

## CHAPTER 5

## STATE POLICE RETIREMENT SYSTEM

## Authority

N.J.S.A. 53:5A-30h.

## Source and Effective Date

R.1996 d.268, effective June 17, 1996.  
See: 28 N.J.R. 1492(a), 28 N.J.R. 3167(a).

## Executive Order No. 66(1978) Expiration Date

Chapter 5, State Police Retirement System, expires on June 17, 2001.

## Chapter Historical Note

Chapter 5, State Police Retirement System, was filed and became effective prior to September 1, 1969. Chapter 5 was amended by R.1971 d.108, effective July 6, 1971. See: 3 N.J.R. 90(b), 3 N.J.R. 164(b); R.1973 d.26, effective January 19, 1973. See: 4 N.J.R. 283(b), 5 N.J.R. 60(b); R.1974 d.131, effective May 31, 1974. See: 6 N.J.R. 156(b), 6 N.J.R. 277(b); R.1976 d.104, effective April 5, 1976. See: 7 N.J.R. 523(a), 8 N.J.R. 262(c); R.1977 d.359, effective September 21, 1977. See: 9 N.J.R. 386(a), 9 N.J.R. 496(a); R.1978 d.113, effective March 30, 1978. See: 10 N.J.R. 27(a), 10 N.J.R. 209(b); R.1980 d.101, effective March 3, 1980. See: 11 N.J.R. 648(b), 12 N.J.R. 224(c); R.1980 d.209, effective May 12, 1980. See: 12 N.J.R. 216(a), 12 N.J.R. 355(d); R.1981 d.361, effective October 8, 1981. See: 13 N.J.R. 459(b), 13 N.J.R. 708(e); and R.1982 d.65, effective March 15, 1982. See: 13 N.J.R. 459(b), 13 N.J.R. 708(e). Subchapter 4, Purchase and Eligible Service, became effective March 15, 1982 as R.1982 d.66. See: 13 N.J.R. 939(a), 14 N.J.R. 284(e). Further amendments to Chapter 5 were made by R.1983 d.46, effective March 7, 1983. See: 14 N.J.R. 1292(a), 15 N.J.R. 343(a); and R.1983 d.48, effective March 7, 1983. See: 14 N.J.R. 1448(a), 15 N.J.R. 342(e).

Pursuant to Executive Order No. 66(1978), the individual Subchapters of Chapter 5 expired on May 12, 1985 and were adopted as new rules by R.1985 d.614, effective December 2, 1985. See: 17 N.J.R. 2018(a), 17 N.J.R. 2914(a).

Pursuant to Executive Order No. 66(1978), Chapter 5 was readopted as R.1991 d.2, effective November 30, 1990. See: 22 N.J.R. 3200(a), 23 N.J.R. 123(a). Pursuant to Executive Order No. 66(1978), Chapter 5, State Police Retirement System, expired on November 30, 1995.

A new Chapter 5, State Police Retirement System, was adopted by R.1996 d.268, effective June 17, 1996. See: Source and Effective Date.

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## SUBCHAPTER 1. ADMINISTRATION

## 17:5-1.1 Board meetings

The Board of Trustees shall meet at the call of the chairperson and secretary, subject to the prescribed requirements and procedures of c.231, P.L. 1975.

## 17:5-1.2 Fiscal year

(a) Fiscal year shall mean the 12-month period of fiscal transactions commencing July 1 and running until June 30 following.

(b) All reports and statements will consider such a fiscal year except special reports not having direct relationship to the financial transactions of the retirement system.

## 17:5-1.3 Officers and committees

(a) The chairperson of the board will be elected by a majority vote of the members in attendance at the first meeting of each fiscal year, not less than three members to

be present at such a meeting. The chairperson of the board shall preside at all meetings he attends and in the absence another member selected by the majority of the members in attendance will preside for that single meeting.

(b) The secretary of the board will be the Chief of the Bureau of Police and Fire Funds, Division of Pensions. Upon recommendation of the chief, the board will also select from the staff of such bureau, an assistant secretary who will serve in the absence of the secretary.

(c) The chairperson will appoint such committees from the board members as he deems necessary to facilitate the board's operations. Such committee appointment will be for a one-year period, commencing each July 1.

#### 17:5-1.4 Certifying officer (employer)

(a) The official properly designated by the Division of State Police will serve as the certifying officer.

(b) The prime purpose of the certifying officer will be to certify facts of enrollment, retirement, withdrawal and to implement proper procedures for the reports and transmittal of employee deductions and to act as liaison for all dealings between the Division of State Police and the retirement system.

#### 17:5-1.5 Records

(a) The minutes of the board are a matter of public record and may be inspected during regular business hours in the office of the board secretary.

(b) The mailing addresses of all active and retired members are considered to be a part of the member's confidential files and shall not be released for any purpose.

(c) All medical testimony obtained in connection with an application for disability retirement shall be restricted for the confidential use of the Board of Trustees.

#### 17:5-1.6 Appeal from board decisions

The following statement shall be incorporated in every written notice setting forth the board's determination in a matter where such determination is contrary to the claim made by the claimant or his legal representative:

If you disagree with the determination of the Board of Trustees in this matter, you may appeal by sending a written statement to the board within 45 days from the date of this letter informing the board of your disagreement and all of the reasons therefor. If no such written statement is received within the 45-day period, this determination shall be considered final.

#### 17:5-1.7 Suspension of pension checks

(a) Monthly retirement allowances will be suspended under the following circumstances and the suspension will continue during the period of default:

1. If a disability retiree fails to timely file a report with the system of his annual earned income pursuant to the provisions of N.J.S.A. 53:5A-1 et seq.;

2. If a widow, widower, parent or guardian of a minor child(ren) fails to file a certificate of eligibility which is normally mailed to such beneficiaries on an annual basis;

3. If a retiree or beneficiary becomes mentally or physically incompetent. The disbursement of pension checks in this event shall be suspended until a proper legal representative has been appointed.

#### 17:5-1.8 State employees; biweekly salaries

(a) Retirement and death benefits as well as service credit will be determined on the basis of biweekly pay periods for State employees paid by centralized payroll.

(b) In the event a member is reported on a combination of monthly and biweekly pay periods, his last year's salary or final compensation as well as his service credit will be computed on a proportional basis.

#### 17:5-1.9 Proof of age

(a) All members may be required to establish proof of their age with the System. A person enrolling in the System may be requested to submit proof of his or her age at the time of such enrollment and will be required to submit such proof of age before a period of six years has elapsed from the date of enrollment.

(b) No further proof of age will be required by the Division of Pensions if proof of age of a State Policeman is fully documented in the personnel records of the Division of State Police.

(c) In the event a member dies before satisfactory evidence of his or her date of birth has been filed with the System, appropriate evidence may be required before any death claim is processed for settlement.

(d) In the event proof of age has not been filed with the System before retirement, such proof must be filed before any retirement benefits may be disbursed.

### SUBCHAPTER 2. INSURANCE AND DEATH BENEFITS

#### 17:5-2.1 Computation of insurance benefits

(a) Full salary credit will be given for the biweekly pay period in which a member dies, if he was paid salary to the date of death and the salary paid was sufficient to permit a full normal month's pension and insurance contribution deduction, provided such deduction was made by the employer.

(b) Death benefits shall be based on the base salary upon which contributions to the Annuity Savings Fund were actually made during the 26 biweekly pay periods immediately preceding the member's death, plus maintenance received by the member concurrent with such salary. The salary, in the biweekly pay period in which no salary was paid, shall be counted as zero.

(c) If a member dies during the first year following his date of enrollment, the insurance benefit shall be 3 ½ times the average compensation on which he contributed or would have contributed immediately prior to his death, plus the maintenance received by the member concurrent with such salary.

(d) Where a post-audit of insurance claim payments indicates the pension contributions reported by an employer were incorrect and resulted in the overpayment of an insurance claim to the member's designated beneficiary or estate, the employer will be billed for the value of the overpayment of the insurance benefits. Where post-audits establish the insurance benefits were underpaid, an additional check would be sent to the beneficiary for the value of the underpayment.

(e) Refunds of a deceased member's pension contributions will be made to the member's designated beneficiary or the employer after written confirmation is received from the employer setting forth the reason for the refund of pension contributions to either the beneficiary or to the employer.

(f) Members who prove their insurability for the group life insurance benefits shall have their insurance benefit calculated on the basis of the salary upon which pension contributions were based or received during their last 26 biweekly pay periods of service prior to death, regardless of their effective date of insurance coverage.

(g) 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 multiplying the total by the factors supplied by the actuary; such adjustment will compensate for State biweekly payroll schedules.

(h) 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.

#### **17:5-2.2 Survivor benefits**

(a) Payment of pension benefits to eligible survivors shall become effective on the first of the month of the member's death and shall terminate as of the month in which the survivor no longer qualifies for such benefits.

(b) In the instance of survivors of members who die in service, the initial pension payment will be for the month following the month in which the member died, and the last payment will cover the month immediately preceding the month the survivor dies or ceases to qualify for the continuance of benefits.

#### **17:5-2.3 Proof of insurability**

When proof of insurability is required, the member's opportunity to prove such insurability shall expire one year (12) months from the date the initial written notice is sent advising him that he must prove insurability by taking a medical examination.

#### **17:5-2.4 (Reserved)**

#### **17:5-2.5 Leave for illness**

Coverage during a leave of absence without pay due to illness shall apply only to the personal illness of the member. A leave of absence on account of another person's illness will not entitle the member to continue insurance coverage.

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### **SUBCHAPTER 3. MEMBERSHIP**

#### **17:5-3.1 Creditable salary**

(a) "Earnable compensation" or the phrase "compensation upon which contributions by the member to the Annuity Savings Fund were based" shall not include retroactive salary adjustments if the increases are not of a normal, overall, published program of increases.

(b) Bonus or overtime payments are not to be considered for such purpose.

(c) Longevity, terminal leave or vacation payments will not be considered if paid in a lump sum or other than as a regular salary disbursement.

(d) All claims involving an increase in compensation of more than 15 percent over that of the previous year, as reported to the retirement system, shall be investigated. Those cases where a violation of the statute is suspected shall be referred to the board.

#### **17:5-3.2 Revaluation**

(a) If a member is off the payroll for a period of eight months or less, any loan or arrearage outstanding will have the ending date of the loan or arrearage extended to cover the period off the payroll.

(b) In the event the member is off longer than eight months, the loan or arrearage will be revalued and an additional interest charge made.

**17:5-3.3 Deductions**

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

(b) A full deduction is required in all instances where the salary exceeds the amount of normal deduction.

(c) Credit, as established in the retirement system, will be reduced by breaks in service, and leaves or absences without pay, the total of such credit adjusted to the nearest month.

**17:5-3.4 Minimum adjustment**

In order to facilitate the reconciliation of a member's account no rebates or additional contributions shall be made where an adjustment involves an amount of \$3.00 or less.

**17:5-3.5 Suspension**

(a) A suspended member will have insurance coverage continued for the period of the suspension, terminated by resignation or dismissal.

(b) No retirement deductions will be made during such a break in service, nor will any retirement credit accrue.

(c) If, during the period of suspension or at the conclusion of the penalty period, adjustment is made in favor of the member, the board may allow the payment of pension deductions to reflect the lesser penalty or the entire elimination of the suspension.

**17:5-3.6 Military leave**

At the withdrawal of a member for whom contributions were made during a military leave, the military contributions will not be paid if he did not return to the payroll and resume contributions for a period of 90 days. The contributions would in such instance be transferred from the Annuity Savings Fund to the Pension Accumulation Fund.

**17:5-3.7 Eligibility for loan**

Only an active contributing member of the system may exercise the privilege of obtaining a loan and the maximum loan shall be 50 percent of the accumulated deductions posted to the member's account.

**17:5-3.8 Termination; withdrawal**

(a) Under the terms of the statutes a member may withdraw from the system only if he terminates all employment. No application shall be approved if:

1. The member is on official leave of absence;

2. The member certifies that his employment has not ended or that he has taken another position subject to coverage;

3. The member has been dismissed or suspended from employment. In this event, such a member will be eligible to withdraw if he has formally resigned from his position or there is no legal action contemplated or pending and the dismissal has been adjudged final.

4. The member has a claim pending for Workers' Compensation benefits.

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**SUBCHAPTER 4. PURCHASES AND ELIGIBLE SERVICE**
**17:5-4.1 Eligibility for purchase**

(a) Only active members of the system shall be eligible to make application for purchase of credit. Active members who are not currently contributing to the system must purchase their requested service in a lump sum.

(b) The receipt of a public pension or retirement benefit is expressly conditioned upon the rendering of honorable service by a public officer or employee. Therefore, the Board of Trustees shall disallow the purchase of all or a portion of former service it deems to be dishonorable in accordance with N.J.S.A. 43:1-3.

Amended by R.2000 d.114, effective March 20, 2000.  
See: 32 N.J.R. 27(a), 32 N.J.R. 1047(b).

In (a), deleted "contributory" following "active" and added the last sentence; and added a new (b).

**17:5-4.2 Optional purchases of eligible service**

(a) The types of purchases indicated below will be calculated on the basis of the actuarial factor established for the member's age at the time of the purchase times the member's current salary:

1. Former State Police Retirement System membership credit: Service covered by former membership in this system will be included in the computation of retirement benefits in the same manner and value as current service. All or a portion of the service from a former membership may be included in the purchase of such service.

2. Former membership service established in another State-supported retirement system: Such service cannot be used to qualify for retirement under the minimum service requirements of 20 years at age 50 or "Special Retirement." All or a portion of the service from a former membership may be included in the purchase of such service. This service shall be included in the computation of a retirement allowance on the basis of one percent of final compensation for each year of such service credit.

3. Leaves of absence without pay: A member must request to purchase a leave of absence without pay within one year following the member's return to service. A member may purchase: