

4. Extra payroll deductions will include regular interest for the term of the installment.

SUBCHAPTER 5. RETIREMENT

17:5-5.1 Applications

(a) Applications for retirement must be made on forms prescribed by the system. Such forms must be completed in all respects and filed with the system before the requested date of retirement.

(b) In the event a member files an incomplete application, the deficiency shall be brought to his or her attention and he or she will be required to file a completed application with the system to enable acceptance for processing.

(c) Before an application for retirement may be accepted for processing, it must be supported by a certificate from the Division of State Police setting forth the employment termination date and the salaries reported for contributions in the member's final year of employment.

17:5-5.2 Effective dates; changes

(a) A member shall have the right to withdraw, cancel or change an application for retirement at any time before his retirement allowance becomes due and payable; thereafter, the retirement shall stand as approved by the board.

(b) Except in the event of deferred retirement, if a member requests a change in his retirement application before his retirement allowance becomes due and payable, said change will require approval of the board and the revised retirement allowance shall not become due and payable until 30 days have elapsed following the effective date or the date the board met and approved the change in the member's retirement application, whichever is later.

(c) If the applicant should die within 30 days following the date the board of trustees approved the revised application, the member shall be considered to be retired on the basis of the originally approved application for retirement, provided that the initial 30-day requirement was satisfied.

(d) A deferred retirement shall become effective on the first of the month following the member's 55th birthday.

(e) In the case of deferred retirement, if an applicant desires to amend his retirement application, the amended application must be filed with the system a minimum of one month prior to his effective date of retirement.

(f) Should the member continue to receive a salary for services rendered beyond the effective date of retirement after approval of the retirement by the Board of Trustees, no retirement benefits shall be paid for the period where

the member received salary and no salary or service credit shall be provided for the service rendered after the approved, effective date of retirement.

17:5-5.3 Effective date; death prior thereto

(a) A member's retirement allowance shall not become due and payable until 30 days after the date the board approved the application for retirement or 30 days after the date of the retirement, whichever is later.

(b) A member who files an application for retirement and whose insurance coverage has not lapsed prior to filing the retirement application is covered under the insurance program as an active member in the event of death prior to the date the retirement allowance becomes due and payable.

17:5-5.4 Willful negligence

(a) Willful negligence is defined as:

1. Deliberate act or deliberate failure to act; or
2. Such conduct as evidences reckless indifference to safety; or
3. Intoxication operating as the proximate cause of injury.

17:5-5.5 Outstanding loan

(a) A member who has an outstanding loan balance at the time of retirement shall repay the loan balance, with interest, as follows:

1. In full as provided by N.J.S.A. 53:5A-29; or
2. By retention of retirement payments, excluding authorized deductions by the retirement system, until the loan balance, with interest, is repaid.

(b) In calculating a disability retirement allowance where there is an outstanding loan, the annuity shall be the actuarial equivalent of the amount which actually appears in the member's account, and the total allowance shall be reduced by the amount of the actuarial equivalent of the outstanding obligation.

17:5-5.6 Retirement credit

(a) A member shall receive credit toward retirement for any biweekly payroll period in which a full normal deduction is received by the system.

(b) A member who appeals the suspension or termination of his or her employment and is awarded back pay for all or a portion of his or her employment for the period of such suspension or termination shall receive retirement credit for the period covered by the award, regardless of the amount of the back pay awarded, provided a full normal pension contribution is received from the member or deducted from the value of the award. The amount of the pension contribution will be determined by the provisions of the award. If

the member receives full back pay, including normal salary increases, then the contribution will be computed on the base salaries that the employee would have earned for the reinstated suspended or terminated period. When the settlement is less than the full back pay, the pension contribution will be based upon the salary that the member was receiving for pension purposes prior to the suspension or termination of employment. In the event that the amount of back payment is insufficient to deduct the value of the normal pension contributions due, such contribution shall be paid by the member.

(c) It is the responsibility of the certifying officer to provide a letter attesting to the base salary or salaries to be used to compute pension contributions and to provide a copy of the resolution or legal document that details the terms of the settlement.

17:5-5.7 Disability determination

(a) A member for whom an application for accidental disability retirement allowance has been filed by the member, by his employer or by one acting in behalf of the member, will be retired on an ordinary disability retirement allowance if the board finds that:

1. The member was under the normal retirement age at the time of filing application for a disability retirement allowance; and
2. The member is physically or mentally incapacitated for the performance of duty and such incapacity is likely to be permanent; and
3. The member is not eligible for accidental disability since the incapacity is not a direct result of a traumatic event occurring during and as a result of the performance of his regular or assigned duties; and
4. The member meets the service requirement for ordinary disability.

17:5-5.8 (Reserved)

17:5-5.9 Determination of final compensation

(a) In computing the salary upon which pension contributions were based during the member's last year of service, a total of 26 biweekly pays will be used including any retroactive salary payments made within the prescribed period. The total salary will be adjusted by factors supplied by the actuary to compensate for State biweekly payroll schedules.

(b) If a member was reported on a biweekly basis on any combination of 10- and 12-month contract years, the last year's salary prior to death or retirement shall be determined on a proportional basis. The biweekly pay periods for which no contributions were made shall be counted as zero.

17:5-5.10 Employer application; employee notice

(a) If an application for an accidental disability retirement benefit or for an ordinary disability retirement benefit is filed by an employer for one of his employees, the member will be promptly notified by letter that:

1. His employer has initiated a disability application, on the member's behalf;
2. His employer has certified that the member is permanently and totally disabled for the continued performance of duty and, if appropriate;
3. His employer has certified that the member should be retired as a direct result of a traumatic event occurring during and as a result of the performance of his regular or assigned duties;
4. He has a period of 30 days to contest his involuntary retirement before the board acts on his employer's application;
5. He will be required to appear for an examination before a physician designated to conduct such an examination for the retirement system;
6. In the event the board finds that he is totally and permanently incapacitated for the performance of duty, and shall be granted the retirement allowance prescribed by the statute; and
7. In the event the board finds that he is not totally and permanently disabled for the performance of duty, the employer shall be so advised that the application has been rejected.

17:5-5.11 Service retirement; eligibility

A member becomes eligible for "service" retirement on the first of the month following the month in which the member satisfies the conditions of retirement for age and service.

17:5-5.12 Disability retirant; annual report

(a) Where applicable, the total earnings permitted without reduction of pension is the difference between the retirement allowance and the salary now attributable to the member's former position in the Division of State Police.

(b) The pension will be reduced to an amount which, together with the earnings, will equal the salary now attributable to the former position in the Division of State Police. The annuity portion of the allowance will not be reduced.

(c) Reported earnings at the end of a calendar year will be the basis for pension reduction in the following calendar year. The reduction in pension, if any, will follow the testing on an April 1 to the following April 1 basis.

(d) "Salary now attributable to his former position" will mean the actual annual salary the employee would be receiving if he were reinstated to such position.