

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, expires on December 10, 2013.

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Subchapter 6, Judicial Pension Fund, was repealed by R.1973 d.258, effective September 12, 1973.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Chapter 1, General Administration, was repealed and adopted as new rules by R.2003 d.323, effective August 4, 2003.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 Save 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). Subchapter 16, Implementation of State Early Retirement Incentive Program (P.L. 2008, c. 21), expired on March 21, 2009.

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. (RESERVED)

2. Supplemental statements will be prepared allocating specific costs attributable to each of the retirement systems, State Health Benefits Program, and the School Employees' Health Benefits Program within the operation of the respective bureaus; and

3. Included in the administrative expenses incurred by the Division shall be those of the State Division of Investment as the expenses of that Division pertain to the investment of monies appropriate to each Retirement System or Fund calculated on the number of transactions processed for the respective Systems.

(b) To the extent that there are costs which are attributable to the Division as a whole, as distinguished from costs attributable to each separate program administered by the Division, all Systems will share in the cost of the Division's expenses on a pro rata basis.

(c) The State shall be reimbursed on a monthly basis for operational costs.

Amended by R.2009 d.25, effective January 5, 2009.

See: 40 N.J.R. 4928(a), 41 N.J.R. 277(a).

Section was "Administrative expenses; proration among systems". In (a), deleted "of Pensions and Benefits" following "Division"; and in (a)2, substituted "retirement systems," for "Retirement Systems and" and inserted ", and the School Employees' Health Benefits Program".

17:1-2.14 Employees reported on biweekly salaries

(a) Retirement, death benefits and service credit will be determined on the basis of biweekly pay periods for employees reported on a biweekly basis.

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

17:1-2.15 Credit for partial month service

(a) For retirement purposes, a full month of service credit will be granted to any enrolled member who has received enough salary in a particular month to withhold a full monthly pension deduction. In the case of an enrolled member who is reported on a biweekly basis, a full pay period of service credit will be granted if the member has received enough salary in a particular pay period to withhold a full biweekly pension deduction.

(b) In order to purchase a full month of service credit for previous, eligible service, an employee must have received enough salary in a particular biweekly pay period or month to have had withheld a full biweekly or monthly pension deduction.

17:1-2.16 Workers' compensation without pay: employer's obligation regarding employee contributions

(a) An employer is responsible for the payment of an employee's pension contributions while the employee is receiving periodic benefits through workers' compensation.

(b) An employer is not responsible for the payment of an employee's pension contributions while the employee is receiving a periodic award of benefits through workers' compensation if a valid termination from employment has occurred. If an employer ceases payment of employee pension contributions due to a valid termination, as listed in (b)3 or 4 below, the employer shall notify the Division in writing of the reasons for the cessation of payments. A valid termination exists when:

1. The employee voluntarily files for a retirement allowance that is subsequently approved;

2. The employer files an involuntary disability retirement application for the employee that is subsequently approved;

3. The employee voluntarily resigns from employment for reasons other than the inability to perform the job's functions due to the incident that was the basis for the workers' compensation award; or

4. The employee is terminated by the employer for reasons unrelated to a workers' compensation award.

Amended by R.2009 d.25, effective January 5, 2009.

See: 40 N.J.R. 4928(a), 41 N.J.R. 277(a).

In the introductory paragraph of (b), deleted "without pay" following "compensation" and "of Pensions and Benefits" following "Division".

17:1-2.17 Report of contributions; reporting media

The report of contributions will be prepared and submitted to the pension fund administrator through secure electronic data submission provided through the State of New Jersey.

New Rule, R.2009 d.25, effective January 5, 2009.

See: 40 N.J.R. 4928(a), 41 N.J.R. 277(a).

SUBCHAPTER 3. ENROLLMENT, MEMBERSHIP, TRANSFERS AND WITHDRAWALS

17:1-3.1 Compulsory enrollments; failure to enroll

(a) When an employee fails to file an application for enrollment even though the employee and employer have been advised of the compulsory nature of enrollment, the certifying officer is obligated to complete the employee's section of the enrollment application, as well as such other information required on the enrollment application. Upon receipt of a properly completed enrollment application, the member's beneficiary shall automatically be their estate until the member files a Designation of Beneficiary form.

(b) For the purpose of establishing an employer's liability on delinquently filed enrollment applications, as well as the member's requirement to prove insurability, one year shall cover the 12-month period plus an additional two months to allow for administrative processing, elapsing between the employee's date of enrollment or transfer and the date the enrollment application or report of transfer is received by the Division.

(c) For the purpose of calculating the employer and employee costs for the employer's liability, the cost shall be calculated by multiplying the member's salary at enrollment by the current remitting pension rate times the period of service. For purposes of calculating the period of service, the service shall be the period between the date of enrollment or transfer and the date deductions are certified to begin.

Amended by R.2009 d.25, effective January 5, 2009.
See: 40 N.J.R. 4928(a), 41 N.J.R. 277(a).

Deleted (a) and (c); recodified former (b) as (a), and former (d) and (e) as (b) and (c); in (a), substituted "When an" for "In some cases, the", "fails" for "may fail", "enrollment, the" for "enrollment. In these cases, the" and "shall automatically be their estate until the member files a Designation of Beneficiary form" for "designation may be accepted provided the member has signed the enrollment application", and inserted a comma following the second occurrence of "application"; and in (b), deleted "of Pensions and Benefits" following "Division".

Case Notes

Former public employee not entitled to veterans' retirement benefits where he lost public employment position prior to reaching age 62. Gerber v. Board of Trustees, Public Employees' Retirement System, 93 N.J.A.R.2d (TYP) 135.

17:1-3.2 Multiple enrollments; contributions

In some retirement systems, an employee may be enrolled in the system on the basis of more than one position with more than one employer participating in the retirement system. Within the limits of the statute and board rules, such an employee shall be required to enroll from each position.

17:1-3.3 Enrollment schedules

(a) Employees appointed after the seventh day of the biweekly pay period will be enrolled the next pay period and after the 16th day of a month for members scheduled on a monthly basis will be enrolled as of the first of the following month.

(b) An optional enrollee is enrolled as of the first of the month following the date the enrollment application is received.

Amended by R.2009 d.25, effective January 5, 2009.
See: 40 N.J.R. 4928(a), 41 N.J.R. 277(a).

In (a), substituted "after the seventh day of the biweekly pay period will be enrolled the next pay period and" for "on or", "16th day" for "17th", and inserted "for members scheduled on a monthly basis".

17:1-3.4 Proof of veteran's status

Members wishing to establish veteran status with the retirement system must submit copies of their discharge papers

(DD 214) to the New Jersey Department of Military and Veterans' Affairs. A member who fails to submit evidence of military discharge will be enrolled as a nonveteran and this nonveteran classification shall not be altered until such time as the member's military discharge papers are received by the Department of Military and Veterans' Affairs and eligibility for a veteran classification is confirmed.

Amended by R.2009 d.25, effective January 5, 2009.
See: 40 N.J.R. 4928(a), 41 N.J.R. 277(a).

Substituted "New Jersey" for "NJ" and "and eligibility" for "confirming eligibility", inserted an apostrophe following both occurrences of "Veterans" and inserted "is confirmed".

17:1-3.5 Intrafund transfers

An active member of the Teacher's Pension and Annuity Fund, the Police and Firemen's Retirement System or the Public Employees' Retirement System who terminates employment with one participating employer but transfers to another covered position within the same retirement system with a different employer may continue such membership.

17:1-3.6 Insurance coverage; ineligibility

Any member who is not eligible for noncontributory insurance shall also be ineligible for contributory insurance coverage.

17:1-3.7 Deduction schedules

All deductions will be certified to begin on the first of the month for quarterly reporting units, or the beginning of a biweekly pay period for members who are reported on a biweekly basis.

17:1-3.8 Withdrawal application; processing

(a) Withdrawal applications which are filed prior to the member's resignation or the termination of compensation, will not be processed until the effective date of the later of the two conditions.

(b) Under the terms of the statutes a member may withdraw from a retirement system only if the member terminates all covered employment.

(c) No application shall be approved, if:

1. The member is on official leave of absence;
2. The member certifies that employment has not ended or that the member has taken another position covered by the retirement system;
3. The member has been dismissed or suspended from employment. In this event, such a member will be eligible to withdraw if the member has formally resigned from the position or there is no legal action contemplated or pending and the dismissal has been adjudged final;
4. A multiple member has not terminated employment in all covered positions; or