

TITLE 17

TREASURY—GENERAL

CHAPTER 1

GENERAL ADMINISTRATION

Authority

N.J.S.A. 52:18A-96 et seq.

Source and Effective Date

R.2003 d.323, effective August 4, 2003.
See: 35 N.J.R. 1854(a), 35 N.J.R. 3594(a).

Chapter Expiration Date

Chapter 1, General Administration, expires on August 4, 2008. See: 35 N.J.R. 3594(a).

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Subchapter 6, Judicial Pension Fund, was repealed by R.1973 d.258, effective September 12, 1973.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.350, 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).

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Chapter 1, General Administration, was repealed and new rules adopted as R.2003 d.323, effective August 4, 2003. See: Source and Effective Date.

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SUBCHAPTER 1. ADMINISTRATIVE PRACTICES

17:1-1.1 Description of the Division of Pensions and Benefits

(a) The Division of Pensions and Benefits is the successor to the former Bureau of Public Employees' Pensions created in June 1952. Under the general reorganization acts of 1948, the pension funds were located within the State Division of Budget and Accounting. In 1950 they were transferred to the Division of Investment under the statute creating that division.

(b) The Division of Pensions and Benefits, under the Department of the Treasury, was created by Chapter 70, P.L. 1955. All administrative functions of the State pension funds, except for the investment of the assets retained in the Division of Investment, were assigned to the Division of Pensions and Benefits.

(c) The Division of Pensions and Benefits is responsible for one of the largest public employee benefits program in the nation. It administers a comprehensive benefit program that enables public employers throughout the State to attract and retain skilled and talented employees. These include State employees, teachers, police officers, fire fighters, correction officers, judges, and many other local employees whose jobs are fundamental to the safety and well being of all New Jersey residents. The Division administers nine separate pension systems.

(d) The Division also administers the State Health Benefits Program (SHBP) that includes health plans, dental plans, and a prescription drug card plan. This program provides coverage for employees, retirees, and their dependents, of the State and participating local employers.

(e) The Division's benefits programs include the following three supplemental retirement savings programs; the New Jersey State Employees Deferred Compensation Plan, Supplemental Annuity Collective Trust (SACT) and the Additional Contributions Tax Sheltered Program (ACTS). The Division also administers the IRC Section 125 program, termed Tax\$ave, for State employees.

(f) The following Boards and Commissions provide oversight and direction to the benefits programs:

1. Public Employees' Retirement System Board;
2. Teachers' Pensions and Annuity Fund Board;
3. Police and Firemen's Retirement System Board;
4. State Police Retirement System Board;
5. Consolidated Police and Firemen's Pension Fund Commission;
6. State House Commission for the Judicial Retirement System;
7. State Health Benefits Commission;
8. New Jersey State Employees Deferred Compensation Board;
9. Supplemental Annuity Collective Trust Council;
10. Pension and Health Benefits Review Commission; and
11. The Investment Council.

As amended, R.1969 d.34, effective December 19, 1969.
See: 1 N.J.R. 10(a), 2 N.J.R. 7(a).

17:1-7.8 Employer resolution; involuntary disability application

Applications for the involuntary disability retirement of an employee of a local employer must be accompanied by a resolution of the governing body, or in the case of a State employee, by a letter from the State department head, certifying that the employee is disabled and unable to perform the employee's regular or assigned duties.

17:1-7.9 Workers' compensation; reduction of retirement allowance

(a) A member who retires on an accidental disability retirement under the provisions of the applicable statutes governing the various State-administered retirement systems and who receives periodic benefits under the workers' compensation law after the date of retirement shall be subject to a reduction in the pension portion of the member's retirement allowance in the amount of the periodic benefits received after the date of retirement.

1. The reduction shall be a dollar-for-dollar reduction in the pension portion of the retirement allowance in the amount of the periodic benefits for the time period for which the periodic benefits are received.

2. If the retiree receives a retirement allowance without reduction and periodic benefits under the workers' compensation law for any time period after the date of retirement, the retiree shall repay to the retirement system the amount of the pension portion of the retirement allowance which should have been subject to reduction under the applicable statute and this rule. The repayment may be in the form of a lump sum payment or scheduled as deductions from the retiree's retirement allowances and pension adjustment benefits, except that, if the retiree does not respond by remitting payment in a lump sum within 60 days, the Division shall establish a repayment schedule. In the event of the death of the retiree before full repayment of the amount required under this rule, the remaining balance shall be deducted from any death benefits payable on behalf of the retiree.

3. The reduction under this rule shall not affect the retiree's pension adjustment benefits or survivor benefits that may be payable upon the death of the retiree except for any remaining balance due to the Division as provided in (a)2 above.

(b) Any retiree or beneficiary receiving pension adjustment benefits based upon a reduced retirement allowance due to receipt of periodic workers' compensation benefits

shall be entitled to receive pension adjustment benefits based upon the full retirement allowance.

17:1-7.10 Ordinary disability applications; medical examinations

(a) Applicants for ordinary disability retirement shall submit with their applications all the medical information they can supply relative to their disability, including reports of their personal physicians and consulting physicians, hospital records, diagnostic test results, and any other medical information which would assist the Medical Review Board and the Board or Commission of the retirement system in determining eligibility of the applicants for disability retirement. The Disability Review Section shall forward the applications and the accompanying medical information to the Medical Review Board.

(b) If the medical information supplied by the applicant is sufficient for the Medical Review Board to make a medical recommendation, it shall return the case to the Disability Review Section with its recommendation. If the Medical Review Board deems that the medical information supplied by the applicant is not sufficient for it to make a medical recommendation, it shall advise the Disability Review Section to arrange to have the applicant examined by a physician or physicians under contract with the Division of Pensions and Benefits to perform disability examinations, or to obtain additional information needed to make its medical recommendation.

(c) The Board or Commission which governs the pension fund or retirement system may request that an applicant be examined or reexamined by a physician or physicians under contract with the Division of Pensions and Benefits, or that additional information be obtained, if it deems that the medical information available is insufficient to make a decision on the eligibility of the applicant for ordinary disability retirement.

17:1-7.11 Waiver

(a) Application for waiver in whole or part by a retiree or beneficiary who is eligible to receive the increased allowance shall be made at least 30 days prior to the desired effective date on a form required by the Division of Pensions and Benefits and shall be effective on the first day of a subsequent month.

(b) A waived benefit may be reinstated by application to the Division of Pensions and Benefits prior to the reinstatement date and shall be effective on the first of the month subsequent to the notice of cancellation of the waiver. There

shall be no retroactive payments of any benefits waived thereto.

See: 10 N.J.R. 516(a), 11 N.J.R. 52(a).
R.1980 d.467, effective October 23, 1980.
See: 12 N.J.R. 728(b).

SUBCHAPTER 8. PENSION ADJUSTMENT PROGRAM

17:1-8.1 Employer payments; multiple enrollees

The liability of the several employers in the case of multiple enrollees (a pensioner receiving benefits from a retirement system on the basis of several positions covered by the same system) will be prorated on the basis of the final salaries reported to the system prior to retirement.

See: 12 N.J.R. 727(c), 13 N.J.R. 111(c).
Section was "Director's responsibility".

17:1-8.2 Employer payments; delinquencies

(a) The Division of Pensions and Benefits will inform all retirees and beneficiaries of the reason for the suspension of payments.

(b) Retroactive adjustments will be made once the employer's appropriation has been paid.

17:1-8.3 Return to public employment; pension adjustments

(a) When a retiree returns to public employment to a position covered by the same retirement system from which he or she retired and subsequently retires from the post-retirement employment, each retirement will be treated separately for pension adjustment purposes.

(b) The benefit year for each retirement will be the initial year in which the retirement is effective and the member shall satisfy the 24-month waiting period for each retirement before the pension adjustment benefits may be received for that retirement.

(c) If a member was receiving pension adjustment benefits at the time that the initial retirement was cancelled due to the post-retirement employment, he or she shall begin to receive pension adjustment benefits based upon the initial retirement immediately upon the reinstatement of the initial retirement.

As amended, R.1978 d.421, effective December 12, 1978.

17:1-8.4 Employer payments

The employers shall review the detailed tabulations of retirees and beneficiaries provided with the invoice for employer liability submitted by the Division of Pensions and Benefits and shall report any corrections or revisions within 60 days of receipt of the invoice, otherwise invoices must be paid as submitted.

SUBCHAPTER 9. UNEMPLOYMENT INSURANCE

17:1-9.1 Due dates for contributions and reports

State employing subgroups participating in the Unemployment Insurance Program whose employees are not paid by the State Centralized Payroll Unit shall file the required data and reports of unemployment insurance contributions with the Division of Pensions and Benefits by the 15th day following the end of each calendar quarter, together with the remittance for the deductions taken from their eligible employees' salaries or wages. State Centralized Payroll will remit weekly an Unemployment Tax Register report which summarizes the Unemployment Compensation information for covered employees in each of the biweekly payroll units. The register is due within five days of the date the payroll is prepared.

17:1-9.2 Employer responsibility; benefit claims

State payroll units and subgroups shall respond with respect to benefit claims from the Division of Unemployment and Disability Insurance as well as the contractor designated by the State to handle unemployment claims and related activities.

17:1-9.3 Employer verification of claim payments

The designated contractor auditing the program will send the chief personnel or administrative officers a monthly report identifying employees who have filed claims and are in receipt of benefits. The reports must be reviewed by the employing unit to determine if they are correct and any discrepancies must be brought to the attention of the contractor.