

**CHAPTER 4****POLICE AND FIREMEN'S RETIREMENT SYSTEM****Authority**

N.J.S.A. 43:16A-13(7).

**Source and Effective Date**

R.2006 d.130, effective March 10, 2006.  
See: 37 N.J.R. 4521(a), 38 N.J.R. 1578(a).

**Chapter Expiration Date**

Chapter 4, Police and Firemen's Retirement System, expires on March 10, 2011.

**Chapter Historical Note**

Chapter 4, Police and Firemen's Retirement System, was filed and became effective prior to September 1, 1969.

Pursuant to Executive Order No. 66(1978), Chapter 4, Police and Firemen's Retirement System, was readopted as R.1990 d.329, effective June 8, 1990. See: 22 N.J.R. 908(a), 22 N.J.R. 2032(b).

Pursuant to Executive Order No. 66(1978), Chapter 4, Police and Firemen's Retirement System, expired on June 8 1995.

Chapter 4, Police and Firemen's Retirement System, was adopted as new rules by R.1996 d.166, effective April 1, 1996. See: 27 N.J.R. 4270(a), 28 N.J.R. 1873(a).

Pursuant to Executive Order No. 66(1978), Chapter 4, Police and Firemen's Retirement System, was readopted as R.2001 d.66, effective January 25, 2001. See: 32 N.J.R. 4060(a), 33 N.J.R. 684(a).

Chapter 4, Police and Firemen's Retirement System, was readopted by R.2006 d.130, effective March 10, 2006. See: Source and Effective Date. See, also, section annotations.

**CHAPTER TABLE OF CONTENTS****SUBCHAPTER 1. ADMINISTRATION**

- 17:4-1.1 Board meetings
- 17:4-1.2 Fiscal year
- 17:4-1.3 Officers and committees
- 17:4-1.4 Election of active member-trustee
- 17:4-1.5 Certifying officer (employer)
- 17:4-1.6 Records
- 17:4-1.7 Appeal from Board decisions
- 17:4-1.8 Suspension of pension checks
- 17:4-1.9 through 17:4-1.10 (Reserved)
- 17:4-1.11 Proof of age
- 17:4-1.12 Employees; biweekly salaries
- 17:4-1.13 Election of retired member-trustee

**SUBCHAPTER 2. ENROLLMENT**

- 17:4-2.1 Eligible positions
- 17:4-2.2 Compulsory enrollment
- 17:4-2.3 Medical requirements
- 17:4-2.4 Training requirements
- 17:4-2.5 Age requirements
- 17:4-2.6 Enrollment date

**SUBCHAPTER 3. INSURANCE AND DEATH BENEFITS**

- 17:4-3.1 Computation of insurance benefits
- 17:4-3.2 Leave for illness
- 17:4-3.3 (Reserved)
- 17:4-3.4 Survivor benefits

- 17:4-3.5 Beneficiary designation; pension contributions
- 17:4-3.6 Acceptable designations of beneficiaries
- 17:4-3.7 Survivor benefits; establishing dependency

**SUBCHAPTER 4. MEMBERSHIP**

- 17:4-4.1 Creditable compensation
- 17:4-4.2 Prior service
- 17:4-4.3 Continuance of membership; transfer
- 17:4-4.4 Loan tolerance
- 17:4-4.5 Deductions
- 17:4-4.6 Minimum adjustment
- 17:4-4.7 Suspension
- 17:4-4.8 Service and salary credit: awards of back pay
- 17:4-4.9 Eligibility for loan
- 17:4-4.10 Termination; withdrawal
- 17:4-4.11 Active employment; membership requirement

**SUBCHAPTER 5. PURCHASES AND ELIGIBLE SERVICE**

- 17:4-5.1 Eligibility for purchase
- 17:4-5.2 Service credited from multiple positions
- 17:4-5.3 Optional purchases of eligible service
- 17:4-5.4 Methods of payment
- 17:4-5.5 Reinstatement of membership credit
- 17:4-5.6 Elected officials; continuation of membership
- 17:4-5.7 (Reserved)

**SUBCHAPTER 6. RETIREMENT**

- 17:4-6.1 Applications
- 17:4-6.2 Effective date
- 17:4-6.3 Effective dates; changes
- 17:4-6.4 Outstanding loan
- 17:4-6.5 Willful negligence
- 17:4-6.6 (Reserved)
- 17:4-6.7 Disability determination
- 17:4-6.8 Employment after retirement
- 17:4-6.9 Final compensation
- 17:4-6.10 Employer initiated disability retirement application
- 17:4-6.11 Service or special retirement; eligibility
- 17:4-6.12 Disability retiree; annual medical examinations
- 17:4-6.13 Medical examinations; physicians
- 17:4-6.14 Compulsory retirement
- 17:4-6.15 Employer and employee notices
- 17:4-6.16 Final compensation; salary computation for employees reported on a biweekly basis
- 17:4-6.17 Work-related travel; accidental disability retirement and accidental death benefit coverage
- 17:4-6.18 Waiver

**SUBCHAPTER 7. TRANSFERS**

- 17:4-7.1 Interfund transfers/State-administered retirement systems
- 17:4-7.2 Intrafund transfers; State-administered retirement systems
- 17:4-7.3 (Reserved)

**SUBCHAPTER 1. ADMINISTRATION****17:4-1.1 Board meetings**

(a) The Board of Trustees shall meet on the second Monday of each month or at such other time as may be deemed necessary by the Board.

(b) The chairperson may call for special meetings when necessary.

Initial Decision (2007 N.J. AGEN LEXIS 792) adopted, which determined that a patrol officer was not entitled to have a second-in-command stipend included as part of creditable PFRS compensation; the second-in-command stipend was for duties beyond the officer's regular duties, on a temporary basis, when covering for the chief when he was out. N.J.A.C. 17:4-4.1 defines compensation as base salary and specifically excludes individual adjustments granted in anticipation of retirement or for temporary duties beyond the regular work day. In re York, OAL Dkt. No. TYPF 05895-2006N, 2008 N.J. AGEN LEXIS 35, Final Decision (January 15, 2008).

In consolidated cases, training pay and vacancy pay for law enforcement officers constituted additional remuneration for performing temporary duties beyond the regular workday within the meaning of N.J.A.C. 17:4-4.1, and thus, the officers were not entitled to pension credit. "Workday" was read not only in the narrow sense of fixed hours of employment, but also in the broader sense of the duties that an employee ordinarily performed during his working hours. City of Hoboken PBA Local No. 2 v. Bd. of Tr. of Police and Firemen's Ret. Sys., OAL Dkt. No. TYP 03710-06 and TYP 03711-06 (Consolidated), 2007 N.J. AGEN LEXIS 700, Initial Decision (October 18, 2007), adopted (PFRS Bd. of Trustees November 19, 2007).

#### 17:4-4.2 Prior service

(a) Any period of prior service credit paid for by an employer at the adoption of the system will reflect identical credit when calculating membership credit.

(b) Prior service credits are limited to service rendered on a full-time basis.

#### 17:4-4.3 Continuance of membership; transfer

Once an employee establishes membership in the Retirement System, the member is eligible to continue such membership should the member be temporarily employed in a position covered by the Retirement System.

Amended by R.2001 d.66, effective February 20, 2001.  
See: 32 N.J.R. 4060(a), 33 N.J.R. 684(a).

Created gender neutral references.

Amended by R.2006 d.130, effective April 3, 2006.  
See: 37 N.J.R. 4521(a), 38 N.J.R. 1578(a).

Capitalized "retirement system"; and at the end of the sentence, substituted "Retirement System" for "system".

#### 17:4-4.4 Loan tolerance

Interest will be calculated on a periodic basis on the unpaid loan balance. If scheduled payments are not paid timely, interest will be accrued and added to the remaining outstanding loan balance. If, at the end of the loan schedule, there is a balance of less than \$50.00, it will be written off. If the balance is equal to or greater than \$50.00, the member will be assessed.

Amended by R.2006 d.130, effective April 3, 2006.  
See: 37 N.J.R. 4521(a), 38 N.J.R. 1578(a).

Increased balance amount from \$10.00 to \$50.00 throughout.

#### 17:4-4.5 Deductions

(a) A full deduction shall be taken for the Police and Firemen's Retirement System in any payroll period in which the member is paid a sufficient amount to make a full normal

deduction. If wages are sufficient, deductions should also be made for any arrears or loan deductions then in effect.

(b) No deductions shall be taken in any pay period in which the employee's salary is not sufficient to cover the required deductions for the Police and Firemen's Retirement System.

Amended by R.2001 d.66, effective February 20, 2001.

See: 32 N.J.R. 4060(a), 33 N.J.R. 684(a).

Substituted ". If wages are sufficient, deductions should also be made for any" for "plus any other" following "full normal deduction".

#### 17:4-4.6 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 \$2.00 or less during a calendar quarter.

Amended by R.2001 d.66, effective February 20, 2001.

See: 32 N.J.R. 4060(a), 33 N.J.R. 684(a).

Substituted "\$2.00" for "\$3.00" following "involves an amount of" and inserted "during a calendar quarter" following "or less".

#### 17:4-4.7 Suspension

(a) A member suspended without pay will have insurance coverage continued for a period of 93 days following the effective date of such suspension.

(b) No deductions will be made during such a break in service, nor will any service 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 elimination of the entire suspension.

Amended by R.2001 d.66, effective February 20, 2001.

See: 32 N.J.R. 4060(a), 33 N.J.R. 684(a).

In (b), substituted "deductions" for "retirement deductions" and substituted "service credit" for "retirement credit".

#### 17:4-4.8 Service and salary credit: awards of back pay

(a) A member shall receive service credit toward retirement for any month or biweekly pay period for which a full normal deduction is received by the Retirement System.

(b) A member who appeals the suspension or termination of the member's employment and who, by award or settlement, becomes entitled to back pay for all or a portion of that employment for the period of such suspension or termination shall receive service credit for the period covered by the award or settlement 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 or settlement. If the member receives full back pay, including normal salary increases before mitigation, 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 award or 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, after mitigation, is insufficient to deduct the value of the normal pension contributions due, such contribution shall be paid by the member.

(c) In no case shall service or salary credit be given if the award of back pay, before mitigation, is less than the value of the normal pension contributions due. If a member waives an award of back pay, then the member cannot receive service or salary credit for the period of the award.

(d) If the award or settlement is structured in such a way as to provide the member with a substantial increase of creditable salary at or near the end of the member's service, or a substantial increase in retirement benefits, the award or settlement shall be reviewed by the Board of Trustees. If the Board determines that the pension benefit was part of the negotiations for the award or settlement, or if the award or settlement includes extra compensation as defined by N.J.A.C. 17:4-4.1, the Board shall determine the compensation to be used to calculate the retirement allowance and the member shall have the pension contributions for the salaries found not to be creditable refunded without interest.

(e) 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.

Amended by R.2001 d.66, effective February 20, 2001.

See: 32 N.J.R. 4060(a), 33 N.J.R. 684(a).

Neutralized gender references throughout.

Repealed by R.2001 d.66, effective February 20, 2001.

See: 32 N.J.R. 4060(a), 33 N.J.R. 684(a).

Section was "Military leave".

Recodified from N.J.A.C. 17:4-6.6 and amended by R.2004 d.410, effective November 1, 2004.

See: 36 N.J.R. 622(a), 36 N.J.R. 4953(a).

Rewrote the section.

Amended by R.2006 d.130, effective April 3, 2006.

See: 37 N.J.R. 4521(a), 38 N.J.R. 1578(a).

In (a), substituted "Retirement System" for "system"; in (d), added "or settlement" throughout, following NJAC cite, deleted "the member shall have the contributions for the salaries based on the award refunded without interest, and", and added "and the member shall have the pension contributions for the salaries found not to be creditable refunded without interest".

Repealed by R.2010 d.189, effective September 7, 2010.

See: 42 N.J.R. 898(a), 42 N.J.R. 2140(b).

Section was "Service and salary credit: awards of back pay".

Administrative correction.

See: 43 N.J.R. 59(a).