 10 years           | 15                                     |
| 11 to 15 years          | 18                                     |
| 16 to 20 years          | 20                                     |
| Over 20 years           | 22                                     |

<sup>2</sup> See Article 15. Medical Benefits, Section 1. Insurance Coverage. Sub-sections (a) and (c).

**Section 3. Vacation Accrual for Employees Hired After May 16, 2016.**

Vacation time shall be granted as follows to employees hired after May 16, 2016:

| <b>YEARS OF SERVICE</b> | <b>WORKING DAYS VACATION EACH YEAR</b> |
|-------------------------|--|
| 1 to 10 years           | 12                                     |
| 11 to 15 years          | 15                                     |
| 16 to 20 years          | 18                                     |
| Over 20 years           | 20                                     |

**Section 4. Green Schedule.**

For those employees on a Green Schedule working Monday to Friday, in the event that a Holiday falls during the period of vacation time utilized by such employees, such employees will be paid for the Holiday and not charged a vacation day. However, said employees shall not be entitled to double time and/or Holiday Pay for same.

**Section 5. Miscellaneous.**

1. It shall be duly noted that at no time shall an employee have more than two (2) years vacation time accumulated without permission from the Division Head.
2. In the event an employee is ill during a period of vacation, such employee will be charged sick leave instead of vacation. The Sheriff or County may demand a doctor's certification.

**Section 6. Sick Leave.**

1. Every full-time employee covered by this Agreement shall earn payment for absence due to illness at a rate of fifteen (15) days per year, which shall be available for use by the employee on January 1st. Unused sick days shall be cumulative from year to year. Should an employee use all of his/her paid sick leave days not yet earned and the employee is separated from employment with the County, the County reserves the right to deduct the unearned paid sick leave from any monies the employee may have due and which sick leave accrues at a rate of 1.25 days per month.
2. After an employee has used ten (10) or more sick days in any calendar year, the Sheriff shall have the right to demand that the employee furnishes a doctor's note for any additional sick days.
3. After the employee has used five (5) consecutive sick days, the Sheriff shall have the right to demand that the employee furnishes a note from his/her doctor for any additional sick days.
4. If an employee must work a holiday and calls out sick, he or she shall have the holiday pay rate deducted from his/her check. Said employee must furnish a doctor's note and absorb a sick day.
5. For each quarter that a full-time employee does not use any sick time, one (1) additional compensation day will be awarded as an incentive for perfect attendance. Employees who are eligible to receive the perfect attendance bonus must use same in the next quarter or, with the approval of management, in the quarter after that. Any time earned in the final quarter of the year may be used in the first quarter of the next year, or, with approval of the Sheriff, the quarter after that.

6. The Department sick call policy/procedure will be followed by all employees within this Union with no exceptions.

**Section 7. Personal Leave.**

1. Every employee covered by this Agreement shall be allowed three (3) days personal leave with pay per year, provided that the Division Head is notified of such leave at least three (3) days in advance, except in emergency situations. Approval of such leave requests by the Division Head shall not be unreasonably withheld. Such leave shall not be cumulative from year to year. However, all unused personal days shall be paid to such employee at the end of the year if the days were denied or may be carried over with the approval of the Sheriff.
2. Part-time employees are not eligible for personal days.

**Section 8. Bereavement Leave.**

1. Every employee covered by this Agreement shall be allowed four (4) days leave per death of the employee's spouse, civil partner, children, parents, siblings, grandparents, grandchildren, mother- or father-in-law, sister- or brother-in-law; son- or daughter-in-law, or a family member living in the employee's immediate household. An additional four (4) days shall be given in the event of the death of the employee's spouse, civil partner or child.
2. All other bereavement leave requests shall be governed by the Passaic County Personnel Policies and Procedures Manual ("Employee Manual") adopted by the Board of County Commissioners of the County of Passaic ("Board"). The benefits shall be equal to the benefits as of the date the 2018 - 2022 Memorandum of Agreement was ratified by the Parties on January 7, 2021.

**Section 9. Increment Use of Paid Time Off.**

Paid time off in Article XI. Vacation, Sick, Personal and Bereavement Leaves may be used in four (4) hour increments.

**ARTICLE XII. HOLIDAY COMPENSATION**

**Section 1. Paid Holidays.**

The following days are recognized paid holidays.

|                                   |                        |
|-----------------------------------|------------------------|
| New Year's Day                    | Columbus Day           |
| Martin Luther King's Birthday     | Election Day           |
| President's Day                   | Veteran's Day          |
| Good Friday                       | Thanksgiving Day       |
| Memorial Day                      | Day After Thanksgiving |
| Juneteenth (third Friday in June) | ½ Day Christmas Eve    |
| Independence Day                  | Christmas Day          |
| Labor Day                         | ½ Day New Year's Eve   |

**Section 2. Holiday Recognition for 5 & 2 Workweek.**

Those employees having a five and two (5 & 2) workweek as defined herein shall be compensated as follows:

1. Recognized holidays that fall on a Saturday shall be celebrated on the preceding Friday.
2. Recognized holidays that fall on a Sunday shall be celebrated on the succeeding Monday.
3. In the event that Article XII. Holiday Compensation, Section 2. Holiday Recognition for 5 & 2 Workweek, Subsection (1) or (2) is countermanded by the Sheriff and/or ordered by the courts requiring the services of employees, the affected employees shall be granted equal compensatory time off in recognition of the holiday.

### **Section 3. Part Time Employees.**

1. Part time employees will receive holiday compensation only when the holiday falls on his/her scheduled workday.
2. 5 & 2 Security Guards scheduled to work on a holiday as a normal workday will receive holiday compensation.

## **ARTICLE XIII. CRIMINAL/CIVIL ACTIONS**

### **Section 1. Legal Defense of Employees.**

1. The County shall be responsible for all judgments, attorney's fees and costs, whether criminal or civil in nature, which directly or indirectly arise out of or in the course of employment, of any employee covered by this Agreement.
2. The County represents that it maintains appropriate and sufficient insurance to cover any and all damages resulting from judgments rendered in civil action brought against an employee for any unintentional act or omission arising out of and in the course of the employee's performance of duties. Employees will be indemnified pursuant to the Indemnification Policy established by the Board in the Employee Manual.

## **ARTICLE XIV. PAYMENT FOR EDUCATION/CONTINUING EDUCATION**

### **Section 1. Work-Related Trainings.**

The County represents that time off without penalty shall be granted to those employees enrolled in approved work-related training courses, subject to the needs of the Sheriff.

### **Section 2. Completion of Work-Related Studies.**

Any employee who enrolls in, attends and successfully completes a course in work related studies at an accredited institution or college approved by the Middle State Association Colleges and Secondary Schools shall be paid a one-time payment of twenty dollars (\$20.00) per credit.

### **Section 3. Education Increment.**

All the aforementioned courses must be approved in advance by the Sheriff and shall be paid during the first quarter of the calendar year. In addition, those employees who have attained or hereafter attain a college degree<sup>3</sup> shall receive an annual educational increment as follows:

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<sup>3</sup> Only one degree is payable at a time.

| DEGREE            | EDUCATION INCREMENT |
|-------------------|---------------------|
| Associate degree  | \$1,000.00          |
| Bachelor's Degree | \$1,500.00          |
| Graduate Degree   | \$2,000.00          |

**ARTICLE XV. MEDICAL BENEFITS**

**Section 1. Insurance Coverage.**

1. The County will continue to provide and pay for medical hospitalization, subject to the required contributions and major medical insurance coverage and provide multiple plan options as required by law.
2. Union employees shall make contributions toward the cost of their health insurance coverage in an amount set forth pursuant to P.L. 2010, Ch. 78, and any amendments thereto. In addition, new employees hired after May 3, 2010 shall be responsible for the deductible based on the plans selected.
3. All covered medical bills will be paid within forty-five (45) days of services rendered.
4. Part time employees with a constant twenty-four (24) hour workweek will receive single medical, prescription and dental benefits for him/herself.
5. The County reserves the right to select the insurance carrier who shall provide such benefits, as long as the benefits are equivalent to or better than those provided by the policies in effect on the date of this Agreement.

**Section 2. Dental Coverage.**

Dental coverage shall be provided to employees as set forth in **Appendix C.**

**Section 3. Pre-Paid Prescription Plan.**

Prescription plan options shall be provided as is required by law.

**Section 4. Disability Plan.**

Disability insurance coverage shall be governed by the Employee Manual and the benefits shall be equal to the benefits as of the date the 2018 - 2022 Memorandum of Agreement was ratified by the Parties on January 7, 2021.

**Section 5. Work Incurred Injury.**

Workers' compensation coverage shall be governed by the Employee Manual and the benefits shall be equal to the benefits as of the 2018 - 2022 Memorandum of Agreement was ratified by the Parties on January 7, 2021.

**Section 6. Life Insurance.**

The County will continue to provide and pay for life insurance policy for each employee in the minimum amount of four thousand dollars (\$4,000.00).



**Section 7. Out-of-Network Coverage.**

Effective January 7, 2021, all out of network charges shall be paid at one hundred and fifty percent (150%) of the Medicare Rate Schedule.

**Section 8. Eligibility for County's Traditional Healthcare Plan.**

1. Effective January 7, 2021, new employees hired shall not be entitled to enroll in the County's Traditional Healthcare Plan.
2. Employees electing to change from the Traditional Healthcare Plan to another available plan will be permitted to change back to the Traditional Healthcare Plan, subject to the enrollment provisions of the Traditional Healthcare Plan.

**Section 9. Eligibility for Lifetime Benefits Upon Retirement.**

Effective January 7, 2021, new employees hired shall not be entitled to lifetime benefits upon retirement.

**ARTICLE XVI. MISCELLANEOUS**

**Section 1. Union Bulletin Board.**

The Union shall have the right to post within the workplace Union related notices using their own stationery on available bulletin boards.

**Section 2. Union Business.**

Any representative of the Union that is scheduled to participate in negotiations or grievance procedures, Union meetings and related Union business during work hours will suffer no loss in pay or benefits. Union business shall be defined as any activity that directly relates to the running of the Union or training requested by a board member that is directly related to protecting the interest of the Union. Whenever any representative of the Union is scheduled to participate in negotiations, grievances, conventions or any Union business during work hours, she/he shall suffer no loss of pay provided a written request is submitted and approved by the Sheriff prior to the event.

**Section 3. Union Office.**

1. The Sheriff agrees to provide an on-site office to conduct Union business. A telephone line will be installed for use by the Union for Union business. Additionally, facilities for the Union to conduct meetings during on duty and off duty hours.
2. The Union shall be afforded visitation rights to its members and access to a bulletin board to post notices regarding Union business.

**Section 4. Union Membership Dues.**

The County agrees to deduct the Union monthly membership dues from the pay of those employees who have authorized such deductions in writing, pursuant to N.J.S.A. 52:14-15.9e. The amounts so deducted shall be remitted to the Union in check form in a timely fashion, together with a list of names of its employees.

**Section 5. Indemnification.**

It is specifically agreed that the Sheriff and County assume no obligations, financial or otherwise, arising out of the provisions of this Article, and the Union hereby agrees it will indemnify and hold the County and Sheriff harmless for any claim, actions or proceedings by an employee arising from dues deductions made by the County and Sheriff hereunder. Once the funds are remitted to the Union, disposition thereafter shall be the sole and exclusive obligation and responsibility of the Union.

**Section 6. Amendments.**

No change(s) to this Agreement shall occur without written agreement between the Parties.

**Section 7. Severability.**

Should any portion of this Agreement be held unlawful or unenforceable by any court of competent jurisdiction, such decision of the court shall only apply to that specific portion of the Agreement affected by such decision of the court, whereupon the Parties agree to immediately negotiate a substitute for the invalidated portion thereof.

**Section 8. Present Benefits.**

Except as otherwise provided herein, all benefits, which employees have heretofore held and are presently holding, shall be maintained and continued by the County during the term of this Agreement. The personnel policies and regulations of the Department established for all employees of all divisions, which have been mutually agreed upon and are in effect, shall continue to be applicable to all employees except as otherwise provided herein.

**Section 9. Non-Discrimination.**

The County agrees that it shall not discriminate against any employee during the term of this Agreement with respect to hours, wages or terms of or conditions of employment, including loss of income, change of assignment or demotion, by reason of his/her membership in the Union and its affiliates participating in any activities, collective negotiations with the County, or institution of any grievance, complaint, or proceeding under this Agreement or otherwise with respect to any terms and conditions of employment.

**Section 10. Requests for Information.**

The County agrees to make available to the Union, in response to reasonable request, all available current and accurate information in the public domain.

**Section 11. Seniority.**

Seniority is defined as the amount of continuous permanent service to the County, regardless of title and shall be based on total calendar years, months and days, in continuous permanent service regardless of work week, work year or part-time status.

**Section 12. Printing Costs of Final Collective Negotiations Agreement.**

The Sheriff shall have the final Agreement printed to include all Appendices and Salary Guides and shall provide two hundred (200) copies to the Union within thirty (30) days of the Agreement being executed. The County and the Union will split the printing costs for these copies, with each party paying fifty percent

(50%) of the cost.

**Section 13. Direct Deposit.**

The Sheriff will continue to provide a direct deposit option to any/all banking institutions of the employee's choice.

**Section 14. Maintenance of Uniforms.**

Employees shall be responsible for all costs associated with the care, maintenance, alteration, repair, replacement, cleaning, dry cleaning and/or rental of his or her uniform. The Union members further expressly acknowledge and agree that they shall not be entitled to any additional compensation, benefits or overtime in connection with the care, maintenance, alteration, repair, replacement, cleaning, dry cleaning and/or rental of his or her uniform, including, but not limited to shirts, pants, jackets, hats, coats, buttons, badges, belts, holsters and other leather. However, if the Sheriff orders a uniform change, then the Sheriff shall pay for said change.

**Section 15. Disciplinary Actions by Sheriff.**

The Sheriff may utilize any relevant counseling, verbal reprimand, writing reprimand, minor disciplinary action, or major disciplinary action in an employee's personnel file for the imposition of more serious discipline. A prior counseling, verbal reprimand, minor disciplinary action, or major disciplinary action in an employee's personnel file will not be used for imposition of future discipline if there has been no counseling, verbal reprimand, written reprimand, minor disciplinary action, or major disciplinary action for a period of five (5) years. This provision does not limit the Sheriff's right to impose a severe disciplinary action where warranted.

**Section 16. Personnel Matters.**

1. The Sheriff agrees to follow N.J.A.C. 4A:3-1.1, et seq. regarding hiring, promotions, and the posting of job announcements.
2. A personnel file shall be established and maintained for each employee covered by this Agreement. Such files are confidential records and shall be maintained in a secure area as directed by the Sheriff and may be used for evaluation purposes.
3. Upon advanced notice and at reasonable times, any member of the Sheriff's Office may, at any time, review an employee's personnel file. However, this appointment for review must be made in writing on a Department form through the Sheriff or his designated representative.
4. Whenever a written complaint concerning an employee or his/her actions is to be placed in an employee's personnel file, a copy shall be made available to the employee and the employee shall be given the opportunity to rebut any material, if the employee so desires, and the employee shall be permitted to place said rebuttal in his/her file. (When the employee is given a copy of the complaint, the identification of the complainant shall be exercised.) However, if any disciplinary action is taken based on any complaint, then the employee shall be furnished with all the details of the complaint, including the identity of the complainant. Any and all unfounded complaints will be expunged from the employee's personnel file and will not be used in assessing penalty in any future disciplinary action.
5. All personnel files will be carefully maintained and safeguarded permanently, and nothing placed

in any file shall be removed there from, unless such removal is agreed upon by both the Sheriff and the employee and permitted by law. Unless so agreed, removal of any material from a personnel file by any employee shall subject that employee to appropriate disciplinary action

**Section 17. Bi-Monthly Payroll.**

The County, at its sole discretion, can change from a bi-weekly payroll to a bi-monthly payroll.

**Section 18. Successor Collective Negotiations Agreement.**

The Parties agree to enter into the collective negotiations over successor Agreements in accordance with the New Jersey Employer-Employee Relations Act, N.J.S.A. 34:13A-1, et seq., in a good faith effort to reach agreement on all matters concerning the terms and conditions of employment. All provisions, terms and conditions of employment set forth in this Agreement, including but not limited to payment of salary step increases, will continue in effect until a successor Agreement has been negotiated and ratified by the Parties.

**ARTICLE XVII. NON-DISCRIMINATION**

The Sheriff and Union agree that the provisions of this Agreement shall be applied equally to all employees, and the Parties agree to comply with all State and Federal discrimination laws.

**ARTICLE XVIII. DEPARTMENTAL INVESTIGATIONS**

To ensure departmental investigations are conducted in a manner which is conducive to good order and discipline, all such investigations will be conducted in compliance with the Attorney General's guidelines and N.J.S.A. 40A:14-147.

**ARTICLE XIX. NO WAIVER**

Except as otherwise provided in this Agreement, the failure to enforce any provision of this Agreement shall not be deemed a waiver thereof. This Agreement is not intended and shall not be construed as a waiver of any right or benefit to which the employees herein are entitled to by law.

**ARTICLE XX. PERC**

It is understood that this Agreement shall be binding upon the Parties, their successors and assigns, and that upon notice to either party pursuant to the regulations of the New Jersey Public Employment Relations Commission ("PERC"), either shall have the obligation to commence negotiations for a successor agreement pursuant to the Rules of the PERC.

IN WITNESS WHEREOF, the Parties hereto have caused these presents to be signed by their proper and duly considered officials, this 9<sup>th</sup> day of February 2023.

Attest:

COUNTY OF PASSAIC

Louis E. Imhof III  
Louis E. Imhof III, Clerk  
Board of County Commissioners

Pasquale Lepore  
Pasquale Lepore, Director  
Board of County Commissioners

PASSAIC COUNTY ADMINISTRATOR

PASSAIC COUNTY SHERIFF

Matthew P. Jordan  
Matthew P. Jordan, Esq.  
Passaic County Administrator

GARY F. GIARDINA  
Passaic County Sheriff *ACTING*  
GARY F. GIARDINA

AS TO FORM AND LEGALITY:

Nadege D. Allwaters  
Nadege D. Allwaters, Esq.  
Passaic County Counsel

Attest:

IBT LOCAL 125

Vanessa V. Stokes  
Vanessa V. Stokes, Shop Steward  
IBT Local 125

David W. Bauman  
David W. Bauman, Vice President  
IBT Local 125

**APPENDIX A. SALARY GUIDE**

IB TEAMSTERS LOCAL NO. 125  
CIVILIAN "2023" SALARY GUIDE

| LVL | Step 1   | Step 2   | Step 3   | Step 4    | Step 5    | Step 6                                 | Step 7   | Step 8   | Step 9    | Step 10   | TITLES  |
|-----|----------|----------|----------|-----------|-----------|--|----------|----------|-----------|-----------|---|
| 5   | \$33,280 | \$34,112 | \$34,965 | \$35,839  | \$36,735  | \$37,653                               | \$38,595 | \$39,559 | \$40,548  | \$41,562  | Assistant Cook, Cashier, Clerk 1, Clerk 1 Biling S/E, Clerk Stenographer 1, Clerk Transcriber, Community Service Aid, Data Entry Operator 1, Keyboarding Clerk 1, Keyboarding Clerk 1 Biling S/E, Mail Clerk, Maintenance Worker 1 Grounds, Mechanics Helper, Receptionist Biling S/E, Records Support Tech 1, Telephone Operator |
| 7   | \$38,610 | \$39,575 | \$40,565 | \$41,579  | \$42,618  | \$43,684                               | \$44,776 | \$45,895 | \$47,043  | \$48,219  | Account Clerk, Cook, Computer Operator Trainee, Medical Records Clerk, Payroll Clerk  |
| 9   | \$46,566 | \$47,730 | \$48,923 | \$50,146  | \$51,400  | <i>Promotion from Level 5</i>          |          |          |           |           | Clerk 2, Clerk Stenographer 2, Keyboarding Clerk 2, Maintenance Worker 2  |
| 10  | \$42,178 | \$43,232 | \$44,313 | \$45,421  | \$46,557  | \$47,721                               | \$48,914 | \$50,136 | \$51,390  | \$52,675  | Administrative Secretary, Communications Officer, Identification Officer, Practical Nurse (LPN), Program Development Specialist 1 Corrections, Recreation Prgrm Specialist  |
| 11  | \$49,770 | \$51,014 | \$52,290 | \$53,597  | \$54,937  | \$56,310                               | \$57,718 | \$59,161 | \$60,640  | \$62,156  | Budget Examiner, Building Maint. Worker, Computer Service Tech, Counselor Penal Institution, Maintenance Repairer, Mechanic   |
| 12  | \$62,789 | \$64,359 | \$65,968 | \$67,617  | \$69,307  | <i>Promotion from Level 7,9,11</i>     |          |          |           |           | <b>Senior:</b> Senior Account Clerk, Senior Clerk Transcriber, Senior Maintenance Rpr., Senior Mechanic, Senior Payroll Clerk, Senior Practical Nurse (LPN), Clerk 3, Clerk Stenographer 3, Keyboarding Clerk 3, Maintenance Worker 3 Grounds, Records Support Technician 3   |
| 13  | \$45,422 | \$47,477 | \$49,531 | \$51,586  | \$53,641  | \$55,697                               | \$57,751 | \$59,806 | \$61,862  | \$63,917  | Social Worker, Graduate Nurse (RN)  |
| 14  | \$67,865 | \$69,562 | \$71,301 | \$73,083  | \$74,910  | <i>Promotion from Level 12,13</i>      |          |          |           |           | <b>Principal:</b> Principal Account Clerk, Principal Payroll Clerk, Clerk 4, Clerk Steno 4, Head Nurse (RN), Records Support Tech 4, Keyboarding Clerk 4  |
| 15  | \$60,487 | \$61,999 | \$63,549 | \$65,138  | \$66,766  | \$68,435                               | \$70,146 | \$71,900 | \$73,698  | \$75,540  | DP Programmer Systems Analyst   |
| 16  | \$72,183 | \$73,988 | \$75,837 | \$77,733  | \$79,677  | <i>Promotion from Level 11, 12, 14</i> |          |          |           |           | Personnel Officer, Senior Budget Examiner, Supervising Account Clerk, Supervisor of Nurses  |
| 17  | \$52,030 | \$55,124 | \$58,219 | \$61,313  | \$64,408  | \$67,502                               | \$70,598 | \$73,693 | \$76,787  | \$81,223  | Supervising Maintenance Repairer  |
| 18  | \$78,791 | \$80,761 | \$82,780 | \$84,849  | \$86,971  | <i>Promotion from Level 11, 12, 14</i> |          |          |           |           | Project Coordinator Construction  |
| 19  | \$69,318 | \$71,051 | \$72,827 | \$74,648  | \$76,514  | \$78,427                               | \$80,388 | \$82,397 | \$84,457  | \$86,569  |   |
| 20  | \$73,287 | \$76,728 | \$80,169 | \$83,611  | \$88,393  | <i>Promotion from Level 11, 12, 14</i> |          |          |           |           |   |
| 21  | \$57,427 | \$60,979 | \$64,532 | \$68,084  | \$71,637  | \$75,190                               | \$78,742 | \$82,295 | \$85,847  | \$90,743  |   |
| 22  | \$60,586 | \$64,260 | \$67,936 | \$71,611  | \$74,259  | \$78,961                               | \$82,636 | \$86,312 | \$89,987  | \$95,044  |   |
| 23  | \$79,539 | \$83,403 | \$87,266 | \$91,131  | \$96,338  | <i>Promotion from Level 11, 12, 14</i> |          |          |           |           |   |
| 24  | \$61,611 | \$65,790 | \$69,969 | \$74,148  | \$78,327  | \$82,507                               | \$86,686 | \$90,865 | \$95,044  | \$100,565 |   |
| 25  | \$63,006 | \$67,525 | \$72,045 | \$76,564  | \$81,084  | \$85,605                               | \$90,124 | \$94,644 | \$99,163  | \$105,025 |   |
| 26  | \$64,400 | \$68,929 | \$73,458 | \$77,987  | \$82,516  | \$87,046                               | \$91,575 | \$96,104 | \$100,633 | \$106,505 |   |
| 27  | \$65,795 | \$70,493 | \$75,191 | \$79,890  | \$84,588  | \$89,287                               | \$93,985 | \$98,685 | \$103,383 | \$109,423 |   |
| 28  | \$90,077 | \$94,656 | \$99,233 | \$103,833 | \$109,730 | <i>Promotion from Level 11, 12, 14</i> |          |          |           |           | Chief Project Coordinator, Construction   |

IB TEAMSTERS LOCAL NO 125  
CIVILIAN "2024" SALARY GUIDE

| LVL | Step 1   | Step 2   | Step 3    | Step 4    | Step 5    | Step 6                                 | Step 7   | Step 8   | Step 9    | Step 10   | TITLES  |
|-----|----------|----------|-----------|-----------|-----------|--|----------|----------|-----------|-----------|---|
| 5   | \$33,613 | \$34,453 | \$35,314  | \$36,197  | \$37,102  | \$38,030                               | \$38,981 | \$39,955 | \$40,954  | \$41,978  | Assistant Cook, Cashier, Clerk 1, Clerk 1 Biling S/E, Clerk Stenographer 1, Clerk Transcriber, Community Service Aid, Data Entry Operator 1, Keyboarding Clerk 1, Keyboarding Clerk 1 Biling S/E, Mail Clerk, Maintenance Worker 1 Grounds, Mechanics Helper, Receptionist Biling S/E, Records Support Tech 1, Telephone Operator |
| 7   | \$38,996 | \$39,971 | \$40,970  | \$41,995  | \$43,044  | \$44,121                               | \$45,224 | \$46,354 | \$47,513  | \$48,701  | Account Clerk, Cook, Computer Operator Trainee, Medical Records Clerk, Payroll Clerk  |
| 9   | \$47,032 | \$48,207 | \$49,413  | \$50,648  | \$51,914  | <i>Promotion from Level 5</i>          |          |          |           |           | Clerk 2, Clerk Stenographer 2, Keyboarding Clerk 2, Maintenance Worker 2 Grounds, Records Support Technician 2  |
| 10  | \$42,600 | \$43,665 | \$44,756  | \$45,875  | \$47,022  | \$48,198                               | \$49,403 | \$50,638 | \$51,904  | \$53,201  | Administrative Secretary, Communications Officer, Identification Officer, Practical Nurse (LPN), Program Development Specialist 1 Corrections, Recreation Prgrm Specialist  |
| 11  | \$50,268 | \$51,524 | \$52,813  | \$54,133  | \$55,486  | \$56,873                               | \$58,295 | \$59,752 | \$61,246  | \$62,777  | Budget Examiner, Building Maint. Worker, Computer Service Tech, Counselor Penal Institution, Maintenance Repairer, Mechanic   |
| 12  | \$63,417 | \$65,002 | \$66,627  | \$68,293  | \$70,000  | <i>Promotion from Level 7,9,11</i>     |          |          |           |           | <b>Senior:</b> Senior Account Clerk, Senior Clerk Transcriber, Senior Maintenance Rpr., Senior Mechanic, Senior Payroll Clerk, Senior Practical Nurse (LPN), Clerk 3, Clerk Stenographer 3, Keyboarding Clerk 3, Maintenance Worker 3 Grounds, Records Support Technician 3   |
| 13  | \$45,876 | \$47,952 | \$50,027  | \$52,102  | \$54,177  | \$56,253                               | \$58,329 | \$60,404 | \$62,480  | \$65,910  | Social Worker, Graduate Nurse (RN)  |
| 14  | \$68,544 | \$70,257 | \$72,014  | \$73,814  | \$75,659  | <i>Promotion from Level 12,13</i>      |          |          |           |           | <b>Principal:</b> Principal Account Clerk, Principal Payroll Clerk, Clerk 4, Clerk Stenographer 4, Head Nurse (RN), Records Support Tech 4, Keyboarding Clerk 4   |
| 15  | \$61,092 | \$62,619 | \$64,185  | \$65,789  | \$67,434  | \$69,120                               | \$70,848 | \$72,619 | \$74,435  | \$76,295  | DP Programmer Systems Analyst   |
| 16  | \$72,905 | \$74,727 | \$76,596  | \$78,511  | \$80,473  | <i>Promotion from Level 11, 12, 14</i> |          |          |           |           | Personnel Officer, Senior Budget Examiner, Supervising Account Clerk, Supervisor of Nurses  |
| 17  | \$52,550 | \$55,675 | \$58,801  | \$61,926  | \$65,052  | \$68,177                               | \$71,304 | \$74,430 | \$77,555  | \$82,036  | Supervising Maintenance Repairer  |
| 18  | \$79,579 | \$81,568 | \$83,608  | \$85,698  | \$87,840  | <i>Promotion from Level 11, 12, 14</i> |          |          |           |           | Supervising Maintenance Repairer  |
| 19  | \$70,011 | \$71,761 | \$73,555  | \$75,394  | \$77,279  | \$79,211                               | \$81,192 | \$83,221 | \$85,302  | \$87,434  | Project Coordinator Construction  |
| 20  | \$74,019 | \$77,495 | \$80,971  | \$84,447  | \$89,277  | <i>Promotion from Level 11, 12, 14</i> |          |          |           |           | Project Coordinator Construction  |
| 21  | \$58,001 | \$61,589 | \$65,177  | \$68,765  | \$72,353  | \$75,942                               | \$79,530 | \$83,118 | \$86,706  | \$91,650  |   |
| 22  | \$61,192 | \$64,903 | \$68,615  | \$72,327  | \$75,001  | \$79,751                               | \$83,462 | \$87,175 | \$90,887  | \$95,994  |   |
| 23  | \$80,334 | \$84,237 | \$88,139  | \$92,043  | \$97,301  | <i>Promotion from Level 11, 12, 14</i> |          |          |           |           |   |
| 24  | \$62,227 | \$66,448 | \$70,668  | \$74,889  | \$79,110  | \$83,332                               | \$87,553 | \$91,773 | \$95,994  | \$101,571 |   |
| 25  | \$63,636 | \$68,200 | \$72,765  | \$77,330  | \$81,895  | \$86,461                               | \$91,026 | \$95,590 | \$100,155 | \$106,076 |   |
| 26  | \$65,044 | \$69,619 | \$74,193  | \$78,767  | \$83,341  | \$87,917                               | \$92,491 | \$97,065 | \$101,640 | \$107,570 |   |
| 27  | \$66,453 | \$71,198 | \$75,943  | \$80,689  | \$85,434  | \$90,180                               | \$94,925 | \$99,671 | \$104,416 | \$110,517 |   |
| 28  | \$90,978 | \$95,602 | \$100,226 | \$104,872 | \$110,827 | <i>Promotion from Level 11, 12, 14</i> |          |          |           |           | Chief Project Coordinator, Construction   |



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| LVL | Step 1   | Step 2   | Step 3    | Step 4    | Step 5    | Step 6                               | Step 7   | Step 8    | Step 9    | Step 10   | TITLES   |
|-----|----------|----------|-----------|-----------|-----------|--------------------------------------|----------|-----------|-----------|-----------|--|
| 5   | \$33,949 | \$34,798 | \$35,668  | \$36,559  | \$37,473  | \$38,410                             | \$39,370 | \$40,355  | \$41,363  | \$42,398  | Assistant Cook, Cashier, Clerk 1, Clerk 1 Biling S/E, Clerk Stenographer 1, Clerk Transcriber, Community Service Aid, Data Entry Operator 1, Keyboarding Clerk 1, Keyboarding Clerk 1, Biling S/E, Mail Clerk, Maintenance Worker 1 Grounds, Mechanics Helper, Receptionist Biling S/E, Records Support Tech 1, Telephone Operator |
| 7   | \$39,386 | \$40,371 | \$41,380  | \$42,414  | \$43,475  | \$44,562                             | \$45,676 | \$46,818  | \$47,988  | \$49,188  | Account Clerk, Cook, Computer Operator Trainee, Medical Records Clerk, Payroll Clerk   |
| 9   | \$47,502 | \$48,690 | \$49,907  | \$51,154  | \$52,433  | <i>Promotion from Level 5</i>        |          |           |           |           | Clerk 2, Clerk Stenographer 2, Keyboarding Clerk 2, Maintenance Worker 2   |
| 10  | \$43,026 | \$44,101 | \$45,204  | \$46,334  | \$47,492  | \$48,680                             | \$49,897 | \$51,144  | \$52,423  | \$53,733  | Administrative Secretary, Communications Officer, Identification Officer, Practical Nurse (LPN), Program Development Specialist 1 Corrections, Recreation Prgrm Specialist   |
| 11  | \$50,770 | \$52,040 | \$53,341  | \$54,674  | \$56,041  | \$57,442                             | \$58,878 | \$60,350  | \$61,859  | \$63,405  | Budget Examiner, Building Maint. Worker, Computer Service Tech, Counselor Penal Institution, Maintenance Repairer, Mechanic  |
| 12  | \$64,051 | \$65,652 | \$67,294  | \$68,976  | \$70,700  | <i>Promotion from Level 7,9,11</i>   |          |           |           |           | <b>Senior:</b> Senior Account Clerk, Senior Clerk Transcriber, Senior Maintenance Rpr., Senior Mechanic, Senior Payroll Clerk, Senior Practical Nurse (LPN), Clerk 3, Clerk Stenographer 3, Keyboarding Clerk 3, Maintenance Worker 3 Grounds, Records Support Technician 3  |
| 13  | \$46,335 | \$48,431 | \$50,527  | \$52,623  | \$54,719  | \$56,816                             | \$58,912 | \$61,008  | \$63,105  | \$66,569  | Social Worker, Graduate Nurse (RN)   |
| 14  | \$69,229 | \$70,960 | \$72,734  | \$74,552  | \$76,416  | <i>Promotion from Level 12,13</i>    |          |           |           |           | <b>Principal:</b> Principal Account Clerk, Principal Payroll Clerk, Clerk 4, Clerk Stenographer 4, Head Nurse (RN), Records Support Tech 4, Keyboarding Clerk 4  |
| 15  | \$61,703 | \$63,245 | \$64,826  | \$66,447  | \$68,108  | \$69,811                             | \$71,556 | \$73,345  | \$75,179  | \$77,058  | DP Programmer Systems Analyst  |
| 16  | \$73,634 | \$75,475 | \$77,362  | \$79,296  | \$81,278  | <i>Promotion from Level 11,12,14</i> |          |           |           |           | Personnel Officer, Senior Budget Examiner, Supervising Account Clerk, Supervisor of Nurses   |
| 17  | \$53,076 | \$56,232 | \$59,389  | \$62,546  | \$65,703  | \$68,859                             | \$72,017 | \$75,174  | \$78,330  | \$82,856  |  |
| 18  | \$80,375 | \$82,384 | \$84,444  | \$86,555  | \$88,719  | <i>Promotion from Level 11,12,14</i> |          |           |           |           | Supervising Maintenance Repairer   |
| 19  | \$70,711 | \$72,479 | \$74,291  | \$76,148  | \$78,052  | \$80,003                             | \$82,003 | \$84,054  | \$86,155  | \$88,309  |  |
| 20  | \$74,760 | \$78,270 | \$81,781  | \$85,291  | \$90,170  | <i>Promotion from Level 11,12,14</i> |          |           |           |           | Project Coordinator Construction   |
| 21  | \$58,581 | \$62,205 | \$65,829  | \$69,453  | \$73,077  | \$76,701                             | \$80,325 | \$83,949  | \$87,573  | \$92,566  |  |
| 22  | \$61,804 | \$65,552 | \$69,302  | \$73,050  | \$75,751  | \$80,548                             | \$84,297 | \$88,047  | \$91,796  | \$96,954  |  |
| 23  | \$81,138 | \$85,079 | \$89,020  | \$92,963  | \$98,274  | <i>Promotion from Level 11,12,14</i> |          |           |           |           |  |
| 24  | \$62,849 | \$67,112 | \$71,375  | \$75,638  | \$79,901  | \$84,165                             | \$88,428 | \$92,691  | \$96,954  | \$102,586 |  |
| 25  | \$64,272 | \$68,882 | \$73,493  | \$78,103  | \$82,714  | \$87,325                             | \$91,936 | \$96,546  | \$101,157 | \$107,136 |  |
| 26  | \$65,695 | \$70,315 | \$74,935  | \$79,555  | \$84,175  | \$88,796                             | \$93,416 | \$98,036  | \$102,656 | \$108,645 |  |
| 27  | \$67,118 | \$71,910 | \$76,702  | \$81,496  | \$86,288  | \$91,082                             | \$95,874 | \$100,668 | \$105,461 | \$111,622 |  |
| 28  | \$91,888 | \$96,559 | \$101,228 | \$105,920 | \$111,936 | <i>Promotion from Level 11,12,14</i> |          |           |           |           | Chief Project Coordinator, Construction  |

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| LVL | Step 1   | Step 2   | Step 3    | Step 4    | Step 5    | Step 6                                 | Step 7   | Step 8    | Step 9    | Step 10   | TITLES   |
|-----|----------|----------|-----------|-----------|-----------|--|----------|-----------|-----------|-----------|--|
| 5   | \$34,288 | \$35,146 | \$36,024  | \$36,925  | \$37,848  | \$38,794                               | \$39,764 | \$40,758  | \$41,777  | \$42,822  | Assistant Cook, Cashier, Clerk 1, Clerk 1 Bilingual S/E, Clerk Stenographer 1, Clerk Transcriber, Community Service Aid, Data Entry Operator 1, Keyboarding Clerk 1, Keyboarding Clerk 1 Bilingual S/E, Mail Clerk, Maintenance Worker 1 Grounds, Mechanics Helper, Receptionist Bilingual S/E, Records Support Tech 1, Telephone Operator |
| 7   | \$39,780 | \$40,774 | \$41,794  | \$42,839  | \$43,910  | \$45,007                               | \$46,133 | \$47,286  | \$48,468  | \$49,680  | Account Clerk, Cook, Computer Operator Trainee, Medical Records Clerk, Payroll Clerk   |
| 9   | \$47,977 | \$49,176 | \$50,406  | \$51,666  | \$52,958  | <i>Promotion from Level 5</i>          |          |           |           |           | Clerk 2, Clerk Stenographer 2, Keyboarding Clerk 2, Maintenance Worker 2 Grounds, Records Support Technician 2   |
| 10  | \$43,456 | \$44,542 | \$45,656  | \$46,797  | \$47,967  | \$49,167                               | \$50,396 | \$51,656  | \$52,947  | \$54,271  | Administrative Secretary, Communications Officer, Identification Officer, Practical Nurse (LPN), Program Development Specialist 1 Corrections, Recreation Program Specialist   |
| 11  | \$51,278 | \$52,560 | \$53,874  | \$55,221  | \$56,601  | \$58,016                               | \$59,467 | \$60,954  | \$62,477  | \$64,039  | Budget Examiner, Building Maint. Worker, Computer Service Tech, Counselor Penal Institution, Maintenance Repairer, Mechanic  |
| 12  | \$64,692 | \$66,309 | \$67,967  | \$69,666  | \$71,407  | <i>Promotion from Level 7,9,11</i>     |          |           |           |           | Senior: Senior Account Clerk, Senior Clerk Transcriber, Senior Maintenance Rpr., Senior Mechanic, Senior Payroll Clerk, Senior Practical Nurse (LPN), Clerk 3, Clerk Stenographer 3, Keyboarding Clerk 3, Maintenance Worker 3 Grounds, Records Support Technician 3   |
| 13  | \$46,799 | \$48,915 | \$51,032  | \$53,149  | \$55,266  | \$57,384                               | \$59,501 | \$61,618  | \$63,736  | \$67,235  | Social Worker, Graduate Nurse (RN)   |
| 14  | \$69,921 | \$71,669 | \$73,461  | \$75,298  | \$77,180  | <i>Promotion from Level 12,13</i>      |          |           |           |           | Principal: Principal Account Clerk, Principal Payroll Clerk, Clerk 4, Clerk Stenographer 4, Head Nurse (RN), Records Support Tech 4, Keyboarding Clerk 4   |
| 15  | \$62,320 | \$63,878 | \$65,475  | \$67,112  | \$68,789  | \$70,509                               | \$72,272 | \$74,079  | \$75,931  | \$77,829  | DP Programmer Systems Analyst  |
| 16  | \$74,370 | \$76,229 | \$78,135  | \$80,089  | \$82,091  | <i>Promotion from Level 11, 12, 14</i> |          |           |           |           | Personnel Officer, Senior Budget Examiner, Supervising Account Clerk, Supervisor of Nurses   |
| 17  | \$53,606 | \$56,794 | \$59,983  | \$63,171  | \$66,360  | \$69,548                               | \$72,737 | \$75,926  | \$79,114  | \$83,684  | Supervising Maintenance Repairer   |
| 18  | \$81,178 | \$83,208 | \$85,288  | \$87,420  | \$89,606  | <i>Promotion from Level 11, 12, 14</i> |          |           |           |           | Supervising Maintenance Repairer   |
| 19  | \$71,418 | \$73,204 | \$75,034  | \$76,910  | \$78,833  | \$80,803                               | \$82,823 | \$84,894  | \$87,016  | \$89,192  | Project Coordinator Construction   |
| 20  | \$75,507 | \$79,053 | \$82,598  | \$86,144  | \$91,071  | <i>Promotion from Level 11, 12, 14</i> |          |           |           |           | Project Coordinator Construction   |
| 21  | \$59,167 | \$62,827 | \$66,487  | \$70,147  | \$73,808  | \$77,468                               | \$81,128 | \$84,788  | \$88,449  | \$93,492  |  |
| 22  | \$62,422 | \$66,207 | \$69,995  | \$73,781  | \$76,509  | \$81,354                               | \$85,140 | \$88,928  | \$92,714  | \$97,924  |  |
| 23  | \$81,949 | \$85,930 | \$89,911  | \$93,893  | \$99,257  | <i>Promotion from Level 11, 12, 14</i> |          |           |           |           |  |
| 24  | \$63,478 | \$67,783 | \$72,089  | \$76,394  | \$80,700  | \$85,007                               | \$89,312 | \$93,618  | \$97,923  | \$103,612 |  |
| 25  | \$64,915 | \$69,571 | \$74,228  | \$78,884  | \$83,541  | \$88,199                               | \$92,855 | \$97,512  | \$102,168 | \$108,208 |  |
| 26  | \$66,352 | \$71,018 | \$75,684  | \$80,350  | \$85,016  | \$89,684                               | \$94,350 | \$99,016  | \$103,683 | \$109,732 |  |
| 27  | \$67,789 | \$72,629 | \$77,469  | \$82,311  | \$87,151  | \$91,993                               | \$96,833 | \$101,675 | \$106,515 | \$112,739 |  |
| 28  | \$92,807 | \$97,524 | \$102,240 | \$106,980 | \$113,055 | <i>Promotion from Level 11, 12, 14</i> |          |           |           |           | Chief Project Coordinator, Construction  |

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| LVL | Step 1   | Step 2   | Step 3    | Step 4    | Step 5    | Step 6                               | Step 7   | Step 8    | Step 9    | Step 10   | TITLES   |
|-----|----------|----------|-----------|-----------|-----------|--------------------------------------|----------|-----------|-----------|-----------|--|
| 5   | \$34,631 | \$35,497 | \$36,385  | \$37,294  | \$38,226  | \$39,182                             | \$40,162 | \$41,166  | \$42,195  | \$43,250  | Assistant Cook, Cashier, Clerk 1, Clerk 1 Bilingual S/E, Clerk Stenographer 1, Clerk Transcriber, Community Service Aid, Data Entry Operator 1, Keyboarding Clerk 1, Keyboarding Clerk 1 Bilingual S/E, Mail Clerk, Maintenance Worker 1 Grounds, Mechanics Helper, Receptionist Bilingual S/E, Records Support Tech 1, Telephone Operator |
| 7   | \$40,178 | \$41,182 | \$42,212  | \$43,267  | \$44,349  | \$45,457                             | \$46,594 | \$47,759  | \$48,953  | \$50,176  | Account Clerk, Cook, Computer Operator Trainee, Medical Records Clerk, Payroll Clerk   |
| 9   | \$48,457 | \$49,668 | \$50,910  | \$52,183  | \$53,487  | <i>Promotion from Level 5</i>        |          |           |           |           | Clerk 2, Clerk Stenographer 2, Keyboarding Clerk 2, Maintenance Worker 2 Grounds, Records Support Technician 2   |
| 10  | \$43,891 | \$44,988 | \$46,113  | \$47,265  | \$48,447  | \$49,658                             | \$50,900 | \$52,172  | \$53,476  | \$54,813  | Administrative Secretary, Communications Officer, Identification Officer, Practical Nurse (LPN), Program Development Specialist 1 Corrections, Recreation Program Specialist   |
| 11  | \$51,791 | \$53,086 | \$54,413  | \$55,773  | \$57,167  | \$58,597                             | \$60,062 | \$61,563  | \$63,102  | \$64,680  | Budget Examiner, Building Maint. Worker, Computer Service Tech, Counselor Penal Institution, Maintenance Repairer, Mechanic  |
| 12  | \$65,338 | \$66,972 | \$68,646  | \$70,362  | \$72,121  | <i>Promotion from Level 7,9,11</i>   |          |           |           |           | Senior: Senior Account Clerk, Senior Clerk Transcriber, Senior Maintenance Rpr., Senior Mechanic, Senior Payroll Clerk, Senior Practical Nurse (LPN), Clerk 3, Clerk Stenographer 3, Keyboarding Clerk 3, Maintenance Worker 3 Grounds, Records Support Technician 3   |
| 13  | \$47,267 | \$49,405 | \$51,543  | \$53,681  | \$55,819  | \$57,958                             | \$60,096 | \$62,234  | \$64,373  | \$67,907  | Social Worker, Graduate Nurse (RN)   |
| 14  | \$70,621 | \$72,386 | \$74,196  | \$76,051  | \$77,952  | <i>Promotion from Level 12,13</i>    |          |           |           |           | Principal: Principal Account Clerk, Principal Payroll Clerk, Clerk 4, Clerk Stenographer 4, Head Nurse (RN), Records Support Tech 4, Keyboarding Clerk 4   |
| 15  | \$62,943 | \$64,517 | \$66,130  | \$67,783  | \$69,477  | \$71,214                             | \$72,995 | \$74,819  | \$76,690  | \$78,607  | DP Programmer Systems Analyst  |
| 16  | \$75,114 | \$76,992 | \$78,917  | \$80,889  | \$82,912  | <i>Promotion from Level 11,12,14</i> |          |           |           |           | Personnel Officer, Senior Budget Examiner, Supervising Account Clerk, Supervisor of Nurses   |
| 17  | \$54,143 | \$57,362 | \$60,583  | \$63,803  | \$67,024  | \$70,243                             | \$73,464 | \$76,685  | \$79,905  | \$84,521  | Supervising Maintenance Repairer   |
| 18  | \$81,990 | \$84,040 | \$86,141  | \$88,295  | \$90,502  | <i>Promotion from Level 11,12,14</i> |          |           |           |           | Supervising Maintenance Repairer   |
| 19  | \$72,133 | \$73,936 | \$75,784  | \$77,679  | \$79,621  | \$81,611                             | \$83,652 | \$85,743  | \$87,887  | \$90,084  | Project Coordinator Construction   |
| 20  | \$76,262 | \$79,843 | \$83,424  | \$87,005  | \$91,982  | <i>Promotion from Level 11,12,14</i> |          |           |           |           | Project Coordinator Construction   |
| 21  | \$59,758 | \$63,455 | \$67,152  | \$70,849  | \$74,546  | \$78,243                             | \$81,940 | \$85,636  | \$89,333  | \$94,427  | Project Coordinator Construction   |
| 22  | \$63,046 | \$66,869 | \$70,694  | \$74,519  | \$77,274  | \$82,167                             | \$85,991 | \$89,817  | \$93,641  | \$98,903  | Project Coordinator Construction   |
| 23  | \$82,768 | \$86,789 | \$90,810  | \$94,832  | \$100,249 | <i>Promotion from Level 11,12,14</i> |          |           |           |           | Project Coordinator Construction   |
| 24  | \$64,112 | \$68,461 | \$72,810  | \$77,158  | \$81,507  | \$85,857                             | \$90,205 | \$94,554  | \$98,903  | \$104,648 | Project Coordinator Construction   |
| 25  | \$65,564 | \$70,267 | \$74,970  | \$79,673  | \$84,376  | \$89,081                             | \$93,784 | \$98,487  | \$103,190 | \$109,290 | Project Coordinator Construction   |
| 26  | \$67,015 | \$71,728 | \$76,441  | \$81,154  | \$85,867  | \$90,581                             | \$95,294 | \$100,007 | \$104,719 | \$110,829 | Project Coordinator Construction   |
| 27  | \$68,467 | \$73,355 | \$78,244  | \$83,134  | \$88,023  | \$92,913                             | \$97,802 | \$102,692 | \$107,580 | \$113,866 | Project Coordinator Construction   |
| 28  | \$93,735 | \$98,499 | \$103,262 | \$108,049 | \$114,186 | <i>Promotion from Level 11,12,14</i> |          |           |           |           | Chief Project Coordinator, Construction  |

**APPENDIX B. RETIREE BENEFITS**

# Supplementing Your Pension

## OVERVIEW

In addition to your regular pension contributions, there are other opportunities to supplement your retirement income and possibly set aside money on a tax-deferred basis.

### New Jersey State Employees

#### Deferred Compensation Plan (NJSEDCP)

If you are an employee of the State, you may be eligible for the NJSEDCP (IRC Section 457). Contributions to the plan are not subject to federal income tax until you take a distribution from the plan, either at retirement or termination before retirement. The main benefits of the plan are to help you save on federal income tax now and to supplement your retirement income through investments.

For plan and investment information, visit the NJSEDCP website at: <https://newjersey.retirepru.com/> or call 1-866-NJSEDCP (1-866-657-3327). Other information about the plan is available by writing to: New Jersey Division of Pensions & Benefits, New Jersey State Employees Deferred Compensation Plan, P.O. Box 295, Trenton, NJ 08625-0295.

#### Local Deferred Compensation Plans

PFRS members employed by a municipality, county, or county college may also be eligible to contribute to other employer-sponsored deferred compensation plans. Contact your employer to see what plans are available to you.

#### Supplemental Annuity Collective Trust (SACT)

The SACT is a voluntary investment program that provides retirement income separate from, and in addition to, your basic pension plan. Your contributions are invested conservatively in the stock market. The program consists of two separate plans:

- The SACT Regular Plan is available to all actively contributing members of a New Jersey State-administered retirement system. Contributions to this plan are made after deductions for federal income tax.

- The SACT Tax-Sheltered Plan (IRC Section 403(b)) is available to actively contributing members of public educational institutions. Contributions to this plan are made before deductions for federal income tax.

SACT brochures and enrollment packets are available on the NJDPB website.

You can also contact the SACT office by calling (609) 292-7524 or by writing to: New Jersey Division of Pensions & Benefits, Supplemental Annuity Collective Trust, P.O. Box 295, Trenton, NJ 08625-0295.

#### Defined Contribution Retirement Program (DCRP)

The DCRP was established under the provisions of N.J.S.A. 43:15C-1. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage.

Individuals eligible for membership in the DCRP include employees enrolled after May 21, 2010, in membership Tier 2 or Tier 3 of the PFRS who earn salary in excess of established maximum compensation limits.

The DCRP is administered for the NJDPB by Empower. Empower provides DCRP information, including investment and distribution options, on the DCRP website: <https://newjersey.retirepru.com/>

Employers and members can contact Empower via their toll-free telephone number: 1-866-653-2771. In certain circumstances, an eligible employee can voluntarily waive participation in the DCRP by submitting a *DCRP Waiver of Retirement Program Participation* form to the

NJDPB. Additional information about DCRP enrollment, contribution rates, plan benefits, and waivers can be found in the *DCRP for PERS, TPAF, PFRS, and SPRS Members Fact Sheet*, which is available on the NJDPB website.

# Retirements

**OVERVIEW**

**Mandatory Retirement**

Retirement for PFRS members is mandatory at age 65. If you do not file a retirement application before age 65, you are automatically retired on the first of the month following your 65th birthday. Retirement benefits, however, are not payable until you file the application through MBOB. It is the member's responsibility to apply for retirement and ensure that all required documents are received by the NJDPB within 90 days.

**Exceptions:** 1) Elected officials are exempt from mandatory retirement from their elected position. 2) Current police and fire chiefs who attain age 65 before April 30, 2024, may remain active members of the PFRS until the end of the calendar year in which they turn 67 under the provisions of P.L. 2022, c. 9 (Chapter 9), provided the appointing authority approves, in writing, the retention and continued service of the member as the chief after the age of 65.

**TYPES OF RETIREMENT**

There are several types of retirement for which you may qualify. The calculation of your retirement benefit is based on your Final Compensation.

**Final Compensation** — for a PFRS Tier 1 member enrolled on or before May 21, 2010, Final Compensation means the salary upon which pension contributions were based in the last 12 months of creditable service preceding retirement.

For a PFRS Tier 2 member enrolled after May 21, 2010, and on or before June 28, 2011, or a PFRS Tier 3 member enrolled after June 28, 2011, Final Compensation means the average salary upon which pension contributions were based for the last three years of

**Service Retirement**

|   |   |
|---|---|
| <b>Type 1 Eligibility</b>   | Age 55 or older.  |
| <b>Benefit Formula</b>  | Years of Service x 2% x Final Compensation* = Annual Maximum Pension.   |
| <b>Type 2 Eligibility</b>   | Up to 30 years plus 1% for each year over 30 years.   |
| <b>Benefit Formula</b>  | 20 or more years of service (but less than 25 years of service) if enrolled in the PFRS before April 19, 2021 (see <b>Note</b> for specific details).<br>50% x Final Compensation = Annual Maximum Pension. |
| <b>Type 3 Eligibility</b>   | Mandatory Retirement at 65, with 20 or more years of service but less than 25 years of service.**   |
| <b>Benefit Formula</b>  | 50% x Final Compensation,* plus 3% x Final Compensation* for each year of service over 20, up to 25 years = Annual Maximum Pension.   |
| <b>Type 4 Eligibility</b>   | 40 or more years of service credit.   |
| <b>Benefit Formula</b>  | 70% x Final Compensation,* plus an additional 1% x Final Compensation* for each year of service credit over 40 years = Annual Maximum Pension.  |
| *Final Compensation is defined differently for Tier 1 members versus Tier 2 and Tier 3 members.<br>**Mandatory retirement at age 65, with exceptions. See the "Mandatory Retirement" section. |   |

**Special Retirement**

|   |   |
|---|---|
| <b>Eligibility</b>  | Any age with 25 or more years of service credit in the PFRS.  |
| <b>Benefit Formula Tier 1 and Tier 2</b>  | 65% x Final Compensation* plus 1% per year over 25 years (up to 30 years) = Annual Maximum Pension.<br>Maximum Benefit = 70% of Final Compensation. |
| <b>Benefit Formula Tier 3</b>   | 60% x Final Compensation* plus 1% per year over 25 years (up to 30 years) = Annual Maximum Pension.<br>Maximum Benefit = 65% of Final Compensation. |
| *Final Compensation is defined differently for Tier 1 members versus Tier 2 and Tier 3 members. |   |

service or any three fiscal years of membership preceding retirement that provides the largest possible benefit.

**Deferred Retirement**

Available to members who have at least 10 years of service credit and are not yet 55 years of age when they terminate employment. The retirement would be effective on the first of the month after attaining age 55. The annual benefit

for a Deferred Retirement is equal to two percent of Final Compensation for each year of service.

You may apply for a Deferred Retirement when you terminate covered employment or at any time prior to age 55. Under no circumstances can a retirement become effective prior to the date the application is received by the NJDPB.

**Note:** P.L. 2023, c. 92 (Chapter 92) extends PFRS Service Retirement eligibility at 20 years of service, regardless of age, for those enrolled in the PFRS and who were still a member of the PFRS before April 19, 2021, the effective date of P.L. 2021, c. 52 (Chapter 52), and who retire no later than the first day of the 61st month following the effective date of Chapter 52 (May 1, 2026).



## Police and Firemen's Retirement System

If a member is removed from employment for cause on charges of misconduct or delinquency, the member will be ineligible for Deferred Retirement.

At any time before your Deferred Retirement becomes effective, you may change your mind and apply for a lump-sum withdrawal of all your pension contributions. However, once you withdraw your contributions, all the rights and privileges of membership in the retirement system end.

Please note the following important information about your life insurance, health care coverage, loans, and purchase arrears if you are considering a Deferred Retirement:

- **Life Insurance** — Your life insurance coverage will end 31 days after you terminate employment, and will not be in effect until your Deferred Retirement becomes payable. If you die before your Deferred Retirement becomes effective, the last named beneficiary will receive a return of your pension contributions. There is no life insurance benefit under these circumstances. However, during the 31-day period after you terminate employment you may convert your group life insurance coverage to a private policy with Prudential Financial. For more information see the "Conversion of Group Life Insurance" section.

- **Health Benefits** — PFRS members who are electing Deferred Retirement and are covered under the State Health Benefits Program (SHBP) cannot transfer their active health care coverage to the retired group of the SHBP. However, those electing Deferred Retirement may be eligible for continuation of SHBP coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) legislation for up to 18 months if they were covered by the SHBP just prior to terminating employment. If the actual retirement commences while the 18 months of COBRA coverage is in effect, the retiree may then transfer from the

COBRA coverage and continue the SHBP coverage into retirement. If the 18 months of COBRA coverage ends before the retirement commences, the member will not be entitled to maintain health coverage through the SHBP. Participants should contact their employer to see if they qualify for COBRA continuation.

- **Loans** — If you terminate employment, failure to repay a pension loan as scheduled may result in the unpaid loan balance being declared a taxable distribution that will be reported to the IRS. See the "Internal Revenue Service (IRS) Requirements" section.

- **Purchase Arrears** — If you have not made installment payments for the purchase of additional service credit for two years, your purchase will be canceled. You will receive pro rata credit for the service purchased to the date that the installment payments ceased. See the "Applying to Purchase Service Credit" section for more information.

### Ordinary Disability Retirement

To qualify for an Ordinary Disability Retirement you must:

- Be a member in service at the time the application is filed with the NJDPB. Member in service means that the member or employer was making pension contributions to the retirement system at the time of filing a *Retirement Application*. It may also mean that the member was on an approved leave of absence, paid or unpaid, or suspension, paid or unpaid, at the time of filing the application. If the member had pending litigation for wrongful termination filed against the employer, the member has 30 days from the date the litigation is resolved to file for Disability Retirement in order to be considered a member in service.

- Have four or more years of New Jersey service credit (Out-of-State, Military, and U.S. Government Service purchases cannot be used to attain the four years);

- Be considered totally and permanently disabled. You must prove that you are physically or mentally incapacitated from performing your normal or assigned job duties or any other position your employer may assign;

- Be disabled at the time you separated from service as a result of the alleged disability that renders you totally disabled; and

- Submit all medical reports or corroborating evidence on file that supports your disability within six months or your application will be canceled and you must refile.

**Note:** If the medical documentation supplied by you is not sufficient to support your claim of disability, the NJDPB may also require you to be examined by physicians selected by the retirement system. The examination will be scheduled at no cost to you by the NJDPB. All medical information is confidential and only for use by the PFRSNJ Board of Trustees in evaluating your application.

If you are approved for an Ordinary Disability Retirement, the annual benefit calculation is equal to 40 percent of your Final Compensation or 1.5 percent of your Final Compensation for each year of service credit, whichever is higher.

The application process begins by filing a *Retirement Application* with the NJDPB through MBOS. The application review process requires information from your physicians and a release of health information related to your disability. The process also requires corroboration of your condition by at least two medical sources. The more complete the application and supporting information, the faster it can be evaluated, although the process may take six months or more.

It is the applicant's responsibility to arrange for all physicians' statements, hospital records, and other health information to be sent to the NJDPB.

Once the Board of Trustees approves a member for a Disability Retirement, the member's retirement application cannot be withdrawn, canceled, or amended.

Approval for Workers' Compensation or Social Security disability benefits has no bearing on your application for an Ordinary Disability Retirement. However, if you are approved for Ordinary Disability Retirement benefits and receive a Workers' Compensation award, your Workers' Compensation award may be reduced by the amount of your Ordinary Disability Retirement benefit. If you have any questions concerning this issue, please contact the Division of Workers' Compensation at (609) 292-2515 or send an email to: [dwc@dol.nj.gov](mailto:dwc@dol.nj.gov)

### Special Disability Retirement

To qualify for a Special Disability Retirement you must:

- Be a member in service at the time the application is filed with the NJDPB (an official leave of absence is considered in service);
- Be under 55 years of age;
- Have five or more years of New Jersey service credit; and
- Receive a heart transplant.

The annual benefit calculation for a Special Disability Retirement is equal to 50 percent of Final Compensation.

### Accidental Disability Retirement

To qualify for an Accidental Disability Retirement you must:

- Be a member in service at the time the application is filed with the NJDPB. Member in service

means that the member or employer was making pension contributions to the retirement system at the time of filing an application for Disability Retirement. It may also mean that the member was on an approved leave of absence, paid or unpaid, or suspension, paid or unpaid, at the time of filing the application. If the member had pending litigation for wrongful termination filed against the employer, the member has 30 days from the date the litigation is resolved to file for Disability Retirement in order to be considered a member in service.

- Be considered totally and permanently disabled. You must prove that you are physically or mentally incapacitated from performing your normal or assigned job duties or any other position your employer may assign as a "direct result of a traumatic event" (definition to follow);
- Be an active member of the PFRS on the date of the traumatic event;
- File an application for Disability Retirement within five years of the date of the traumatic event;
- Be disabled at the time you separated from service as a result of the alleged disability that renders you totally disabled;
- Submit any and all accident reports, witness reports, and corroborating evidence on file for any and all accidents for which you are filing within six months; and
- Be examined by physicians selected by the retirement system. The examination will be scheduled at no cost to you by the NJDPB. All medical information is kept confidential and used only by the PFRSNJ Board of Trustees in reviewing your claim.

If you are approved for Accidental Disability Retirement, your annual retirement allowance will be 2/3 of

your annual compensation for which contributions were being made at the time of the traumatic event or at the time of retirement, whichever provides the largest possible benefit.

"Direct Result of a Traumatic Event" has been defined by the courts as an occurrence that:

- Is identifiable as to time and place;
- Is undesigned and unexpected;
- Is caused by a circumstance external to the member (not the result of pre-existing disease that is aggravated or accelerated by the work);
- Occurred during and as a result of the member's regular or assigned duties;
- Was not the result of the member's willful negligence; and
- Results in the member's permanent and total incapacitation from performing his or her usual or any other duty.

**Note:** When there is an issue of mental incapacity, the member must also establish that the event that forms the basis for an Accidental Disability was objectively capable of causing a reasonable person in similar circumstances to suffer a disabling mental injury, based on a finding that the disability resulted from "direct personal experience of a terrifying or horror-inducing event that involves actual or threatened death or serious injury, or a similarly serious threat to the physical integrity of the member or another person."

The application process begins by filing a *Retirement Application* with the NJDPB through MBOS. You may file for only one type of Disability Retirement, either Accidental or Ordinary Disability. The application review process requires information from your physicians, information from your employer with questions regarding

the traumatic event, and a release of health information related to your disability. The more complete the application and supporting information, the faster it can be evaluated, although the process may take six months or more.

It is the applicant's responsibility to arrange for all physicians' statements and hospital records to be sent to the NJDPB.

Once the Board of Trustees approves a member for a Disability Retirement, the member's retirement application cannot be withdrawn, canceled, or amended.

Approval for Workers' Compensation or Social Security Disability benefits has no bearing on your application for Accidental Disability Retirement. However, if you receive periodic Workers' Compensation benefits while receiving an Accidental Disability Retirement, the pension portion of your retirement allowance will be reduced dollar for dollar by the amount of the periodic benefits.

If you apply for Accidental Disability Retirement and are found by the Board of Trustees to be totally and permanently disabled but not as a result of a traumatic event, you may be approved for an Ordinary Disability Retirement if you have the required service credit. See the "Ordinary Disability Retirement" section.

#### **Accidental Disability for World Trade Center Responders**

P.L. 2019, c. 157 (Chapter 157), the Bill Ricci World Trade Center Rescue, Recovery, and Cleanup Operations Act, permits current PFRS members to file for an Accidental Disability Retirement benefit if the member is or is to become totally and permanently disabled due to participation in the rescue, recovery, or cleanup operations at the World Trade Center.

For more information, please refer to the *Accidental Disability Retirement Under Chapter 157* Fact Sheet.

#### **Involuntary Disability Retirement**

Your employer has the right to apply for an Involuntary Disability Retirement on your behalf provided that you meet the qualifications for a Disability Retirement previously described.

- If you are required to retire upon application by the employer and have at least four years of New Jersey service, but less than 20 years, you will receive an Ordinary Disability retirement allowance of 40 percent of Final Compensation, or 1.5 percent of Final Compensation for each year of service, whichever is higher.
- If you are required to retire upon application by the employer and have 20 or more years of service, you will receive an allowance equal to 50 percent of Final Compensation plus an additional three percent of Final Compensation for every year of service over 20 up to a maximum of 25 years.
- If you meet the qualifications for an Accidental Disability Retirement and are required to retire upon application by the employer, you will receive an Accidental Disability Retirement allowance of 2/3 of your annual compensation for which contributions were being made at the time of the traumatic event or at the time of retirement, whichever provides the largest possible benefit.

In addition to the retirement application, State employers must provide a letter from the Department's highest ranking authority and local employers must provide a copy of a resolution adopted by the governing body. The letter/resolution must indicate the intent to involuntarily retire the employee and state that, in the employing authority's opinion, the employee is totally and permanently disabled from fulfilling his or her job duties. Employers should also include any pertinent medical records.

**Note:** The member cannot change the date of retirement under an Involuntary Disability Retirement.

#### **THE RETIREMENT PROCESS**

The time frames in this section serve as a guide to help you understand the retirement process. Actual processing times, however, may vary and cannot begin until the NJDPB receives all the necessary information and forms from both you and your employer.

#### **6-8 Months Before Retirement**

When planning for a successful retirement, it is important to give yourself enough time to review your benefits. You should inquire about retirement at least six months before your retirement date.

**Retirement Estimates** — Members within two years of retirement can:

- Obtain an *Estimate of Retirement Benefits* using MBOS. This provides you with a printable estimate of the retirement allowances available and the amount of your group life insurance benefits. Using the retirement estimate calculator on MBOS allows you to obtain and compare estimates for different retirement dates.
- Hear an estimate of retirement benefits over the phone by calling the NJDPB Automated Information System at (609) 292-7524.

Your employer is not notified if you request a retirement estimate.

For long term retirement planning, the NJDPB also provides an online retirement estimate calculator that uses service and salary information that you provide. This calculator is available on our website.

#### **4-6 Months Before Retirement**

**Retirement Applications** — It is your responsibility to file a retirement application with the NJDPB. All retirement applications must be submitted online using MBOS. MBOS provides fast, efficient processing of your retirement application.

All retirements are effective on the first of a month. You can submit your retirement application no more than one year before your retirement date — and as late as the last business day prior to your retirement date — but four to six months advance filing is recommended. Under no circumstances can a retirement become effective prior to the date the application is received by the NJDPB.

- If you have not furnished proof of your age to the NJDPB, you must do so when applying for retirement (see the "Proof of Age" section for acceptable proofs of age). If any proof of age documents are given under a maiden name, please identify them as such. Send photocopies of any proof of age documents, as we cannot guarantee that original documents will be returned. Please also be sure to write your pension membership number or last four digits of your Social Security number on all documentation that you submit. Your retirement application will not be processed until the NJDPB receives copies of birth date evidence.

- Ask your employer to submit a *Certification of Service and Final Salary* to the NJDPB. Your employer will also receive an email from the NJDPB requesting this certification.
- It is the applicant's responsibility to ensure that all required forms — except for the employer certification — are submitted to the NJDPB within 90 days of the NJDPB's receipt of your retirement application. Otherwise, the retirement application will be canceled and you will need to submit another application for a future retirement date.

When your application is submitted to the NJDPB, you will receive an email confirmation of its receipt. You will also be sent a letter acknowledging receipt of your retirement application.

**Life Insurance** — The amount of your life insurance coverage through the PFRS decreases at retirement or terminates if you have less than 10 years of service credit. You may convert the dollar difference between the group coverage you had before retirement and the group coverage you will have after retirement to a non-group life insurance policy.

To protect your conversion privilege it is suggested that you apply for conversion of your insurance at the time you file your retirement application with the NJDPB. However, you cannot file to convert your life insurance any earlier than six months prior to your retirement date. See the "Conversion of Group Life Insurance" section and the *Conversion of Group Life Insurance* Fact Sheet for details.

**Other Retirement Plans** — If you participate in the following other retirement savings plans, you must inform them separately of your plans to retire:

- Contact the NJSEDCP at 1-866-NJSEDCP.
- Contact SACT at (609) 292-7524.
- Contact the DCRP at 1-866-653-2771.

**Approximately 3 Months Before Retirement**

**Health Benefits Coverage at Retirement** — To see if you qualify for retired coverage under the SHBP, see the *Summary Program Description* and the *Health Benefits Coverage — Enrolling as a Retiree* Fact Sheet. If you do not qualify for retired SHBP coverage, see your employer to explore other options that may be available for continuing your health coverage.

**Approximately 1 Month Before Retirement**

**Board Approval** — Your retirement will be presented to the PFRSNJ Board of Trustees for approval.

- Once approved, you will receive a letter from the Board of Trustees. You have 30 days from the Board approval date or your effective retirement date (whichever is later) to request a change to your retirement date. If you wish to make a change after Board approval, your new selection must again be approved by the Board of Trustees. This may delay your first retirement check.

- You may choose to cancel your retirement within 30 days of your retirement date or Board approval date (whichever is later). The request to cancel your retirement or change your retirement date must be made via MBOS. However, if your retirement has been board approved and/or you have been assigned a retirement number, MBOS will not be able to process your request to cancel or change your retirement date. In these cases, you should immediately contact the NJDPB in writing or by email at: [pensions.nj@treas.nj.gov](mailto:pensions.nj@treas.nj.gov)

**Note:** Members who are approved for Disability Retirement cannot cancel their retirement or change their date of retirement.

**Approximately 2-4 Weeks Before Retirement**

You will receive a *Quotation of Retirement Benefits* letter which shows your monthly retirement allowance, along with:

- Any benefits payable to an eligible survivor;
- A quote of any outstanding loan balance with repayment options; and
- A notice of any unsatisfied balance on your account (see the "Unsatisfied Balances" section).

**Unsatisfied Balances**

**Loans** — If you retire with an outstanding loan balance, you may:

- Pay the loan in full prior to receiving any retirement benefits; or
- Repay the loan deductions from your retirement allowance until the balance of the loan plus interest is repaid. The monthly loan payment will be calculated to have the loan plus interest satisfied by your five-year end date.

**Purchase Arrears** — When you apply for a purchase of service credit, the NJDPB assumes that the obligation will be paid before your retirement. Therefore, your account is credited with the full amount of service you have agreed to purchase. If this obligation has not been fully paid when you retire, your *Quotation of Retirement Benefits* will state the balance of your arrears (purchase) as of your retirement date. At that time, you must pay the balance of your arrears.

If you do not pay off the balance, the service credit which has not been paid for will be subtracted from your total years and months of service. This will reduce the amount of your retirement allowance and may even affect your eligibility to retire. Contact the NJDPB as soon as possible to advise whether or not you wish to pay off the arrears balance in full.

For Deferred Retirees who have an outstanding arrears obligation for the purchase of additional service credit, interest may be assessed if there was a lapse in payments of two years or more.

**Shortages** — A shortage in your pension account occurs when your employer does not deduct the proper pension contribution from your salary. You will be notified by the NJDPB of the amount of any shortage. You are responsible for payment of any shortages at retirement.

No retirement will be paid until purchase arrears and shortage obligations have been satisfied. Contact the NJDPB as soon as possible if your *Quotation of Retirement Benefits* indicates an arrears balance or shortage.

**After Your Retirement Date**

**Statement of Retirement Allowance** — You will receive a letter confirming your retirement and death benefits. The letter will also supply figures needed in filing your income tax return. Keep this with your important papers.

**Due and Payable** — Your retirement becomes due and payable after there has been a break in employment without pay of at least 30 days following your retirement date, or 30 days following approval of your retirement by the PFRSNJ Board of Trustees, whichever is later. Once your retirement becomes due and payable you cannot change your retirement date.

**Note:** If you return to a PFRS-eligible position before the 30 days have elapsed, on either a paid or voluntary basis, your retirement may be considered invalid and you could be required to reimburse the retirement system and reenroll in the PFRS. The same is true if you return to your former employer/employee relationship before meeting the requirements of a bona fide severance of employment, having terminated your employment relationship for at least 180 days from your date of retirement. See the *Employment After Retirement Restrictions* Fact Sheet for additional requirements of a valid retirement.

**Retirement Checks** — Your first retirement check cannot be issued earlier than 30 days following your retirement date. If processing of your retirement is delayed, your first check will be retroactive to the date of your retirement.

Regular retirement checks are dated on the first of the month and are the allowance for the previous month.

For example, if you retire on July 1st, your first retirement check would be due and payable on August 1st and is payment for the month of July.

**Change of Address** — It is important that you inform the NJDPB of the change by using the *Retiree Change of Address* function in MBOS, calling the Automated Information System at (609) 292-7524, or completing a *Change of Address Form* available on our website.

If notifying the NJDPB of a change of address in writing, be sure to include both your old and your new address and your retirement number or last four digits of your Social Security number.

**Direct Deposit/Electronic Funds Transfer (EFT)** — Direct deposit of retirement checks is mandatory except for foreign mailing addresses. Direct deposit will prevent your retirement checks from being lost, stolen, or delayed in the mail.

You can sign up for direct deposit up to two months prior to your retirement date using the *Electronic Funds Transfer* application available to pending retirees through MBOS. Registered retirees can also start or change direct deposit online, at any time, using MBOS. Please allow approximately 60 days for a new direct deposit, or changes to an existing direct deposit, to begin.

**Withholding Federal and N.J. State Income Tax** — The NJDPB will provide for the withholding of federal and New Jersey State income tax from your retirement check.

The default withholding status for federal income tax is Single with no adjustments regardless of your actual marital status or number of dependents. The NJDPB is obligated to withhold federal income tax at this status unless you submit a change to your federal withholding through your MBOS account using the "Income Tax Withholding" button after you receive your first retirement check. Refer to *IRS Form W-4P* for instructions regarding federal tax withholding.

New Jersey income tax withholding is voluntary, and none will be withheld unless you give instructions to do so. Please keep in mind that if you live outside New Jersey your retirement benefits are not subject to New Jersey State income tax, but may be subject to state or local taxes in the jurisdiction in which you reside. There is no provision for withholding any local or out-of-state taxes.

Retirees can increase or decrease existing withholding amounts by using the online federal and New Jersey *W-4P* applications available to retirees on MBOS. Please note that *IRS Form W-4R* should be used for non-periodic payments and eligible rollover distributions. This form can be found on the IRS website at [www.irs.gov](http://www.irs.gov)

The NJDPB cannot provide tax advice. Questions about your federal income tax should be directed to your tax preparer or the IRS at 1-800-TAX-1040. Questions about New Jersey income tax should be directed to the New Jersey Division of Taxation at 1-800-323-4400.

**Federal Income Tax After Retirement** — Every January, the NJDPB issues each retiree an annual *Form 1099-R* reflecting the taxable retirement allowance paid during the preceding tax year. If you are a non-resident alien or foreign estate, you will receive a *Form 1042-S Foreign Person's U.S Source Income Subject to Withholding*.

The degree to which your pension is taxed, other than Accidental Disability Retirement, depends on whether or not the payments you receive have been previously taxed. Employee contributions made prior to 1987 were made with after-tax dollars. That is, they were federally taxed prior to being made. Contributions for the purchase of service credit are also made with after-tax dollars unless funded by a rollover from another tax-deferred plan.

If you began contributing to the pension plan in 1987 or after, and you have not made a purchase of service credit, your entire pension is subject to federal income tax because your contributions have never been taxed.

If you contributed to the pension plan before 1987, or if you have made a purchase of service credit since 1987, your pension is immediately taxable based on the "expected return rule." Part of your retirement allowance comes from your own pension contributions that were already taxed, and the IRS allows you to recover these contributions tax free. This recovery is spread out over your expected lifetime or the combined lifetime of you and your beneficiary, according to IRS life expectancy tables. This means that a small amount of each monthly retirement check is tax free. The remainder of the monthly benefit is subject to federal income tax.

If you retired on an Accidental Disability Retirement — or if you are a surviving spouse receiving Accidental Disability or Accidental Death benefits — the NJDPB currently reports your benefit as exempt from federal income tax.

Ordinary Disability Retirement benefits are subject to federal tax to the same extent as other pensions.

Any federal tax questions should be referred to the IRS at 1-800-TAX-1040.

**N.J. State Income Tax After Retirement** — If you live in New Jersey, you will be subject to New Jersey State income tax when you have recovered in pension checks the amount of pension contributions you made to the retirement system while working. However, if you will not recover your total contributions within three years of retirement, contact the New Jersey Division of Taxation at 1-800-323-4400, or visit their website at <http://www.nj.gov/treasury/taxation> to determine how your pension is taxed.

If you are receiving an Ordinary Disability or Accidental Disability Retirement allowance, your pension is ex-

empt from New Jersey income tax if you are under age 65. When you reach age 65, your disability pension is treated as a regular pension and is considered taxable for New Jersey income tax.

**Cost-of-Living Adjustment** — The Pension and Health Benefit Reform Law, N.J.S.A. 43:3B-2, suspended Cost-of-Living Adjustments (COLA) for retirees of all retirement systems. Please note, however, that there is no reduction to any COLA increases that were already added to retiree benefits prior to June 28, 2011, the effective date of the law.

Prior Cost-of-Living Adjustments are shown under the Current Earnings section of the retirement benefit *Statement of Allowances and Deductions* (check or EFT stub).

Retirees can also verify current allowance and deduction information at any time using the retiree account information available through MBOS or by calling the Automated Information System at (609) 292-7524.

**REDUCTION OR SUSPENSION OF YOUR BENEFITS**

Normally, you will receive retirement benefits as long as you live. Your benefits, however, could be reduced or suspended if:

- You return to a position covered by the PFRS and are required to reenroll (see the *Employment After Retirement Restrictions* Fact Sheet).
- You return to employment with your former employer within 180 days (even in a voluntary capacity).
- You have a shortage in your account at the time of retirement.
- You receive salary from your employer for service rendered after your date of retirement.

## Police and Firemen's Retirement System

- You waive your right to a portion of any pension to which you are entitled.
- As an Accidental Disability retiree, you receive periodic Workers' Compensation benefits after your retirement date.
- As a Disability retiree, you fail to appear for a periodic medical re-examination when requested to do so.
- You fail to file a *Certificate of Eligibility* when you are asked to do so. This certificate is necessary, for example, if you or one of your beneficiaries has a change in marital status.
- You are incarcerated (although the Board of Trustees may permit the continuance of your benefits to your dependents).
- An accounting error is made and the PFRS must be repaid.

Your pension is normally exempt from any liens against it. Exceptions are: tax liens imposed by the IRS and court orders for child support, alimony, or equitable distribution.

A court order is effective only when you withdraw your funds or when you begin to receive monthly retirement payments. It is the responsibility of the member to be certain that the NJDPB is provided with copies of all court orders in order to comply with them.

### **Divorce or Dissolution of a Civil Union/Domestic Partnership**

The retirement system will implement matrimonial/partnership dissolution court orders granting alimony, child support, or equitable distribution.

Matrimonial/partnership dissolution orders regarding your withdrawal from the retirement system will take

effect if you voluntarily apply to withdraw your PFRS account. See the "Withdrawal from the Retirement System" section.

Matrimonial/partnership dissolution orders regarding your retirement will not take effect until you retire and begin receiving a monthly retirement allowance. The court order can designate a specific dollar amount or percentage, or a percentage based on the number of years of pensionable service you accrued during the marriage/partnership to be withheld from your retirement allowance. The amount withheld is sent directly from the NJDPB to your former spouse/partner unless the order specifies another payee (i.e., a probation department).

Any court-ordered withholding paid to your former spouse/partner from your retirement allowance will terminate upon your death or the death of the former spouse/partner.

### **Misconduct**

The receipt of retirement benefits is expressly conditioned upon the rendering of honorable service by a public officer or employee. In accordance with N.J.S.A. 43:1-3, your benefits may be reduced or forfeited if you are convicted of a crime in any way related to your employment, or if you are suspended or dismissed from your employment. See the *Honorable Service Fact Sheet* available on our website for further information.

### **EMPLOYMENT AFTER RETIREMENT**

For most PFRS retirees, working for a private industry, the federal government, or a government agency in another state will not affect your retirement benefits. For PFRS retirees who resume public employment in New Jersey after retirement, there are several areas of concern. To learn about the rules and regulations

regarding post-retirement employment, please see the *Employment After Retirement Restrictions Fact Sheet* available on our website.

# **Active and Retired Death Benefits**



## OVERVIEW

Upon the death of an active or retired PFRS member, two benefits are payable:

- A monthly survivor's pension paid to a specific family member (or return of contributions to a beneficiary); and
- Group life insurance.

The monthly survivor's pension to a family member is explained below. See also the "Group Life Insurance" section.

### Payment of Pension to a Family Member

Upon the death of an employed or retired member, the spouse, civil union partner, domestic partner, child(ren), or dependent parents of the member may be entitled to a monthly pension. The benefits vary according to the status of the member at the time of the death. The terms used in the explanations of benefits are defined as follows:

**Spouse** — A person to whom you were married on the date of your death and who has not remarried or entered into a civil union. For an exception, see the "Accidental Death Benefits" section. A photocopy of the *Marriage Certificate* is required for verification.

**Civil Union Partner** — A person of the same sex as defined by N.J.S.A. 37:1-29, with whom you were partnered in a civil union until the date of your death and who has not entered into a new civil union or married. For an exception, see the "Accidental Death Benefits" section. A photocopy of the *New Jersey Civil Union Certificate* or a valid certification from another jurisdiction that recognizes same-sex civil unions is required for verification. See the *Civil Unions and Domestic Partnerships Fact Sheet* for details.

**Domestic Partner** — A person of the same sex as defined by N.J.S.A. 26:8A-1, with whom you were partnered in a domestic partnership until the date of your

death and who has not entered into a civil union or married. For an exception, see the "Accidental Death Benefits" section. For an employee or retiree of a local public entity, the local entity's governing body must have adopted a resolution to provide Domestic Partner pension benefits. A photocopy of the *New Jersey Certificate of Domestic Partnership* dated prior to February 19, 2007, or a valid certification from another jurisdiction that recognizes same-sex domestic partners is required for verification. See the *Civil Unions and Domestic Partnerships Fact Sheet* for details.

**Child** — Your unmarried child:

- Under the age of 18;
- 18 years of age or older and enrolled in high school;
- Any age who, at the time of your death, is disabled because of mental or physical incapacity and is incapable of substantial gainful employment because of the impairment. This incapacity must last or be expected to last for a continuous period of not less than 12 months as determined by the Medical Review Board; or
- For an Accidental Death Benefit (see the "Accidental Death Benefits" section), a child may also mean an unmarried child under the age of 24 who is enrolled in college in a degree program for at least 12 hours per semester.

**Parent** — Your parent who was receiving at least one-half support from you in the 12 months immediately preceding your death, or the accident which led to your death in cases of an Accidental Death Benefit. The dependency of the parent will be considered terminated if he or she remarries after the death of the member.

**Final Compensation** — for a Tier 1 member enrolled on or before May 21, 2010, Final Compensation means the salary upon which pension contributions were based in the 12 months immediately preceding your death or retirement.

For a Tier 2 or Tier 3 member enrolled after May 21, 2010, Final Compensation means the average salary upon which pension contributions were based for the last three years of service or any three fiscal years of membership preceding your death or retirement that provides the largest possible benefit.

### Active Members

Upon your death as an active member, your surviving spouse/partner is eligible to receive a pension benefit equal to 50 percent of your Final Compensation.

If there is no surviving spouse/partner, the following benefit is payable to eligible children:

- 50 percent of final compensation to one eligible child; or
- 50 percent of final compensation to two or more eligible children, payable in equal shares.

If there is no surviving spouse/partner or children, a pension is paid to your eligible parents as follows:

- 40 percent of Final Compensation to two parents; or
- 25 percent of Final Compensation to one parent.

If there is no surviving spouse/partner, children, or parents, the employee's contributions to the retirement system are paid to the named beneficiary. In the event that a specific beneficiary is not named, the funds will be paid to the member's estate.

### Retired Members

For PFRS members who retired January 1, 1968 and after, upon your death your surviving spouse/partner is eligible to receive a pension benefit equal to 50 percent of your Final Compensation, plus 15 percent of your Final Compensation for one eligible child or 25 percent of your Final Compensation for two or more eligible children.

If there is no surviving spouse/partner, the following benefit is payable to eligible children:

- 50 percent of Final Compensation to three or more eligible children;
- 35 percent of Final Compensation to two eligible children; or
- 20 percent of Final Compensation to one eligible child.

#### ACCIDENTAL DEATH BENEFIT

If you die as a result of an accident during the performance of your regular or assigned duties, and your death is not a result of willful negligence, your family may be entitled to an Accidental Death Benefit. A report of an accident must be filed with the retirement system within 60 days of the accident. An *Application for Accidental Death Benefits* must be filed within five years of the date of death.

In cases resulting in an Accidental Death Benefit, your eligible surviving spouse, civil union partner, or same-sex domestic partner is paid an annual pension of 70 percent of your Compensation. This benefit is a lifetime benefit to your surviving spouse or partner.

**Compensation** — For all PFRS members, Compensation means the salary upon which pension contributions were based in the 12 months immediately preceding your death or the accident which led to your death.

If there is no eligible surviving spouse/partner, or if the surviving spouse/partner dies, a pension is paid to your eligible children in equal shares, in the amount of 70 percent of your Compensation.

If there is no eligible surviving spouse/partner or children, a pension will be paid to your eligible dependent parents in these amounts:

- 40 percent of Compensation to two eligible parents; or
- 25 percent of Compensation to one eligible parent.

If there is no surviving spouse, child, or parent, your pension contributions will be paid to your named beneficiary. In the event that a specific beneficiary is not named, the funds will be paid to the member's estate.

#### GROUP LIFE INSURANCE

Your employer pays the cost of your group life insurance. This Noncontributory Group Life Insurance is provided through policies issued by the Insurance carrier (Prudential Financial).

The group policy number for the PFRS is G-14800.

**Compensation** — PFRS group life insurance benefits are calculated using the salary on which pension contributions were based in the 12 months immediately preceding your death or retirement.

#### Coverage for Active Members

If your death occurs in active service before retirement, your named beneficiary (or estate where there is no named beneficiary) receives a group life insurance benefit equal to 3 1/2 times your Compensation. If you die during the first year of creditable service, the benefit is 3 1/2 times your creditable base salary upon which pension contributions were paid.

#### Coverage for Retired Members

If you die after retirement, your named beneficiary (or estate where there is no named beneficiary) receives a group life insurance benefit equal to 50 percent of your Compensation. However, if you retired on a Disability Retirement, the amount is equal to 3 1/2 times your Compensation until age 55 when it is reduced to 50 percent of your Compensation.

Group life insurance for retired members of the PFRS who were enrolled on or after July 1, 1971, is payable only if the member retired with 10 or more years of pension membership credit or retired on a Disability Retirement.

#### CHOOSING A BENEFICIARY

When a member is enrolled in the PFRS, the new member's estate is the group life insurance beneficiary on record until the NJDPB receives a new *Designation of Beneficiary*.

**Note:** Active and retired members must complete the *Designation of Beneficiary* online using MBOS.

When you submit the *Designation of Beneficiary*, you name beneficiaries for your group life insurance benefits and, if applicable, the return of your pension contributions. You may name any person, organization, your estate, or trust as beneficiary. You may change your designation at any time during your active membership by submitting a new *Designation of Beneficiary*.

At retirement, you are asked on your retirement application to name a beneficiary(ies) for group life insurance benefits. You may name any person, organization, your estate, or trust as beneficiary for group life insurance benefits.

The designation of a beneficiary on a retirement application that is filed with and accepted by the NJDPB supersedes any older designation of beneficiary on file. The designation is effective upon acceptance by the NJDPB, even if the retirement date on the application is in the future or the member later cancels the retirement application.

Retirees may also change group life insurance designations at any time during retirement by filing a new *Designation of Beneficiary* via MBOS.

If you have additional questions regarding designations, please see the *Beneficiary Designation* Fact Sheet.

For your protection, beneficiary designations cannot be accepted or confirmed over the telephone or by email. Members can verify beneficiary designation on MBOS. Otherwise, the NJDPB will only accept a written request from the member to verify your beneficiary designation on file.

**Group Life Insurance** — In cases of divorce or dissolution, N.J.S.A. 3B:3.14 states that even if your *Designation of Beneficiary* form indicates a former spouse/partner and/or relatives of the former spouse/partner as beneficiaries for life insurance, they cannot receive the benefit. Therefore, the life insurance proceeds become payable to your remaining primary beneficiaries, if any; contingent beneficiaries, if any; or your estate. However, the following exceptions will be honored and considered valid:

- Court orders are filed that specifically designate your former spouse/partner to receive a life insurance benefit; or
- You file a *Designation of Beneficiary* after the final date of judgment that names your former spouse/partner and/or relatives of your former spouse/partner as the life insurance beneficiary.

#### PAYMENT OF GROUP LIFE INSURANCE

Group life insurance benefits for active members can be paid in one of several ways (group life insurance for retirees must be paid in a lump sum). The options are:

- **Lump Sum** — A single payment to your beneficiary(ies).
- **Annuity Certain** — Equal installments over a selected period of years.
- **Life Annuity** — Paid monthly to your beneficiary(ies) for life.

Death benefits cannot be paid until all the necessary information, including proper proof of death and claim forms, have been received from your beneficiary by the NJDPB.

To report a death, contact the Office of Client Services at (609) 292-7524. A certified death certificate, obituary, or the employer's *P-29* form is required to begin processing the claim.

#### Taxation of Group Life Insurance Payments

Information regarding death claim payments are supplied to the New Jersey Division of Taxation, in accordance with their requirements. A beneficiary or beneficiaries may be considered by the Division of Taxation to be personally liable for any and all inheritance and/or estate taxes until paid.

#### GROUP LIFE INSURANCE AND LEAVE OF ABSENCE

Your group life insurance coverage will continue in full force for an official leave of absence without pay under the following conditions:

- Up to two years while on an official leave of absence for personal illness.
- Up to one year while on an official leave to fulfill a residency requirement for an advanced degree or as a full-time student at an institution of higher education.
- Up to 93 days while on official leave for personal reasons and family leave.

An official leave of absence requires documentation that establishes the nature of the leave and the continuing relationship between the employer and the member.

**Note:** A member who has been suspended without pay is covered for group life insurance for up to 93 days.

#### TAXATION OF GROUP LIFE INSURANCE PREMIUMS

The IRS classifies all employer-provided life insurance coverage over \$50,000 as a fringe benefit subject to taxation. The amount of life insurance coverage is not taxable, but the premium required to pay for the life insurance coverage is taxable.

To determine the taxable amount, if any, subtract \$50,000 from that total value of your Noncontributory Group Life Insurance coverage. The premium rates are then applied to the remaining life insurance amount. The premium costs for the life insurance are determined by the IRS based on your age (see the "IRS Premium Rates" chart) and the life insurance in excess of \$50,000. The remaining premium cost, if any, is the taxable amount and is added to your income on the Form *W-2* for that year.

**Example:** A PFRS member is age 56 and has life insurance coverage.

The member's annual base salary is \$60,000. The member's life insurance coverage totals \$210,000 (3.5 x \$60,000).

The fringe benefit amount is determined by subtracting \$50,000 from the total benefit amount (\$210,000), which equals \$160,000 (\$210,000-\$50,000).

According to the IRS, the premium cost for an individual 52 years of age is \$2.76 per \$1,000 of coverage. The premium cost in this example is \$441.60 (160 x \$2.76) and this amount would be added to your taxable income.

| IRS Premium Rates*                    |         |
|---------------------------------------|---------|
| (Annual cost per \$1,000 of coverage) |         |
| Age                                   | Premium |
| Under age 25                          | \$0.60  |
| 25-29                                 | \$0.72  |
| 30-34                                 | \$0.96  |
| 35-39                                 | \$1.08  |
| 40-44                                 | \$1.20  |
| 45-49                                 | \$1.80  |
| 50-54                                 | \$2.76  |
| 55-59                                 | \$5.16  |
| 60-64                                 | \$7.92  |
| 65-69                                 | \$15.24 |
| 70 and older                          | \$24.72 |

\*These rates are subject to change by the IRS

**WAIVING NONCONTRIBUTORY GROUP LIFE INSURANCE OVER \$50,000**

PFRS members are permitted to waive their group life insurance over \$50,000 to avoid a possible federal and State tax liability on that benefit.

Waivers of partial amounts are not permitted. Any member who waives group life insurance must waive the total amount of coverage in excess of \$50,000.

In the previous example, the member's coverage equals \$210,000 (3.5 x \$60,000). In this example the member could waive \$160,000 of coverage because members are only permitted to waive life insurance coverage over \$50,000. The net taxable value would be reduced to \$0.00.

You may waive your Noncontributory Group Life Insurance coverage in excess of \$50,000 by completing a *Waiver of Group Life Insurance in Excess of \$50,000* form and submitting it to the NJDPB. The form is avail-

able from the NJDPB or your employer. The waiver form must be received by the NJDPB before December 31 in order to be effective January 1 of the next calendar year. Once a waiver form has become effective it shall be irrevocable for the entire calendar year. The waiver will remain in effect until you submit another waiver form opting to reinstate coverage to the NJDPB. The reinstatement will become effective the following January 1.

If a waiver is in effect at the time of termination of employment or retirement, you will not be permitted to convert any amount of your group life insurance coverage over \$50,000.

Before completing the waiver, you should completely understand the ramifications of waiving your life insurance. For more information, refer to IRS Publication 525, *Taxable and Nontaxable Income*.

**CONVERSION OF GROUP LIFE INSURANCE**

If you are covered by group life insurance while employed, the coverage ends 31 days after you cease employment, whether for reasons of retirement, termination of employment, or leave of absence without pay.

You are eligible to convert your group life insurance coverage to an individual policy with Prudential Financial, without medical examination and at your own expense, when you retire, terminate employment, or lose coverage while on a leave of absence without pay. See the *Conversion of Group Life Insurance* Fact Sheet for details.

# Supplementing Your Pension

**OVERVIEW**

In addition to your regular pension contributions, there are other opportunities to supplement your retirement income and possibly set aside money on a tax-deferred basis.

**New Jersey State Employees**

**Deferred Compensation Plan (NJSEDCP)**

If you are an employee of the State, you may be eligible for the NJSEDCP (IRC Section 457), also known as Deferred Comp. Contributions to the plan are not subject to federal income tax until you take a distribution from the plan, either at retirement or termination before retirement. The main benefits of the plan are to help you save on federal income tax now and to supplement your retirement income through investments.

For plan and investment information, visit the NJSEDCP website at: <https://newjersey.retirepru.com/> or call 1-866-NJSEDCP (1-866-657-3327). Other information about the plan is available by writing to: New Jersey Division of Pensions & Benefits, New Jersey State Employees Deferred Compensation Plan, P.O. Box 295, Trenton, NJ 08625-0295.

**Local Deferred Compensation Plans**

PERS members employed by a municipality, county, or board of education may also be eligible to contribute to an IRC Section 457 deferred compensation plan. Contact your employer to see if this type of plan is available to you.

**Supplemental Annuity Collective Trust (SACT)**

The SACT is a voluntary investment program that provides retirement income separate from, and in addition to, your basic pension plan. Your contributions are invested conservatively in the stock market. The program consists of two separate plans:

- The SACT Regular Plan is available to all actively contributing members of a New Jersey State-administered retirement system. Contributions to this plan are made after deductions for federal income tax.
- The SACT Tax-Sheltered Plan (IRC Section 403(b)) is available to actively contributing members of public educational institutions. Contributions to this plan are made before deductions for federal income tax.

SACT brochures and enrollment packets are available on the NJDPB website. You can also contact the SACT office by writing to: New Jersey Division of Pensions & Benefits, Supplemental Annuity Collective Trust, P.O. Box 295, Trenton, NJ 08625-0295.

**Defined Contribution Retirement Program (DCRP)**

The DCRP was established under the provisions of N.J.S.A. 43:15C-1 et seq. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage.

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007.
- Employees enrolled on or after July 1, 2007, in membership Tier 2, Tier 3, Tier 4, or Tier 5 of the PERS who earn salary in excess of established maximum compensation limits.
- Employees otherwise eligible for enrollment in membership Tier 3 of the PERS who do not earn the minimum annual salary for Tier 3 enrollment (subject to adjustment in future years) but who earn at least the DCRP minimum annual salary of \$5,000.

- Employees otherwise eligible for enrollment in membership Tier 4, or Tier 5 of the PERS who do not work the minimum number of hours per week required for enrollment (35 hours per week for State employees or 32 hours per week for local government or local education employees) but who earn at least the DCRP minimum annual salary of \$5,000.

The DCRP is administered for the NJDPB by Empower. Empower provides DCRP information, including investment and distribution options, on the DCRP website: <https://newjersey.retirepru.com/> Employees and members can contact Empower via their toll-free telephone number: 1-866-653-2771. In certain circumstances, an eligible employee can voluntarily waive participation in the DCRP by submitting a DCRP Waiver of Retirement Program Participation form to the NJDPB.

Additional information about DCRP enrollment, contribution rates, plan benefits, and waivers can be found in the *Defined Contribution Retirement Program (DCRP) for PERS, TPAF, PFRS, and SPRS Members Fact Sheet*, the *Defined Contribution Retirement Program (DCRP) for Elected and Appointed Officials Fact Sheet*, and the *Defined Contribution Retirement Program (DCRP) if Ineligible for PERS or TPAF Fact Sheet*, which are available on the NJDPB website.

# Retirements

**OVERVIEW**

(LEO, LRS, Prosecutors Part, and WCJ Part members see addendum)

Applications for retirement must be filed through MBOS and received by the NJDPB prior to the effective date of the retirement. It is the member's responsibility to apply for retirement and ensure that all required documents are received by the NJDPB within 90 days.

The IRS will impose a 50 percent excise tax on accounts of members who terminate employment but do not retire or withdraw contributions by April 1 following the calendar year in which they turn age 70 1/2 (if born before July 1, 1949) or age 72 (if born on or after July 1, 1949). This rule does not affect members age 70 1/2 or 72 while they are still actively employed in PERS-covered positions.

**Retirement Calculation Definitions**

**Years of Service** means the years and months of pension service credited to your account, including purchased service credit. All members receive a slightly higher percentage for each additional month of service.

**Final Average Salary (FAS)** is the salary used to calculate your retirement. It is based on pensionable salary and does not include extra pay for overtime or money given in anticipation of your retirement. Nor does it include amounts paid for housing, clothing, or uniform allowances.

For Tier 1, Tier 2, and Tier 3 members, FAS means the average salary for the 36 months (30 months for employees with 10-month contracts) immediately preceding your retirement. If your last three years are not your highest years of salary, your allowance will be calculated using your three highest fiscal years (July - June) of salary.

For Tier 4 and Tier 5 members, Final Average Salary means the average salary for the 60 months (50 months for employees with 10-month contracts) immediately preceding your retirement. If your last five years are not your highest years of salary, your allowance will be calculated using your five highest fiscal years (July - June) of salary.

**Note:** If your last years of salary are not your highest, you must indicate your highest three years on your MBOS Retirement Application.

**TYPES OF RETIREMENT**

There are several types of retirement for which you may qualify:

**Service Retirement**

Available to Tier 1 and Tier 2 members upon reaching age 60 or older; to Tier 3 and Tier 4 members upon reaching age 62 or older; and to Tier 5 members upon reaching age 65 or older. No minimum amount of pension service credit is required.

The formula to calculate the maximum annual pension for a Tier 1, Tier 2, or Tier 3 member is:

$$\frac{\text{Years of Service}}{55} \times \text{Final Average Salary} = \text{Maximum Annual Allowance}$$

**Example:** A Tier 1 member with 22 years of service would receive 22/55 or 40 percent of Final Average Salary.

The formula to calculate the maximum annual pension for a Tier 4 or Tier 5 member is:

$$\frac{\text{Years of Service}}{60} \times \text{Final Average Salary} = \text{Maximum Annual Allowance}$$

**Example:** A Tier 4 member with 22 years of service would receive 22/60 or 36.7 percent of Final Average Salary.

**Early Retirement**

Available to members who have 25 years or more of pension service credit before reaching age 60 for Tier 1 and Tier 2 members, or before age 62 for Tier 3 and Tier 4 members; and with 30 years or more of pension membership service credit before age 65 for Tier 5 members. The benefit is calculated using the appropriate Service Retirement formula; however, your allowance is permanently reduced if you retire prior to attaining certain ages as defined by your membership tier.

- For Tier 1 members who retire before age 55, your allowance is reduced 1/4 of one percent for each month (three percent per year) under age 55.
- For Tier 2 members who retire before age 60, your allowance is reduced 1/12 of one percent for each month (one percent per year) under age 60 through age 55, and 1/4 of one percent for each month (three percent per year) under age 55.
- For Tier 3 or Tier 4 members who retire before age 62, your allowance is reduced 1/12 of one percent for each month (one percent per year) under age 62 through age 55, and 1/4 of one percent for each month (three percent per year) under age 55.
- For Tier 5 members who retire before age 65 with at least 30 years of service, your allowance is reduced 1/4 of one percent for each month (three percent per year) under age 65.

**Veteran Retirement**

Available to qualified military veterans who remain in active employment until the effective date of retirement and who meet the minimum age and pension service credit requirements for a Veteran Retirement as of their retirement date.

The age requirements and formulas for calculating a Veteran Retirement are the same for all membership tiers.



## Public Employee's Retirement System

A qualified military veteran who is:

- age 55 or older with 25 or more years of service credit; or
- age 60 or older with 20 or more years of service credit

is entitled to an annual allowance equal to 54.5 percent of the salary upon which pension contributions were based during the highest the 12 consecutive months of base salary.

A qualified military veteran who is age 55 or older with 35 years of service credit is entitled to an annual allowance based on the following formula:

$$\frac{\text{Years of Service}}{55} \times \frac{\text{Highest 12 Consecutive Months of Salary}}{\text{Maximum Annual Allowance}}$$

Veteran members may retire on a Service Retirement if that provides a higher benefit.

**Establishing Veteran Status** — Individuals wishing to establish veteran status with the retirement system should submit a photocopy of their discharge papers (*Form DD 214*) showing both the induction and discharge dates to:

**N. J. Department of Military and Veterans Affairs**  
**ATTN: DVP-VBB**  
**P.O. Box 340**  
**Trenton, NJ 08625-0340**

Since the New Jersey Department of Military and Veterans Affairs also makes determinations of veterans preference for Civil Service and property tax appeals, a note should be attached to say that the discharge papers are being sent for pension purposes. Include your address on the note. For more information, see the *Veteran Status Fact Sheet*.

### Deferred Retirement

Available to members who have at least 10 years of service credit and are not yet 60 years of age if a Tier 1 or Tier 2 member, or 62 years of age if a Tier 3 or Tier 4 member, or 65 years of age if a Tier 5 member when they terminate employment. The retirement would be effective on the first of the month after attaining the appropriate Deferred Retirement age. The benefit is calculated using the appropriate Service Retirement formula.

You must file an application for retirement for the Deferred Retirement to take effect. You may apply for a Deferred Retirement when you terminate covered employment or any time prior to attaining your Deferred Retirement age; otherwise, your only payment option at retirement is the maximum allowance with no payment to a beneficiary. Under no circumstances can a Deferred Retirement become effective prior to the date the application is received by the NJDPB.

If a member is removed from employment for cause, the member will be ineligible for Deferred Retirement.

If you return to PERS-covered employment before your Deferred Retirement becomes effective, you may cancel your retirement and become eligible to maintain your original PERS membership tier status, provided you have not withdrawn your membership and it has not been more than two consecutive years since your last pension contribution. If, however, there has been a break in service of more than two consecutive years since your last pension contribution, or if you have withdrawn your account, you will be enrolled in a new PERS account under the membership tier in effect at the time you return to employment.

At any time before your Deferred Retirement becomes effective, you may change your mind and apply for a lump-sum withdrawal of all your pension contributions. However, once you cancel your Deferred Retirement

and withdraw your contributions, all the rights and privileges of membership in the retirement system end.

Please note the following important information about your life insurance, health benefits coverage, loans, and purchase arrears if you are considering a Deferred Retirement:

- **Life Insurance** — Your life insurance coverage will end 31 days after you terminate employment and will not be in effect until your Deferred Retirement becomes payable. If you die before your Deferred Retirement becomes effective, the last named beneficiary will receive a return of your pension contributions. There is no life insurance benefit under these circumstances. However, during the 31-day period after you terminate employment, you may convert your group life insurance coverage to a private policy with Prudential Financial. For more information see the "Conversion of Group Life Insurance" section.

- **Health Benefits** — PERS members with less than 25 years of service credit who are electing a Deferred Retirement cannot normally transfer their active health care coverage to the retired group of the State Health Benefits Program (SHBP) or the School Employees' Health Benefits Program (SEHBP); however, members electing Deferred Retirement may be eligible for continuation of SHBP or SEHBP coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) legislation for up to 18 months if they were covered by the SHBP or SEHBP just prior to terminating employment. If the actual retirement commences while the 18 months of COBRA coverage is in effect, the retiree may then transfer from the COBRA coverage and continue the SHBP or SEHBP coverage into retirement. If the 18 months of COBRA coverage ends before the retirement commences, the member will not be entitled to

maintain health coverage through the SHBP or SEHBP. Participants should contact their employer to see if they qualify for COBRA continuation.

PERS members with 25 or more years of service credit who were employed by a school board or a county college and who elect Deferred Retirement are eligible for State-paid SEHBP coverage when the Deferred Retirement becomes effective at age 60 for Tier 1 or Tier 2 members, age 62 for Tier 3 or Tier 4 members, or age 65 for Tier 5 members.

- **Loans** — If you terminate employment, failure to repay a pension loan as scheduled may result in the unpaid loan balance being declared a taxable distribution that will be reported to the IRS. For more information about the IRS regulations regarding the repayment of pension loans, see the "Internal Revenue Service (IRS) Requirements" section.

- **Purchase Arrears** — If you have not made installment payments for the purchase of additional service credit for two years, your purchase will be canceled. You will receive pro rata credit for the service purchased to the date that the installment payments ceased. See the "Applying to Purchase Service Credit" section for more information.

### Ordinary Disability Retirement

Ordinary Disability Retirement is only available to Tier 1, Tier 2, and Tier 3 members.

**Note:** Under the provisions of N.J.S.A. 43:15A-42.1, Tier 4 and Tier 5 members may be eligible for Long-Term Disability insurance coverage after one year of continuous employment. See the *Long-Term Disability for PERS and TPAF Tiers 4 and 5* Fact Sheet for details.

To qualify for an Ordinary Disability Retirement you must:

- Have an active PERS account. Active membership ceases after discontinuance of pension contributions for more than two consecutive years. If more than two years have elapsed since the last contribution, and you terminated employment because you were totally and permanently disabled and you continue to be disabled for the same reason(s), special rules apply; see N.J.A.C. 17:2-6.15 or contact the NJDPB for more information;

- Have 10 or more years of New Jersey service credit (Out-of-State, Military, and U.S. Government civilian service purchases cannot be used to attain the 10 years);

- Be considered totally and permanently disabled (you must prove that you are physically or mentally incapacitated from performing your normal or assigned job duties or any other position your employer may assign);

- Be disabled at the time you separated from service as a result of the alleged disability that renders you totally disabled; and

- Submit all medical reports or corroborating evidence on file that supports your disability within six months or your application will be canceled and you must refile.

**Note:** If the medical documentation supplied by you is not sufficient to support your claim of disability, the NJDPB may require you to be examined by physicians selected by the retirement system. The examination will be scheduled at no cost to you by the NJDPB. All medical information is kept confidential and only for use by the PERS Board of Trustees in evaluating your application.

If you are approved for an Ordinary Disability Retirement, the annual benefit is equal to 43.6 percent of your Final Average Salary or 1.64 percent of your FAS

for each year of service credit, whichever provides the higher benefit.

The application process begins by filing a *Retirement Application* with the NJDPB via MBOS. The application review process requires information from your physicians and a release of health information related to your disability. The process also requires corroboration of your condition by at least two medical sources. The more complete the application and supporting information, the faster it can be evaluated, although the process may take six months or more.

If is the applicant's responsibility to arrange for all physicians' statements, hospital records, and other health information to be sent to the NJDPB.

Your employer has the right to apply for an Involuntary Disability Retirement on your behalf. At the time of application, State employers must provide a letter from the Department's highest ranking authority and local employers must provide a copy of a resolution adopted by the governing body. The letter/resolution must indicate the intent to involuntarily retire the employee and state that, in the employing authority's opinion, the employee is totally and permanently disabled from fulfilling his or her job duties; employers should include any pertinent medical records.

Once the Board of Trustees approves a member for a Disability Retirement, the member's retirement application cannot be withdrawn, canceled, or amended. Your retirement option can be changed provided that you file written notice with the NJDPB within 30 days of the date of the Board's approval or your retirement date, whichever is later; otherwise, the retirement option will remain and cannot be changed for any reason thereafter.

Approval for Workers' Compensation or Social Security Disability benefits has no bearing on your application for an Ordinary Disability Retirement. However, if you

## Public Employee's Retirement System

are approved for Ordinary Disability Retirement benefits and receive a Workers' Compensation award, your Workers' Compensation award may be reduced by the amount of your Ordinary Disability Retirement benefit. If you have any questions concerning this issue, please contact the Division of Workers' Compensation at (609) 292-2515 or send email to: [dwc@dol.nj.gov](mailto:dwc@dol.nj.gov)

Disability retirees are subject to an annual earnings test. See the *Disability Retirement Benefits (PERS & TPAF)* Fact Sheet for details.

### Accidental Disability Retirement

Accidental Disability Retirement is only available to Tier 1, Tier 2, and Tier 3 members.

Note: Under the provisions of N.J.S.A. 43:15A-42.1, Tier 4 and Tier 5 members may be eligible for Long-Term Disability insurance coverage after one year of continuous employment. See the *Long-Term Disability for PERS and TPAF Tiers 4 and 5* Fact Sheet for details.

To qualify for an Accidental Disability Retirement you must:

- Have an active PERS account. Active membership ceases after discontinuance of pension contributions for more than two consecutive years. If more than two years have elapsed since the last contribution, and you terminated employment because you were totally and permanently disabled and you continue to be disabled for the same reason(s), special rules apply, see N.J.A.C. 17-2-6.15 or contact the NJDPB for more information;
- Be considered totally and permanently disabled (you must prove that you are physically or mentally incapacitated from performing your normal or assigned job duties or any other position your employer may assign) as a "direct result of a traumatic event" (definition to follow);

- Be an active member of the PERS on the date of the traumatic event;
- File a *Retirement Application* through MBOS within five years of the date of the traumatic event;
- Provide all accident reports, witness reports, and corroborating evidence on file for all accidents for which you are filing within six months;

- Be examined by physicians selected by the retirement system. The examination will be scheduled at no cost to you by the NJDPB. All medical information is kept confidential and used only by the PERS Board of Trustees in reviewing your claim; and
- Be disabled at the time you separated from service as a result of a disability that renders you totally disabled.

If you are approved for Accidental Disability Retirement, your annual retirement allowance will be 72.7 percent of your salary at the time of the traumatic event.

**Direct Result of a Traumatic Event** has been defined by the courts as an occurrence that:

- Is identifiable as to time and place;
- Is undesignated and unexpected;
- Is caused by a circumstance external to the member (not the result of pre-existing disease that is aggravated or accelerated by the work);
- Occurred during and as a result of the member's regular or assigned duties;
- Was not the result of the member's willful negligence; and
- Results in the member's permanent and total incapacitation from performing his or her usual or any other duty.

**Note:** When there is an issue of mental incapacity, the member must also establish that the event that

forms the basis for an Accidental Disability was objectively capable of causing a reasonable person in similar circumstances to suffer a disabling mental injury, based on a finding that the disability resulted from "direct personal experience of a terrifying or horror-inducing event that involves actual or threatened death or serious injury, or a similarly serious threat to the physical integrity of the member or another person."

You may only file for one type of Disability Retirement, either Accidental or Ordinary Disability. The application process begins by filing a *Retirement Application* with the NJDPB through MBOS. The application review process requires information from your physicians, information from your employer with questions regarding the traumatic event, and a release of health information related to your disability. The more complete the application and supporting information, the faster it can be evaluated, although the process may take six months or more.

It is the applicant's responsibility to arrange for all physicians' statements, hospital records, and other health information to be sent to the NJDPB.

Your employer has the right to apply for an Involuntary Disability Retirement on your behalf. At the time of application, State employers must provide a letter from the Department's highest ranking authority and local employers must provide a copy of a resolution adopted by the governing body. The letter/resolution must indicate the intent to involuntarily retire the employee and state that, in the employing authority's opinion, the employee is totally and permanently disabled from fulfilling his or her job duties; employers should include any pertinent medical records.

Once the Board of Trustees approves a member for a Disability Retirement allowance, the member's retirement application cannot be withdrawn, canceled, or

amended. Your retirement option can be changed provided that you file written notice with the NJDPB within 30 days of the date of the Board's approval or your retirement date, whichever is later; otherwise, the retirement option will remain and cannot be changed for any reason thereafter.

Approval for Workers' Compensation or Social Security Disability benefits has no bearing on your application for Accidental Disability Retirement. However, if you receive periodic Workers' Compensation benefits while receiving an Accidental Disability Retirement, the pension portion of your retirement allowance will be reduced dollar for dollar by the amount of the periodic benefits.

Disability retirees are subject to an annual earnings test. See the *Disability Retirement Benefits (PERS & TPAF) Fact Sheet*.

If you apply for Accidental Disability Retirement and are found by the Board of Trustees to be totally and permanently disabled but not as a direct result of a traumatic event, you may be approved for an Ordinary Disability Retirement if you have the required service credit. See the "Ordinary Disability Retirements" section.

#### Accidental Disability for World Trade Center Responders

P.L. 2019, c. 157 (Chapter 157), the Bill Ricci World Trade Center Rescue, Recovery, and Cleanup Operations Act, permits Tier 1, 2, and 3 PERS Law Enforcement Officers (LEOs) or certain PERS members who served as Emergency Medical Technicians to file for an Accidental Disability Retirement benefit if the member is or is to become totally and permanently disabled due to participation in the rescue, recovery, or cleanup operations at the World Trade Center.

For more information, please refer to the *Accidental Disability Retirement Under Chapter 157 Fact Sheet*.

#### OPTIONAL SETTLEMENTS AT RETIREMENT

(*WCJ Part members see addendum*)

You may want to leave a pension benefit to a beneficiary in addition to any life insurance for which you are eligible. When you apply for retirement you will have to choose either the Maximum Option or one of eight other options that provide a pension benefit to your beneficiary. Selecting an option other than the Maximum Option will reduce your monthly retirement allowance. The amount of this reduction depends on the option you select and the maximum calculated benefit, as determined by the IRS. Regardless of the selected payment option, your retirement benefits are payable for the remainder of your lifetime; see exceptions in the "Reduction or Suspension of Your Benefits" section.

Once your retirement becomes due and payable you cannot change your option selection. Due and payable is defined as 30 days after your retirement date, or 30 days after your retirement has been approved by the PERS Board of Trustees, whichever is later.

The **Maximum Option** provides the highest retirement allowance payable. Upon your death, all pension benefits will cease. If your death should occur before you have received distribution of all your accumulated pension contributions with interest, the remainder of any undistributed contributions will be paid to your beneficiary, along with any last retirement checks that are due and payable. If you are legally married or in a domestic partnership and choose the Maximum Option, State law requires that we notify your spouse or domestic partner of your choice.

**Options A, B, C, and D** pay a monthly allowance to a beneficiary upon your death for the lifetime of that beneficiary. Under any of these options, once your retirement has become due and payable, you cannot change the beneficiary, regardless of the circumstances. If your designated beneficiary dies before you, your monthly

allowance increases to the Maximum Option amount. Your age and the age of the beneficiary determine your monthly allowance — the younger the beneficiary, the more your pension is reduced to account for the beneficiary's longer life expectancy. Should you and your beneficiary die before all your accumulated pension contributions plus interest have been distributed in the form of a monthly allowance, the remainder will be paid to your estate.

**Note:** For Options A, B, C, and D, you may only designate one beneficiary.

- **Option A** provides that upon your death, your beneficiary will receive the same monthly allowance that you were receiving at the time of your death, for the duration of his/her lifetime.
- **Option B** provides that upon your death, your beneficiary will receive 75 percent of the monthly allowance that you were receiving at the time of your death, for the duration of his/her lifetime.
- **Option C** provides that upon your death, your beneficiary will receive 50 percent of the monthly allowance that you were receiving at the time of your death, for the duration of his/her lifetime.
- **Option D** provides that upon your death, your beneficiary will receive 25 percent of the monthly allowance that you were receiving at the time of your death, for the duration of his/her lifetime.

**Option 1** sets aside an initial reserve based on your life expectancy. This reserve is then reduced each month by the amount of your initial monthly retirement allowance. Upon your death, the balance of the reserve, if any, is paid to your beneficiary(ies). If you exhaust your initial reserve, you will continue to receive your monthly retirement allowance for the rest of your life; however, there will be no benefit payable to your beneficiary(ies). You may designate more than one beneficiary for Option 1. A beneficiary may be a person, a charity, an in-

sitution, or your estate. You may change a beneficiary under this option at any time. Upon your death, your beneficiary may elect to receive the proceeds in a lump sum or as an annuity payable over a certain number of years.

**Options 2, 3, and 4** pay a monthly allowance to a beneficiary upon your death for the lifetime of that beneficiary. Under any of these options, once your retirement has become due and payable, you cannot change the beneficiary, regardless of the circumstances. If your designated beneficiary dies before you, your monthly allowance will not be increased nor can you name a new beneficiary. Your age and the age of the beneficiary determine your monthly allowance — the younger the beneficiary, the more your pension is reduced to account for the beneficiary's longer life expectancy. Should you and your beneficiary die before all your accumulated pension contributions plus interest have been distributed in the form of a monthly allowance, the remainder will be paid to your estate.

**Note:** For Options 2 and 3, you may only designate one beneficiary. For Option 4, you may designate more than one beneficiary.

- **Option 2** provides that upon your death, your beneficiary will receive the same monthly allowance that you were receiving at the time of your death, for the duration of his/her lifetime.
- **Option 3** provides that upon your death, your beneficiary will receive 50 percent of the monthly allowance that you were receiving at the time of your death, for the duration of his/her lifetime.
- **Option 4** provides that upon your death, your beneficiary(ies) will receive a specified fixed monthly allowance for the duration of his/her lifetime. Your allowance cannot be more than that provided under Option 2.

**Note:** Members should allow for additional processing time for Option 4 calculations with multiple beneficiaries.

Should a member apply for retirement, other than a Deferred Retirement, and die prior to the retirement becoming effective, the beneficiary may choose between the active death benefit or the retired optional settlement that the member selected. The member must have been eligible for retirement at the time of death for the beneficiary to be eligible to choose between active and retired death benefits.

#### Age Limits on Nonspouse Beneficiaries

For all options, you can name your spouse as your beneficiary regardless of your spouse's age. For Option C, D, 1, or 3, you can name someone other than your spouse as beneficiary regardless of age.

**Note:** Because the IRS is a federal agency, a civil union partner or domestic partner as defined under New Jersey State law does not qualify as a spouse under these circumstances and would be subject to the age limitations described.

For Options 2, A, or B, if you are naming a beneficiary who is not your spouse, IRS regulations restrict the age of your beneficiary:

#### **For Options 2 and A:**

- If you are age 70 or older at retirement, your non-spouse beneficiary can be no more than 10 years younger than you.
- If you are under age 70 at retirement, determine:
  - 1.) the number of years difference between your age at retirement and age 70; and
  - 2.) the number of years difference between your age at retirement and the age of your nonspouse beneficiary.

Subtract the age 70 difference from the difference in age between yourself and your beneficiary. The resulting age difference can be no more than 10 years younger than you.

#### **For Option B:**

- If you are age 70 or older at retirement, your non-spouse beneficiary can be no more than 19 years younger than you.
- If you are under age 70 at retirement, determine:

- 1.) the number of years difference between your age at retirement and age 70; and
- 2.) the number of years difference between your age at retirement and the age of your nonspouse beneficiary.

Subtract the age 70 difference from the difference in age between yourself and your beneficiary. The resulting age difference can be no more than 19 years younger than you.

If you name a nonspouse beneficiary under **Option 4**, and the dollar amount of your beneficiary's pension is more than half of your allowance, restrictions on your beneficiary's age apply.

#### **THE RETIREMENT PROCESS**

The time frames in this section serve as a guide to help you understand the retirement process. Actual processing times, however, may vary and cannot begin until the NJDPB receives all the necessary information and forms from both you and your employer.

#### 6-8 Months Before Retirement

When planning for a successful retirement, it is important to give yourself enough time to review your benefits and options. You should inquire about retirement at least six months before your retirement date.

**Retirement Estimates** — Members within two years of retirement can:

- Obtain an *Estimate of Retirement Benefits* using MBOS. This provides you with a printable estimate of the retirement allowances available and the amount of your group life insurance benefits. If you provide the birth date of your beneficiary, MBOS will estimate not only the Maximum Option but alternate payment options. Using the retirement estimate calculator on MBOS allows you to obtain and compare estimates for different retirement dates.
- Hear an estimate of retirement benefits over the phone by calling the NJDPB Automated Information System at (609) 292-7524.

Your employer is not notified if you request a retirement estimate.

For long-term retirement planning, the NJDPB also provides an online retirement estimate calculator that uses service and salary information that you provide. This calculator is available on our website.

#### 4-6 Months Before Retirement

**Retirement Applications** — It is your responsibility to file a retirement application with the NJDPB. All retirement applications must be submitted online using MBOS. MBOS provides fast, efficient processing of your retirement application.

All retirements are effective on the first of a month. You can submit your retirement application no more than one year before your retirement date — and as late as the last business day prior to your retirement date — but four to six months advance filing is recommended. Under no circumstances can a retirement become effective prior to the date the application is received by the NJDPB.

If you have not furnished proof of your age to the NJDPB, you must do so when applying for retirement (see the "Proof of Age" section for acceptable proofs of age). Proof of age for your beneficiary is required if you choose Option A, B, C, D, 2, 3, or 4. If any proof of age documents are given under a maiden name, please identify them as such. Send photocopies of any proof of age documents, as we cannot guarantee that original documents will be returned. Please also be sure to write your pension membership number or last four digits of your Social Security number on all documentation that you submit. Your retirement application will not be processed until the NJDPB receives copies of birth date evidence.

- Ask your employer to submit a *Certification of Service and Final Salary* to the NJDPB. Your employer will also receive an email from the NJDPB requesting this certification.
- It is the applicant's responsibility to ensure that all required forms — except for the employer certification — are submitted to the NJDPB within 90 days of the NJDPB's receipt of your retirement application. Otherwise, the retirement application will be canceled and you will need to submit another application for a future retirement date.
- Multiple members (see the "Multiple Membership" section) cannot begin to collect retirement benefits until all employment covered by the PERS is terminated.
- If applying for a Veteran Retirement, you must qualify as a military veteran for pension purposes. See the "Veteran Retirement" section for more details.
- The designation of a beneficiary named on a retirement application that is filed with and accepted by the NJDPB supersedes any older designation

of beneficiary on file. The designation is effective upon acceptance by the NJDPB, even if the retirement date on the application is in the future or the member later cancels the retirement application.

When your application is submitted to the NJDPB, you will receive an email confirmation of its receipt. You will also be sent a letter acknowledging receipt of your retirement application.

**Life Insurance** — The amount of your life insurance coverage through the PERS decreases at retirement or terminates if you have less than 10 years of service credit. You may convert the dollar difference between the group coverage you had before retirement and the group coverage you will have after retirement to a non-group life insurance policy.

To protect your conversion privilege it is suggested that you apply for conversion of your insurance at the time you file your retirement application with the NJDPB. However, you cannot file to convert your life insurance any earlier than six months prior to your retirement date. See the "Conversion of Group Life Insurance" section and the *Conversion of Group Life Insurance* Fact Sheet for details.

**Other Retirement Plans** — If you participate in the following retirement savings plans, listed below, you must inform them separately of your plans to retire.

- Contact the NJSEDCP at 1-866-NJSEDCP.
- Contact the SACT at (609) 292-7524.
- Contact the DCRP at 1-866-653-2771.

#### Approximately 3 Months Before Retirement

**Health Benefits Coverage at Retirement** — To see if you qualify for retired coverage under the SHBP or SEHBP, see the *Summary Program Description* and the *Health Benefits Coverage — Enrolling as a Retiree* Fact Sheet. If you do not qualify for retired SHBP or

## Public Employee's Retirement System

SEHBP coverage, see your employer to explore other options that may be available for continuing your health coverage.

### Approximately 1 Month Before Retirement

**Board Approval** — Your retirement will be presented to the PERS Board of Trustees for approval.

- Once approved, you will receive a letter from the Board of Trustees. You have 30 days from the Board approval date or your effective retirement date (whichever is later) to request any change to your retirement date, option selection, or option beneficiary. If you wish to make a change after Board approval, your new selection must again be approved by the Board of Trustees. This may delay your first retirement check.

- You may choose to cancel your retirement within 30 days of your retirement date or Board approval date (whichever is later). The request to cancel your retirement or change your retirement date must be made via MBOS. However, if your retirement has been board approved and/or you have been assigned a retirement number, MBOS will not be able to process your request to cancel or change your retirement date. In these cases, you should immediately contact the NJDPB in writing or by email at: [pensions.nj@treas.nj.gov](mailto:pensions.nj@treas.nj.gov)

**Note:** Members who are approved for Disability Retirement cannot cancel their retirement or change their date of retirement.

### Approximately 2 - 4 Weeks Before Retirement

You will receive a *Quotation of Retirement Benefits* letter which shows your monthly retirement allowance, along with:

- The option you selected;

- A quote of any outstanding loan balance with repayment options; and
- Any other unsatisfied balance on your account (see below).

### Unsatisfied Balances

**Loans** — If you retire with an outstanding loan balance, you may:

- Pay the loan in full prior to receiving any retirement benefits; or
- Repay the loan deductions from your retirement allowance until the balance of the loan plus interest is repaid. The monthly loan payment will be calculated to have the loan plus interest satisfied by your five-year end date.

**Purchase Arrears** — When you apply for a purchase of service credit, the NJDPB assumes that the obligation will be paid before your retirement. Therefore, your account is credited with the full amount of service you have agreed to purchase. If this obligation has not been fully paid when you retire, your *Quotation of Retirement Benefits* will state the balance of your arrears (purchase) as of your retirement date. At that time, you must pay the balance of your arrears.

If you do not pay off the balance, the service credit which has not been paid for will be subtracted from your total years and months of service. This will reduce the amount of your retirement allowance and may possibly affect your eligibility to retire. Contact the NJDPB as soon as possible to advise whether or not you wish to pay off the arrears balance in full.

For Deferred Retirees who have an outstanding arrears obligation for the purchase of additional service credit, interest will be assessed if there was a lapse in payments of two years or more.

**Shortages** — A shortage in your pension account occurs when your employer does not deduct the proper pension contribution from your salary. You will be notified by the NJDPB of the amount of any shortage. You are responsible for payment of any shortages at retirement.

No retirement will be paid until purchase arrears and shortage obligations have been satisfied. Contact the NJDPB as soon as possible if your *Quotation of Retirement Benefits* indicates an arrears balance or shortage.

### After Your Retirement Date

**Statement of Retirement Allowance** — You will receive a letter confirming your retirement and death benefits. The letter will also supply figures needed in filing your income tax return. Keep this with your important papers.

**Due and Payable** — Your retirement becomes due and payable after there has been a break in employment without pay of at least 30 days following your retirement date, or 30 days following approval of your retirement by the PERS Board of Trustees, whichever is later.

Once your retirement becomes due and payable you cannot change your retirement date, option selection, or option beneficiary.

**Note:** If you return to a PERS-eligible position with a different employer before the 30 days have elapsed, on either a paid or voluntary basis, your retirement may be considered invalid and you could be required to reimburse the retirement system and re-enroll in the PERS. The same is true if you return to your former employer/employee relationship before meeting the requirements of a bona fide severance of employment, having terminated your employment relationship for at least 180 days from your date of retirement. See the *Employment After Retirement Restrictions* Fact Sheet on our website for additional requirements of a valid retirement.

**Retirement Checks** — Your first retirement check cannot be issued earlier than 30 days following your retirement date. If processing of your retirement is delayed, your first check will be retroactive to the date of your retirement.

Regular retirement checks are dated on the first of the month and are the allowance for the previous month. For example, if you retire on July 1st, your first retirement check would be due and payable on August 1st and is payment for the month of July.

**Change of Address** — It is important that you inform the NJDPB of the change by using the Retiree *Change of Address* function in MBOS, calling the Automated Information System at (609) 292-7524, or completing a *Change of Address Form* available on our website.

If notifying the NJDPB of a change of address in writing, be sure to include both your old and your new address and your retirement number or last four digits of your Social Security number.

**Direct Deposit/Electronic Funds Transfer (EFT)** — Direct deposit of retirement checks is mandatory except for foreign mailing addresses. Direct deposit will prevent your retirement checks from being lost, stolen, or delayed in the mail.

You can sign up for direct deposit up to two months prior to your retirement date using the *Electronic Funds Transfer* application available to pending retirees through MBOS. Registered retirees can also start or change direct deposit online, at any time, using MBOS.

Please allow approximately 60 days for a new direct deposit, or changes to an existing direct deposit, to begin.

**Withholding Federal and N.J. State Income Tax** — The NJDPB will provide for the withholding of federal and New Jersey State income tax from your retirement check.

The default withholding status for federal income tax is Single with no adjustments regardless of your actual marital status or number of dependents. The NJDPB is obligated to withhold federal income tax at this status unless you submit a change to your federal withholding through your MBOS account using the "Income Tax Withholding" button after you receive your first retirement check. Refer to *IRS Form W-4P* for instructions regarding federal tax withholding.

New Jersey income tax withholding is voluntary, and none will be withheld unless you instruct us to do so. Please keep in mind that if you live outside New Jersey your retirement benefits are not subject to New Jersey State income tax, but may be subject to state or local taxes in the jurisdiction in which you reside. There is no provision for withholding any local or out-of-state taxes.

Retirees can increase or decrease existing withholding amounts by using the online federal and New Jersey *W-4P* applications available to retirees on MBOS. Please note that *IRS Form W-4R* should be used for non-periodic payments and eligible rollover distributions. This form can be found on the IRS website at [www.irs.gov](http://www.irs.gov)

The NJDPB cannot provide tax advice. Questions about your federal income tax should be directed to your tax preparer or the IRS at 1-800-TAX-1040. Questions about New Jersey income tax should be directed to the New Jersey Division of Taxation at 1-800-323-4400.

**Federal Income Tax After Retirement** — Every January, the NJDPB issues each retiree an annual *Form 1099-R* reflecting the taxable retirement allowance paid during the preceding tax year. If you are a non-resident alien or foreign estate, you will receive a *Form 1042-S Foreign Person's U.S Source Income Subject to Withholding*.

The degree to which your pension is taxed, other than Accidental Disability Retirement, depends on whether or not the payments you receive have been previously taxed. Employee contributions made prior to 1987 were made with after-tax dollars. That is, they were federally taxed prior to being made. Contributions for the purchase of service credit are also made with after-tax dollars unless funded by a rollover from another tax-deferred plan.

If you began contributing to the pension plan in 1987 or after, and you have not made a purchase of service credit, your entire pension is subject to federal income tax because your contributions have never been taxed.

If you contributed to the pension plan before 1987, or if you have made a purchase of service credit since 1987, your pension is immediately taxable based on the "expected return rule." Part of your retirement allowance comes from your own pension contributions that were already taxed, and the IRS allows you to recover these contributions tax free. This recovery is spread out over your expected lifetime or the combined lifetime of you and your beneficiary, according to IRS life expectancy tables. This means that a small amount of each monthly retirement check is tax free. The remainder of the monthly benefit is subject to federal income tax.

If you retired on an Accidental Disability Retirement — or if you are a surviving spouse receiving Accidental Disability or Accidental Death benefits — the NJDPB currently reports your benefit as exempt from federal income tax.

Ordinary Disability Retirement benefits are subject to federal tax to the same extent as other pensions.

Any federal tax questions should be referred to the IRS at 1-800-TAX-1040.

**N.J. State Income Tax After Retirement** — If you live in New Jersey, you will be subject to New Jersey



## Public Employee's Retirement System

State income tax when you have recovered in pension checks the amount of pension contributions you made to the retirement system while working. However, if you will not recover your total contributions within three years of retirement, contact the New Jersey Division of Taxation at 1-800-323-4400, or visit their website at <http://www.nj.gov/treasury/taxation> to determine how your pension is taxed.

If you are receiving an Ordinary Disability or Accidental Disability Retirement allowance, your pension is exempt from New Jersey income tax if you are under age 65. When you reach age 65, your disability pension is treated as a regular pension and is considered taxable for New Jersey income tax.

**Cost-of-Living Adjustment** — In accordance with N.J.S.A. 43:3B-2, the Pension and Health Benefit Reform Law, Cost-of-Living Adjustments (COLA) for retirees of all retirement systems are suspended. Please note, however, that there is no reduction to any COLA increases that were already added to retiree benefits prior to June 28, 2014, the effective date of the law. Prior to the suspension of COLA, the Pension Adjustment Program provided an annual Cost-of-Living Adjustment to retirees and their survivors who received a monthly retirement allowance from the PERS. The COLA was based on the initial retirement allowance; however, if the retiree chose Option 1, the COLA was calculated using the Maximum Option amount. Prior Cost-of-Living Adjustments are shown under the Current Earnings section of the retirement benefit *Statement of Allowances and Deductions* (check or EFT stub).

Retirees can also verify current allowance and deduction information at any time using the retiree account information available through MBOS or by calling the Automated Information System at (609) 292-7524.

**Social Security** — Your pension is not reduced by any Social Security benefits you may receive. There is an earnings test for people receiving Social Security

benefits who are under Social Security's full-benefit retirement age. Check with the Social Security Administration at 1-800-772-1213 for information on earnings limits before accepting employment after retirement.

### REDUCTION OR SUSPENSION OF YOUR BENEFITS

Normally, you will receive retirement benefits as long as you live. Your benefits, however, could be reduced or suspended if:

- You return to a position covered by the PERS and are required to reenroll (see the *Employment after Retirement Restrictions* Fact Sheet).
- You return to employment with your former employer within 180 days (even in a voluntary capacity).
- You have a shortage in your account at the time of retirement.
- You receive salary from your employer for service rendered after your date of retirement.
- You waive your right to a portion of any pension to which you are entitled.
- As an Accidental Disability retiree, you receive periodic Workers' Compensation benefits after your retirement date.
- As a Disability retiree, you fail to appear for a periodic medical re-examination when requested to do so.
- As a Disability retiree, you fail to file your annual *Statement of Earnings* if requested.
- As a Disability retiree, your employment income exceeds the amount allowable by law. The NJDPB monitors the earnings history of retired members.
- If any discrepancies are found, excess retirement benefits must be repaid to the PERS.

- You fail to file a *Certificate of Eligibility* when you are asked to do so. This certificate is necessary, for example, if you or one of your beneficiaries has a change in marital status.

- You are incarcerated (although the Board of Trustees may permit the continuance of your benefits to your dependents).

- An accounting error is made and the PERS must be repaid.

Your pension is normally exempt from any liens against it. Exceptions are tax liens imposed by the IRS and court orders for child support, alimony, or equitable distribution.

A court order is effective only when you withdraw your funds or when you begin to receive monthly retirement payments. It is the responsibility of the member to be certain that the NJDPB is provided with copies of all court orders in order to comply with them.

### Divorce or Dissolution of a Civil Union/Domestic Partnership

The retirement system will implement matrimonial/civil union/domestic partnership dissolution court orders granting alimony, child support, or equitable distribution.

Matrimonial/partnership dissolution orders regarding your withdrawal from the retirement system will take effect if you voluntarily apply to withdraw your PERS account. See the "Withdrawal from the Retirement System" section.

Matrimonial/partnership dissolution orders regarding your retirement will not take effect until you retire and begin receiving a monthly retirement allowance. The court order can designate a specific dollar amount or percentage, or a percentage based on the number of years of pensionable service you accrued during the marriage/civil union, to be withheld from your retire-

ment allowance. The amount withheld is sent directly from the NJDPB to your former spouse/partner unless the order specifies another payee (i.e., a probation department).

of concern. To learn about the rules and regulations regarding post-retirement employment, please see the *Employment After Retirement Restrictions* Fact Sheet available on our website.

Any court-ordered withholding paid to your former spouse/partner from your retirement allowance will terminate upon your death or the death of the former spouse/partner.

If the former spouse/partner is designated as the beneficiary under a PERS pension option — either voluntarily by the member or by the court order — the surviving former spouse/partner is entitled to the survivor's benefit for as long as he or she lives.

If another person is designated as the beneficiary of the pension option, the former spouse/partner cannot receive any equitable distributions from the survivor's benefit.

#### **Misconduct**

The receipt of retirement benefits is expressly conditioned upon the rendering of honorable service by a public officer or employee. In accordance with N.J.S.A. 43:1-3.1., your benefits may be reduced or forfeited if you are convicted of a crime in any way related to your employment, or if you are suspended or dismissed from your employment. See the *Honorable Service* Fact Sheet available on our website for further information.

#### **EMPLOYMENT AFTER RETIREMENT**

For most PERS retirees, working for a private industry, the federal government, or a government agency in another state will not affect your retirement benefits. Disability retirees are subject to an annual earnings test. See the *Disability Retirement Benefits (PERS & TPAF)* Fact Sheet.

For PERS retirees who resume public employment in New Jersey after retirement, there are several areas

# **Active and Retired Death Benefits**

**OVERVIEW**

*(LRS, Prosecutor's Part, and WCJ Part members see addendum)*

**Noncontributory and Contributory Group Life Insurance**

As an active employee you may be covered by two types of group life insurance:

- **Noncontributory Group Life Insurance** is provided by your employer through the retirement system. There is no cost to you for this coverage.
- **Contributory Group Life Insurance** is life insurance for which you pay. The cost of the insurance is 0.5 percent (.005) of your base salary.

The law requires that you must be covered by contributory insurance for the first 12 months of your membership. After the 12 months have elapsed, you may voluntarily withdraw from contributory insurance coverage if you wish. A properly completed *Notice of Withdrawal from Contributory Group Life Insurance* must be filed with the retirement system before contributory coverage can be canceled. The cancellation cannot be retroactive. Once you have canceled this coverage, you cannot be reinstated during your current membership and your premium deductions will not be refunded. Withdrawal from contributory insurance coverage applies only to the membership under which the cancellation is exercised. A member who cancels contributory insurance coverage and then withdraws from membership in the PERS will, upon subsequent reenrollment in the PERS, be subject to new contributory life insurance coverage.

- All part-time crossing guards (see page 9) regardless of age, employees who are age 60 or older at the time of enrollment, or enrollees who have converted their insurance to a private policy and

returned to work, are ineligible for both noncontributory or contributory group life insurance coverage until they take and pass a medical examination.

Both Noncontributory and Contributory Group Life Insurance are covered by policies issued by the insurance carrier (Prudential Financial).

The amount of death benefits paid to your beneficiaries at your death depends on three factors:

- Your membership status at the time of death;
- Your last 12 months of salary; and
- Your age (if you are a Disability retiree).

**Note:** Group life insurance is only payable upon death of the member; there is no cash value for any unpaid Noncontributory or Contributory Group Life Insurance coverage.

**Coverage for Active Members**

When an active member dies, not as a result of an accident during regular or assigned duties, the named beneficiaries are entitled to the payment of group life insurance benefits and the return of the member's accumulated pension contributions with interest. See the "Accidental Death Benefit" section.

**Note:** A member must prove insurability when age 60 and older at the time of enrollment – this is validated by Prudential Financial.

**Active Group Life Insurance Amounts**

| Age at Death | Member with Noncontributory Insurance Only | Member with Both Noncontributory and Contributory Insurance |
|--------------|--|---|
| Any Age      | 1 1/2 times salary                         | 3 times salary  |

**Note:** The definition of salary in this chart is the total base salary upon which your pension contributions were based during the year preceding your death during active service. If death occurs within the first year of enrollment, the amount of the noncontributory insurance is based on the base salary earned until the date of death. The amount of contributory insurance, however, is based on the full annual base salary.

**Coverage for Retired Members**

Life insurance for retired members of the PERS who enrolled on or after July 1, 1971, is payable only if the member retired with 10 or more years of pension service credit or retired on a Disability Retirement.

When a retired member dies, the named beneficiaries are entitled to the payment of any group life insurance benefits. Pension option beneficiaries are selected separately by the member at the time of retirement. See the "Optional Settlements at Retirement" section.

**Retired Group Life Insurance Amounts**

| Type of Retirement | Death Before Age 60 | Death After Age 60 |
|--------------------|---------------------|--------------------|
| Disability         | 1 ½                 | 3/16               |
| Early & Veteran    | 3/16                | 3/16               |
| Deferred Service   | None                | 3/16               |
| Service            | N/A                 | 3/16               |

**Note:** The fractions listed above are multiplied by the total base salary upon which pension contributions were based during the year preceding retirement.

### CHOOSING A BENEFICIARY

When a member is enrolled in the PERS, the new member's estate is the beneficiary on record until the NJDPB receives a new *Designation of Beneficiary*.

**Note:** Active and retired members must complete the *Designation of Beneficiary* using MBOS.

When you submit the *Designation of Beneficiary*, you name beneficiaries for both your group life insurance benefits and the return of your pension contributions. You may name any person, organization, your estate, or trust as beneficiary. You may change your designation at any time during your active membership by submitting a new *Designation of Beneficiary*.

You will be asked on your retirement application to name a beneficiary(ies) for pension benefits and separately name beneficiaries for group life insurance benefits. Some restrictions apply to who may be named for pension benefits; however, you may name any person, organization, your estate, or trust as beneficiary for group life insurance benefits. See the "Optional Settlements at Retirement" section.

The designation of a beneficiary on a retirement application that is filed with and accepted by the NJDPB supersedes any older designation of beneficiary on file. The designation is effective upon acceptance by the NJDPB, even if the retirement date on the application is in the future or the member later cancels the retirement application.

Retirees may also change group life insurance designations at any time during retirement by submitting a new *Designation of Beneficiary* through MBOS.

If you have additional questions regarding designations, please see the *Beneficiary Designation* Fact Sheet.

For your protection, beneficiary designations cannot be accepted or confirmed over the telephone or by

email. Members can verify beneficiary designation on MBOS. Otherwise, the NJDPB will only accept a written request from the member to verify your beneficiary designation on file.

#### Divorce/Dissolution of Partnership

In cases of divorce or dissolution, N.J.S.A. 3B:3-14 states that even if your *Designation of Beneficiary* form indicates a former spouse/partner and/or relatives of the former spouse/partner as beneficiaries for life insurance, they cannot receive the benefit. Therefore, life insurance proceeds become payable to your remaining primary beneficiaries, if any, contingent beneficiaries, if any, or your estate. However, the following exceptions will be honored and considered valid:

- Court orders are filed that specifically designate your former spouse/partner to receive a life insurance benefit; or
- You file a *Designation of Beneficiary* after the final date of judgment that names your former spouse/partner and/or relatives of your former spouse/partner as the life insurance beneficiary.

#### **PAYMENT OF GROUP LIFE INSURANCE**

Group life insurance benefits for active members can be paid in one of several ways (group life insurance for retirees must be paid in a lump sum). The options are:

- **Lump Sum** — A single payment to your beneficiary(ies).
- **Annuity Certain** — Equal installments over a selected period of years.

- **Life Annuity** — Paid monthly to your beneficiary(ies) for life.
- Death benefits cannot be paid until all the necessary information including proper proof of death and claim forms have been received from your beneficiary by the NJDPB.

To report a death, contact the Office of Client Services at (609) 292-7524. A certified death certificate, obituary, or the employer's P-29 form is required to begin processing the claim.

#### **Taxation of**

#### Group Life Insurance Payments

Information regarding death claim payments are supplied to the New Jersey Division of Taxation, in accordance with their requirements. A beneficiary or beneficiaries may be considered by the Division of Taxation to be personally liable for any and all inheritance and/or estate taxes until paid.

#### **GROUP LIFE INSURANCE AND LEAVE OF ABSENCE**

Your group life insurance coverage will continue in full force for an official leave of absence without pay under the following conditions:

- Up to two years while on an official leave of absence for personal illness. In this case, contributions are not necessary to continue coverage under the contributory plan.
- Up to one year while on an official leave to fulfill a residency requirement for an advanced degree or as a full-time student at an institution of higher education. In this case, contributions are necessary to continue coverage under the contributory plan (see note).

- Up to 93 days while on official leave for personal reasons and family leave. In this case, contributions are necessary to continue coverage under the contributory plan (see note).

An official leave of absence requires documentation that establishes the nature of the leave and the continuing relationship between the employer and the member.

**Note:** You may continue contributory life insurance coverage during these periods by forwarding a completed *Personal Insurance Contribution Remittance* form to the NJDPB along with a check made payable to "PERS CGIPF." The amount due to cover the premium is .005 of your monthly base salary in effect at the time you went on leave. To keep your contributory life insurance in effect, this premium must be paid within 31 days of the start of the official leave of absence. It is the member's responsibility to make contributory life insurance premium payments directly to the NJDPB. The *Personal Insurance Contribution Remittance* form is available from your employer or on the NJDPB website.

**TAXATION OF GROUP LIFE INSURANCE PREMIUMS**

The IRS classifies all employer-provided life insurance coverage over \$50,000 as a fringe benefit subject to taxation. The amount of life insurance coverage is not taxable, but the premium required to pay for the life insurance coverage is taxable.

To determine the taxable amount, if any, add the amount of your noncontributory coverage to your contributory coverage then subtract \$50,000 from that total. The premium rates are then applied to the remaining life insurance amount. The premium costs for the life insurance are determined by the IRS based on your age (see the "IRS Premium Rates" chart) and your salary. The premiums you pay for your contributory coverage (.005 x salary) are subtracted from the premium costs

determined by the IRS. The remaining premium cost, if any, is the taxable amount and is added to your income on the federal Form W-2 for that year.

**Example:** A PERS member is age 56 and has both Contributory and Noncontributory Group Life Insurance coverage.

The member's annual base salary is \$60,000. The member's life insurance coverage totals \$180,000 (3 x \$60,000).

The fringe benefit amount is determined by subtracting \$50,000 from the total benefit amount (\$180,000), which equals \$130,000 (\$180,000-\$50,000).

According to the IRS, the premium cost for an individual 56 years of age is \$5.16 per \$1,000 of coverage. The premium cost in this example is \$670.80 (130 x \$5.16).

Under the PERS, members pay premiums equal to 0.5 percent of base salary for contributory coverage. In this example, the member pays \$300.00 per year for life insurance coverage (.005 x \$60,000).

The net taxable value of the premiums is \$370.80 (\$670.80 - \$300.00) and would be added to this member's Form W-2. This does not mean that the member would pay an additional \$370.80 in taxes but that \$370.80 would be added to the member's taxable wages for the year.

**IRS Premium Rates\***  
(Annual cost per \$1,000 of coverage)

| Age          | Premium |
|--------------|---------|
| Under age 25 | \$0.60  |
| 25-29        | \$0.72  |
| 30-34        | \$0.96  |
| 35-39        | \$1.08  |
| 40-44        | \$1.20  |
| 45-49        | \$1.80  |
| 50-54        | \$2.76  |
| 55-59        | \$5.16  |
| 60-64        | \$7.92  |
| 65-69        | \$15.24 |
| 70 and older | \$24.72 |

\*These rates are subject to change by the IRS

**WAIVING NONCONTRIBUTORY GROUP LIFE INSURANCE OVER \$50,000**

PERS members are permitted to waive their Noncontributory Group Life Insurance over \$50,000 to avoid a possible federal and State tax liability on that benefit.

Waivers of partial amounts are not permitted. Any member who waives noncontributory insurance must waive the total amount of noncontributory coverage in excess of \$50,000.

Even if a member waives the noncontributory insurance over \$50,000, there still may be a federal tax liability for some PERS members who have contributory insurance coverage.

In the previous example, the member's noncontributory coverage equals \$90,000 (1.5 x \$60,000). In this example, the member could waive \$40,000 of noncontributory coverage because members are only permitted to waive noncontributory coverage over \$50,000. The net

taxable value would be reduced to \$164.40 by subtracting the premium for \$40,000 (\$206.40) from the taxable premium shown above (\$370.80 - \$206.40).

You may waive your Noncontributory Group Life Insurance coverage in excess of \$50,000 by completing a *Waiver of Group Life Insurance in Excess of \$50,000* form and submitting it to the NJDPB. The form is available from the NJDPB or your employer. The waiver form must be received by the NJDPB before December 31 in order to be effective January 1 of the following calendar year. Once a waiver form has become effective, it shall be irrevocable for the entire calendar year. The waiver will remain in effect until you submit another waiver form opting to reinstate coverage to the NJDPB. The reinstatement will become effective the following January 1.

If a waiver is in effect at the time of termination of employment or retirement, you will not be permitted to convert any amount of your Noncontributory Group Life Insurance coverage over \$50,000.

Before completing the waiver, you should completely understand the ramifications of waiving your noncontributory insurance. For more information, refer to IRS Publication 525, *Taxable and Nontaxable Income*.

### CONVERSION OF GROUP LIFE INSURANCE

If you are covered by group life insurance while employed, the coverage ends 31 days after you cease employment, whether for reasons of retirement, termination of employment, or leave of absence without pay.

You are eligible to convert your group life insurance coverage to an individual policy with Prudential Financial, without medical examination and at your own expense, when you retire, terminate employment, or lose coverage while on a leave of absence without pay. See the *Conversion of Group Life Insurance* Fact Sheet for details.

### ACCIDENTAL DEATH BENEFIT

If you die as a result of an accident during the performance of your regular or assigned duties, and your death is not a result of willful negligence, your eligible beneficiaries may be entitled to an Accidental Death Benefit in addition to any group life insurance benefit. See the "Active and Retired Death Benefits" section.

- N.J.S.A. 43:15A-49, provides an Accidental Death Benefit to eligible beneficiaries of an active PERS member who dies as a result of service in either the reserve component of the Armed Forces of the United States or the National Guard while on federal active duty on or after June 1, 2008. The benefit is the same as if the member died as a result of an accident sustained in the performance of PERS duties.

If an Accidental Death Benefit is approved by the Board of Trustees, your widow, widower, civil union partner, or domestic partner (see definitions to follow) is paid an annual pension of 50 percent of your Final Salary. Final Salary is the total base salary on which your pension contributions were based during the last year (10 or 12 months) before your death or the accident which led to your death. This benefit is a lifetime benefit to your widow, widower, or partner unless he or she remarries or enters into a new civil union or domestic partnership.

If there is no eligible widow, widower, or partner, or if the widow, widower, or partner remarries or enters a new civil union or domestic partnership, a pension is paid to your eligible children in these amounts:

- 50 percent of Final Salary to three or more eligible children, shared equally;
- 35 percent of Final Salary to two eligible children, shared equally; or
- 20 percent of Final Salary to one eligible child.

If there is no eligible widow, widower, partner, or children, a pension will be paid to your eligible dependent parent(s) in these amounts:

- 25 percent of Final Salary to one eligible parent; or
- 40 percent of Final Salary to two eligible parents.

Your eligible beneficiaries for an Accidental Death Benefit are:

- **Widow or Widower** — A person to whom you were married before the date of death and to whom you continued to be married until the date of your death, and who was receiving at least one-half support from you in the 12 months immediately preceding your death or the accident which led to your death. A photocopy of the *Marriage Certificate* is required for verification.

- **Civil Union Partner** — A person of the same sex as defined by N.J.S.A. 37:1-29, with whom you were partnered in a civil union until the date of your death and who was receiving at least one-half support from you in the 12 months immediately preceding your death or the accident which led to your death. A photocopy of the *New Jersey Civil Union Certificate* or a valid certification from another jurisdiction that recognizes same-sex civil unions is required for verification (see the *Civil Unions and Domestic Partnerships* Fact Sheet for details).

- **Domestic Partner** — A person of the same sex as defined by N.J.S.A. 26:8A-3, with whom you were partnered in a domestic partnership until the date of your death and who was receiving at least one-half support from you in the 12 months immediately preceding your death or the accident which led to your death. For an employee of a local public entity, the local entity's governing body must have adopted a resolution to provide Domestic Partner pension benefits. A photocopy of the *New Jersey*

**APPENDIX C. DENTAL COVERAGE**





Horizon Blue Cross Blue Shield of New Jersey

Making Healthcare Work.

## County of Passaic - 96682

| Horizon Dental Plans                               |   | Dental Option Plan  | HDC H                         |
|--|---|---------------------|-------------------------------|
| Annual Deductible                                  |   | \$25 per person     | None                          |
| Out-of-network                                     |   | Yes                 | No                            |
| Annual Maximum                                     |   | \$1,000             | None                          |
| Ortho Maximum                                      |   | N/A                 | See benefit booklet           |
| COVERED SERVICES                                   |   | OUT-OF-POCKET COSTS | OUT-OF-POCKET COSTS           |
| <b>Exams and Preventive Services Exams*</b>        | All exams<br>Fluoride treatment (child)<br>Sealant application<br>Prophylaxis               | 50%                 | \$0                           |
| <b>X-rays*</b>                                     | Panoramic<br>Full-mouth X-rays  | 50%                 | \$0                           |
| <b>Space maintainers</b>                           | Space maintainers – fixed unilateral /bilateral   | 50%                 | \$0                           |
| <b>Restorations and Repairs</b>                    | Amalgam restorations<br>Composite restorations<br>(other than for molars)                   | 50%                 | \$11<br>\$10-\$12             |
| <b>Endodontics</b>                                 | Pulp cap/Pulpotomy<br>Root canal therapy –<br>anterior, bicuspid                            | 50%                 | \$12/\$30<br>\$125            |
|  | Root canal therapy molar<br>Denture adjustments and repairs                                 | 50%<br>50%          | \$200<br>\$20                 |
| <b>Periodontics</b>                                | Scaling and root planing<br>Gingivectomy<br>Soft tissue grafts<br>Periodontal maintenance   | 50%                 | \$35<br>\$90<br>\$115<br>\$30 |
|  | Osseous surgery   | 50%                 | \$210                         |
| <b>Oral Surgery</b>                                | Routine extractions<br>Soft tissue surgical extractions<br>Incision and drainage of abscess | 0%                  | \$11<br>\$45<br>\$15-\$20     |
|  | Surgical extractions - impacted   | 50%                 | \$60-\$65                     |
| COVERED SERVICES                                   |   | OUT-OF-POCKET COSTS | OUT-OF-POCKET COSTS           |
| <b>Major Restoration</b>                           | Crowns  | 50%                 | \$75-\$240                    |
| <b>Dentures</b>                                    | Complete and partial dentures   | 50%                 | \$250-\$270                   |
| <b>Fixed Bridges</b>                               | Retainers and pontics   | 50%                 | \$230-\$240                   |
| <b>Orthodontic Procedures (per optional rider)</b> | Children only. Limited to one complete orthodontic treatment per lifetime                   | 50%                 | See benefit booklet           |

## Dental Vocabulary

### Visits and Exams

**Fluoride Treatment** - a prescription strength fluoride product that helps strengthen the tooth surface and prevent cavities.

**Sealant Application** - a composite material used to seal the decay-prone pits, fissures and grooves of children's teeth to prevent tooth decay.

**Space Maintainer** - a dental appliance that fills the space of a lost tooth or teeth and prevents other teeth from moving into the space. Used especially in orthodontic and pediatric treatment.

**Prophylaxis** - the scaling and polishing procedure performed to remove calculus, plaque and stains from teeth.

### Restorations and Repairs

**Restoration** - any material or device used to replace tooth structure lost because of decay or fracture.

**Amalgam** - an alloy used to restore teeth.

**Composite Restoration** - a tooth-colored material used to restore teeth.

### Endodontics

**Endodontics** - the dental specialty that deals with injuries to or diseases of the pulp, or nerve, of the tooth.

**Pulp Cap** - procedure used by which pulp is covered with a dressing or cement.

**Pulpotomy** - to remove a portion of the tooth's pulp.

**Root Canal Therapy** - the process of treating disease or inflammation of the pulp or root canal. This involves removing the pulp and tooth's nerves and filling the canal(s) with an appropriate material for a permanent seal.

**Anterior** - refers to the teeth and tissues toward the front of the mouth.

**Molar** - the broad, multicusped back teeth used for grinding food.

**Bicuspid** - a two-cusped tooth found between the molar and the cuspid.

### Periodontics

**Periodontics** - the dental specialty that deals with injuries or diseases of the gums and supporting tissues.

**Scaling** - a procedure used to remove plaque, calculus and stains from the teeth.

**Root Planning** - the process of scaling and planning root surfaces to remove all calculus, plaque and infected tissue.

**Gingivectomy** - the surgical removal of gingival (gum) tissue.

**Osseous Surgery** - surgery performed to correct damage to gingival (gum) tissue and supporting structures as a result of periodontal disease.

### Oral Surgery

**Surgical Extractions** - extraction of an unerupted tooth by making a surgical incision.

**Incision and Drainage of Abscess** - making an incision so the trapped liquids in the infected tissue can escape.

### Major Restoration

**Crowns** - the portion of the tooth that is covered by enamel. Also a dental restoration that covers the area of the tooth and restores it to its original shape.

### Dentures

**Complete Dentures** - a dental prosthesis that replaces all the natural teeth of a single dental arch.

**Partial Dentures** - a dental prosthesis that replaces one or more, but less than all, of the natural teeth and associated structures in an arch.

### Fixed Bridges

**Retainers** - the part of a fixed bridge that attaches a false tooth to a natural tooth or implant.

**Pontics** - an artificial tooth used in a fixed bridge to replace a missing tooth.