

TITLE 17

TREASURY—GENERAL

CHAPTER 1

GENERAL ADMINISTRATION

Authority

N.J.S.A. 52:14-15.1a (P.L. 1996, c. 8) and 52:18A-96 et seq.

Source and Effective Date

R.2009 d.25, effective December 10, 2008.
See: 40 N.J.R. 4928(a), 41 N.J.R. 277(a).

Chapter Expiration Date

Chapter 1, General Administration, Subchapters 1 through 15, expire on December 10, 2013.

Subchapter 16, Implementation of State Early Retirement Incentive Program (P.L. 2008, c. 21), expires on March 21, 2009.

Chapter Historical Note

Chapter 1, General Administration, was adopted and became effective prior to September 1, 1969.

Subchapter 6, Judicial Pension Fund, was repealed by R.1973 d.258, effective September 12, 1973. See: 5 N.J.R. 292(d), 5 N.J.R. 358(b).

Subchapter 10, Prescription Drug Program, was adopted as R.1977 d.117, effective April 1, 1977. See: 9 N.J.R. 142(c), 9 N.J.R. 243(a).

Subchapter 11, Dental Expense Program, was adopted as R.1978 d.99, effective March 15, 1978. See: 10 N.J.R. 38(b), 10 N.J.R. 175(d).

Subchapter 12, Administrative Practices, was adopted as R.1982 d.350, effective October 18, 1982. See: 14 N.J.R. 329(a), 14 N.J.R. 1164(a).

Pursuant to Executive Order 66(1978), Chapter 1, General Administration, was readopted as R.1983 d.174, effective May 16, 1983. See: 15 N.J.R. 523(a), 15 N.J.R. 930(b).

Pursuant to Executive Order No. 66(1978), Chapter 1, General Administration, was readopted as R.1988 d.243, effective May 6, 1988. See: 20 N.J.R. 636(a), 20 N.J.R. 1208(a). Pursuant to Executive Order No. 66(1978), Chapter 1, General Administration, expired on May 6, 1993.

Pursuant to Executive Order No. 66(1978), Chapter 1, General Administration, was adopted as new rules by R.1993 d.376, effective August 2, 1993. See: 25 N.J.R. 1955(a), 25 N.J.R. 3506(a).

Subchapter 13, New Jersey State Employees Cafeteria Plan, was adopted as R.1996 d.345, effective August 5, 1996. See: 28 N.J.R. 1942(a), 28 N.J.R. 3808(b).

Pursuant to Executive Order No. 66(1978), Chapter 1, General Administration, was readopted as R.1998 d.240, effective April 22, 1998. See: 30 N.J.R. 1023(a), 30 N.J.R. 1847(a).

Subchapter 2, Alternate Benefit Program, was recodified as N.J.A.C. 17:7 by R.2001 d.159, effective May 21, 2001. See: 33 N.J.R. 988(a), 33 N.J.R. 1601(a).

Chapter 1, General Administration, was repealed and adopted as new rules by R.2003 d.323, effective August 4, 2003. See: 35 N.J.R. 1854(a), 35 N.J.R. 3594(a).

Subchapter 11, Volunteer Emergency-Workers Survivors Pension, was adopted by R.2003 d.396, effective October 6, 2003. See: 35 N.J.R. 2790(a), 35 N.J.R. 4733(a).

Subchapter 14, New Jersey State Employees Commuter Tax Savings Program (Commuter Tax\$ave Program), was adopted as R.2004 d.267, effective July 19, 2004. See: 36 N.J.R. 1735(a), 36 N.J.R. 3414(b).

Subchapter 16, Implementation of State Early Retirement Incentive Program (P.L. 2008, c. 21), was adopted as special new rules by R.2008 d.233, effective July 11, 2008. See: 40 N.J.R. 4625(a).

Chapter 1, General Administration, Subchapters 1 through 14, were readopted as R.2009 d.25, effective December 10, 2008. As a part of R.2009 d.25, Subchapter 15, The New Jersey School Employees' Health Benefits Program, was adopted as new rules, effective January 5, 2009. See: 40 N.J.R. 4928(a), 41 N.J.R. 277(a).

CHAPTER TABLE OF CONTENTS

SUBCHAPTER 1. ADMINISTRATIVE PRACTICES

- 17:1-1.1 Description of the Division of Pensions and Benefits
- 17:1-1.1A Election of representative to the State Investment Council
- 17:1-1.2 Records
- 17:1-1.3 Hearing request
- 17:1-1.4 Mail distribution
- 17:1-1.5 Annual statements; retirement system
- 17:1-1.6 Quarterly statements; supplemental annuity
- 17:1-1.7 Endorsements
- 17:1-1.8 Priorities
- 17:1-1.9 Bankruptcy; subsequent loans
- 17:1-1.10 Survivor certifications
- 17:1-1.11 Leaves of absence for maternity; benefits; nondiscrimination
- 17:1-1.12 Domestic relations orders
- 17:1-1.13 Suspension of pension checks

SUBCHAPTER 2. ACCOUNTING

- 17:1-2.1 Receipts deposited
- 17:1-2.2 Remittance; limitation
- 17:1-2.3 Due dates for remittances and reports
- 17:1-2.4 Delinquent notices
- 17:1-2.5 Interest charges; delinquent remittance; report of contributions
- 17:1-2.6 Disbursement authorizations
- 17:1-2.7 Disbursement schedules
- 17:1-2.8 Disbursement; limitations
- 17:1-2.9 Adjustment statements
- 17:1-2.10 Minimum adjustments; repayment schedules
- 17:1-2.11 Reports of salary changes
- 17:1-2.12 Lost pension checks
- 17:1-2.13 Administrative expenses; prorated among systems
- 17:1-2.14 Employees reported on biweekly salaries
- 17:1-2.15 Credit for partial month service
- 17:1-2.16 Workers' compensation without pay; employer's obligation regarding employee contributions
- 17:1-2.17 Report of contributions; reporting media

SUBCHAPTER 3. ENROLLMENT, MEMBERSHIP, TRANSFERS AND WITHDRAWALS

- 17:1-3.1 Compulsory enrollments; failure to enroll
- 17:1-3.2 Multiple enrollments; contributions
- 17:1-3.3 Enrollment schedules
- 17:1-3.4 Proof of veteran's status
- 17:1-3.5 Intrafund transfers
- 17:1-3.6 Insurance coverage; ineligibility
- 17:1-3.7 Deduction schedules
- 17:1-3.8 Withdrawal application; processing
- 17:1-3.9 Waiver of retirement benefits upon withdrawal

- 17:1-3.10 Peacetime military service; service credit
- 17:1-3.11 Compensation limit for exclusion from membership after retirement
- 17:1-3.12 Interfund transfers; accumulated interest

SUBCHAPTER 4. PURCHASES AND ELIGIBLE SERVICE

- 17:1-4.1 Purchases; cancellation, interest on outstanding purchases or cash discount requested
- 17:1-4.2 Purchase terms; grace period
- 17:1-4.3 Final compensation; salaries to be used for a period of purchased service credit
- 17:1-4.4 Purchase of service credit; continuation of death benefits coverage; maternity leaves of absence

SUBCHAPTER 5. INSURANCE AND DEATH BENEFITS

- 17:1-5.1 Multiple beneficiaries
- 17:1-5.2 Optional settlements; group life insurance
- 17:1-5.3 Accrued increase; limitations
- 17:1-5.4 Group life insurance and pension benefits
- 17:1-5.5 Retired members—group life insurance and pension benefits
- 17:1-5.6 Domestic partners
- 17:1-5.7 Civil unions

SUBCHAPTER 6. HONORABLE SERVICE

- 17:1-6.1 Honorable service
- 17:1-6.2 Indictments, dismissals, litigation or appeals
- 17:1-6.3 Settlement agreements; employer responsibility for reimbursement to the pension fund or retirement system for associated costs

SUBCHAPTER 7. RETIREMENTS

- 17:1-7.1 Retirement quotations
- 17:1-7.2 Retroactive salary increases
- 17:1-7.3 Final compensation
- 17:1-7.4 Biweekly salary computation; retirement and death benefits
- 17:1-7.5 Disability applications; priorities
- 17:1-7.6 Medical examinations; out-of-State
- 17:1-7.7 Post-retirement employment; employer certification; break-in-service—10-month members
- 17:1-7.8 Employer resolution; involuntary disability application
- 17:1-7.9 Workers' compensation; reduction of retirement allowance
- 17:1-7.10 Ordinary disability applications; medical examinations
- 17:1-7.11 Waiver

SUBCHAPTER 8. PENSION ADJUSTMENT PROGRAM

- 17:1-8.1 Employer payments; multiple enrollees
- 17:1-8.2 Employer payments; delinquencies
- 17:1-8.3 Return to public employment; pension adjustments
- 17:1-8.4 Employer payments
- 17:1-8.5 Calculation of cost-of-living adjustment (COLA) under P.L. 2002, c. 109

SUBCHAPTER 9. UNEMPLOYMENT INSURANCE

- 17:1-9.1 Due dates for contributions and reports
- 17:1-9.2 Employer responsibility; benefit claims
- 17:1-9.3 Employer verification of claim payments
- 17:1-9.4 Employee eligibility for coverage
- 17:1-9.5 Termination of employment; separation notice
- 17:1-9.6 Designated contractor

SUBCHAPTER 10. SOCIAL SECURITY

- 17:1-10.1 Social Security referendum
- 17:1-10.2 Federal-State agreement; modifications

- 17:1-10.3 Benefit and claim issues
- 17:1-10.4 Social Security coverage; excluded services

SUBCHAPTER 11. VOLUNTEER EMERGENCY-WORKERS SURVIVORS PENSION

- 17:1-11.1 Definitions
- 17:1-11.2 Survivor's pension payable pursuant to N.J.S.A. 43:12-28.1
- 17:1-11.3 Eligibility for a survivor's pension
- 17:1-11.4 Application for a survivor's pension
- 17:1-11.5 Ineligibility to receive two survivor's benefits
- 17:1-11.6 Survivor pension benefits

SUBCHAPTER 12. CENTRAL PENSION FUND

- 17:1-12.1 Application required
- 17:1-12.2 Disability certification form
- 17:1-12.3 Withholding forms
- 17:1-12.4 Surrogate's certification
- 17:1-12.5 Last check benefit

SUBCHAPTER 13. NEW JERSEY STATE EMPLOYEES TAX SAVINGS PROGRAM (TAX\$AVE)

- 17:1-13.1 Establishment of plan
- 17:1-13.2 Unreimbursed medical spending account
- 17:1-13.3 Premium option plan
- 17:1-13.4 Dependent care spending account
- 17:1-13.5 Salary reduction elections
- 17:1-13.6 Claims for payment from plan accounts
- 17:1-13.7 Forfeiture of account balances
- 17:1-13.8 Compliance with Internal Revenue Code

SUBCHAPTER 14. THE NEW JERSEY STATE EMPLOYEES COMMUTER TAX SAVINGS PROGRAM (COMMUTER TAX\$AVE PROGRAM)

- 17:1-14.1 Establishment of plan
- 17:1-14.2 Enrollment in and deductions for the Commuter Tax\$ave Program
- 17:1-14.3 Salary reduction elections
- 17:1-14.4 Reimbursement of qualified transportation fringe benefit
- 17:1-14.5 Claims for payment from plan accounts
- 17:1-14.6 Forfeiture of account balances
- 17:1-14.7 Compliance with Internal Revenue Code

SUBCHAPTER 15. THE NEW JERSEY SCHOOL EMPLOYEES' HEALTH BENEFITS PROGRAM

- 17:1-15.1 Establishment of the School Employees' Health Benefits Program (SEHBP)
- 17:1-15.2 Temporary administration of the SEHBP

SUBCHAPTER 16. IMPLEMENTATION OF STATE EARLY RETIREMENT INCENTIVE PROGRAM (P.L. 2008, c. 21.)

- 17:1-16.1 Applicability and scope
- 17:1-16.2 Construction of rules
- 17:1-16.3 Definitions
- 17:1-16.4 Application for ERI retirement irrevocable after seven days
- 17:1-16.5 Applications for ERI retirement filed prior to enactment of P.L. 2008, c. 21
- 17:1-16.6 Applications for ERI retirement filed after enactment of P.L. 2008, c. 21
- 17:1-16.7 Conditions of retirement under the ERI for eligible State employees
- 17:1-16.8 Extension of service by State Treasurer or Chief Justice

17:1-14.7 Compliance with Internal Revenue Code

The Commuter Tax\$ave Program is intended to comply in all respects with the provisions of Section 132 of the Federal Internal Revenue Code of 1986, 26 U.S.C. § 132.

**SUBCHAPTER 15. THE NEW JERSEY SCHOOL
EMPLOYEES' HEALTH BENEFITS PROGRAM**
17:1-15.1 Establishment of the School Employees' Health Benefits Program (SEHBP)

Effective July 1, 2008, P.L. 2007, c. 103 established the SEHBP as a separate health program from State Health Benefits Program (SHBP). The State Health Benefits Commission (SHBC) is responsible for administering the SHBP by promulgating rules, contracting for services and benefits and providing a review process for members disputing eligibility or claims. N.J.S.A. 52:14-17.46.3 created a separate School Employees' Health Benefits Commission (SEHBC) designed as the agency responsible for the administration of the SEHBP.

17:1-15.2 Temporary administration of the SEHBP

Until such time as the SEHBC adopts its own rules, the SHBC will act as the administrator for the SEHBP and all rules applying to the SHBP will apply to the SEHBP. Except as provided by law, the two programs will be administered in the same manner.

**SUBCHAPTER 16. IMPLEMENTATION OF STATE
EARLY RETIREMENT INCENTIVE PROGRAM
(P.L. 2008, c. 21.)**
17:1-16.1 Applicability and scope

P.L. 2008, c. 21 provides additional retirement benefits to certain employees of State government. These rules are promulgated by the Director of the Division of Pensions and Benefits to implement Section 1 of P.L. 2008, c. 21, concerning the implementation of the Early Retirement Incentive (ERI) program offered to eligible employees of the Executive Branch and Judicial Branch. These rules are adopted in order to provide the mechanism whereby eligible members of the retirement system may be guided on how to effectuate their retirement under the terms of this ERI. Further, these rules are adopted to assist those who may not understand whether they are eligible for this benefit. Lastly, these rules are adopted to provide guidelines for the implementation of this ERI for the staff of the Division to ensure that the retirement applications are handled correctly and in a consistent manner through the Division.

17:1-16.2 Construction of rules

This chapter shall be liberally construed to permit the Division to discharge its statutory functions under the Act.

17:1-16.3 Definitions

The following words and terms, as used in this subchapter, shall have the following meaning, unless the context clearly indicates otherwise.

“Act” means P.L. 2008, c. 21.

“Division” means the Division of Pensions and Benefits.

“Early Retirement Incentive (ERI)” means the additional retirement benefits provided under P.L. 2008, c. 21 to certain State employees enrolled in the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund.

“Eligible State employee” means a full-time employee of the Executive Branch of State government eligible to participate in the New Jersey State Health Benefits Program of the State of New Jersey, including the New Jersey Commerce Commission. It shall not include, for purpose of election of the ERI, employees of the Department of Human Services; the Department of Military and Veterans' Affairs; the Department of Corrections; the Juvenile Justice Commission in but not of the Department of Law and Public Safety; the Office of the Public Defender in but not of the Department of the Treasury; the Department of Children and Families; Rutgers, the State University; the New Jersey Institute of Technology; the University of Medicine and Dentistry of New Jersey; or any State college or university. The term shall also not include an employee of a public authority, board, commission, corporation, or other agency or instrumentality of the State allocated in but not of a principal department of State government pursuant to Article V, Section IV, paragraph 1 of the New Jersey Constitution authorized to participate in the Public Employees' Retirement System under section 73 of P.L. 1954, c. 84 (N.J.S.A. 43:15A-73) or P.L. 1990, c. 25 (N.J.S.A. 43:15A-73.2 et al.), which entity was authorized under P.L. 2002, c. 23 to provide additional retirement benefits to certain employees, as such entities are identified by the Division of Pensions and Benefits in consideration that the division submits a separate request for payment and receives a separate payment for benefits purposes from the entity.

“Executive Branch of State Government” shall be construed to include all employer locations with employees eligible to participate in the ERI as defined in the definition of “eligible State employee” above, as well as the Department of Human Services; the Department of Military and Veterans' Affairs; the Department of Corrections; the Juvenile Justice Commission in but not of the Department of Law and Public Safety; the Office of the Public Defender in but not of the Department of the Treasury; the Department of Children and Families; the New Jersey Commerce Commission, or its successors; Rutgers, the State University; the New Jersey

Institute of Technology; the University of Medicine and Dentistry of New Jersey; and any State college or university. The term shall include public authorities, boards, commissions, corporations, or other agencies or instrumentalities of the State allocated in, but not of, a principal department of State government pursuant to Article V, Section IV, paragraph 1 of the New Jersey Constitution authorized to participate in the Public Employees' Retirement System under section 73 of P.L. 1954, c. 84 (N.J.S.A. 43:15A-73) or P.L. 1990, c. 25 (N.J.S.A. 43:15A-73.2 et al.), which entity was authorized under P.L. 2002, c. 23 to provide additional retirement benefits to certain employees, as such entities are identified by the Division of Pensions and Benefits in consideration that the division submits a separate request for payment and receives a separate payment for benefits purposes from the entity.

"Extension" means a delay in the effective date of retirement of the employee until the first day of any calendar month after August 1, 2008, but not later than July 1, 2009. This extension must be requested by the State department (or employer) and approved by the State Treasurer or requested by the Judiciary and approved by the Chief Justice.

"Seven days," as referenced in Section 1d of the Act, means seven calendar days.

17:1-16.4 Application for ERI retirement irrevocable after seven days

(a) Pursuant to Section 1d of the Act, "An application submitted by an eligible State employee or an eligible Judiciary employee for retirement within the time period set forth herein to received the benefit provided shall be irrevocable seven days after submission." The seven-day period during which an application for ERI retirement benefits may be revoked, canceled, rescinded or withdrawn shall be established as follows:

1. The seven-day period shall commence on the first day following the date the application for retirement under the ERI is received in the offices of the Division.

2. Should a member seek to revoke, cancel, rescind or withdraw their application for ERI benefits, such notice must be received in the offices of the Division by the close of the business day on the seventh calendar day following the date the application was received by the Division. Thereafter, the member's application for ERI benefits cannot be revoked, canceled, rescinded or withdrawn.

3. After the expiration of the seven-day period, the member may only amend a retirement option selection and/or pension beneficiary up until the date the retirement allowance becomes due and payable, pursuant to the provisions of N.J.A.C. 17:2-6.2 or 17:3-6.2.

17:1-16.5 Applications for ERI retirement filed prior to enactment of P.L. 2008, c. 21

Eligible State or Judiciary employees who filed an application for retirement prior to the enactment of P.L. 2008, c. 21, for a date of retirement eligible for the ERI under the provisions of the Act, shall be notified via certified mail by the Division of their eligibility to elect to receive ERI benefits. To receive ERI benefits, the retiree or retiring employee shall indicate their agreement with all terms and conditions of the ERI program by filing the appropriate form with the Division no later than August 1, 2008.

17:1-16.6 Applications for ERI retirement filed after enactment of P.L. 2008, c. 21

No application for benefits under the Act filed after its June 24, 2008 enactment will be accepted by the Division for any effective retirement date other than August 1, 2008. The last date that an application for benefits under the Act may be filed with the Division is the close of the business day on July 15, 2008.

17:1-16.7 Conditions of retirement under the ERI for eligible State employees

(a) To be eligible for continued benefits under the ERI, the eligible State employee shall forfeit all tenure rights, and for a period of three years following the effective date of retirement:

1. Shall not be eligible for appointment to, or employment in, any position or capacity in the Executive Branch of State government;

2. Shall be barred from being awarded any contract for professional services by the Executive Branch of State government; and

3. Shall be barred from performing professional services for the State as part of a contract awarded to a third party by the Executive Branch of State government.

17:1-16.8 Extension of service by State Treasurer or Chief Justice

(a) Pursuant to Section 1f of the Act, when the needs of the Executive Branch or the Judicial Branch of State government requires the services of an employee who has elected to retire under the ERI program, the Executive Branch or the Judiciary may delay the effective date of retirement of the employee until the first day of any calendar month after August 1, 2008, but not later than July 1, 2009. For Executive Branch employees, the State Department must request approval from the State Treasurer for any extension of service; for Judicial Branch employees, such requests for extension by the Judiciary shall be subject to protocols issued by the Chief Justice of the Supreme Court.

(b) An eligible State employee or an eligible Judiciary employee who applies for retirement benefits under this Act is deemed to consent to the delay in the employee's effective date should such an extension of services be approved. Should the extension of an employee's services be approved, the employee's eligibility for ERI benefits shall be con-

ditioned upon satisfactory performance by the employee during the entire period of the extension of service originally approved. Should an employee refuse to delay the effective date of their retirement, the employee may retire based upon age and/or service; however, the employee will not qualify for any ERI benefit under this Act.