

**CHAPTER 2**

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

**Authority**

N.J.S.A. 43:15A-17.

**Source and Effective Date**

R.2005 d.75, effective January 24, 2005.  
See: 36 N.J.R. 4682(a), 37 N.J.R. 619(b).

**Chapter Expiration Date**

Chapter 2, Public Employees' Retirement System, expires on January 24, 2010.

**Chapter Historical Note**

Chapter 2, Public Employees' Retirement System, was adopted and became effective prior to September 1, 1969. Pursuant to Executive Order No. 66(1978), Chapter 2, Public Employees' Retirement System, expired on October 9, 1984.

Chapter 2, Public Employees' Retirement System, was adopted as new rules by R.1984 d.562, effective December 17, 1984. See: 16 N.J.R. 2515(b), 16 N.J.R. 3479(a).

Pursuant to Executive Order No. 66(1978), Chapter 2, Public Employees' Retirement System, was readopted as R.1989 d.597, effective November 8, 1989. See: 21 N.J.R. 2439(a), 21 N.J.R. 3788(a). Pursuant to Executive Order No. 66(1978), Chapter 2, Public Employees' Retirement System, expired on November 8, 1994.

Chapter 2, Public Employees' Retirement System, was adopted as new rules by R.1995 d.91, effective February 21, 1995. See: 26 N.J.R. 4747(a), 27 N.J.R. 754(a).

Pursuant to Executive Order No. 66(1978), Chapter 2, Public Employees' Retirement System, was readopted as R.2000 d.26, effective December 17, 1999. See: 31 N.J.R. 3229(a), 32 N.J.R. 304(a).

Subchapter 8, Prosecutors Part, was adopted as new rules by R.2004 d.227 effective June 21, 2004. See: 36 N.J.R. 291(a), 36 N.J.R. 3068(a).

Chapter 2, Public Employees' Retirement System, was readopted as R.2005 d.75, effective January 24, 2005. See: Source and Effective Date. See, also, section annotations.

**CHAPTER TABLE OF CONTENTS**

**SUBCHAPTER 1. ADMINISTRATION**

- 17:2-1.1 Board meetings
- 17:2-1.2 Fiscal year
- 17:2-1.3 Officers and committees
- 17:2-1.4 Election of member-trustee
- 17:2-1.5 Certifying Officer (employer)
- 17:2-1.6 Records
- 17:2-1.7 Appeal from Board decisions
- 17:2-1.8 Suspension of pension checks
- 17:2-1.9 Verified discrepancy in member's age
- 17:2-1.10 (Reserved)
- 17:2-1.11 Proof of age
- 17:2-1.12 State employees; biweekly salaries
- 17:2-1.13 Nearest attained age; enrollment; retirement

**SUBCHAPTER 2. ENROLLMENT**

- 17:2-2.1 Social Security coverage
- 17:2-2.2 Multiple employments
- 17:2-2.3 Ineligible persons
- 17:2-2.4 Enrollment date
- 17:2-2.5 Optional enrollment

- 17:2-2.6 Enrollment eligibility of professors and instructors employed on a temporary, provisional or adjunct basis by public institutions of higher education
- 17:2-2.7 Enrollment following deferred retirement
- 17:2-2.8 Enrollment eligibility of provisional or temporary employees occupying full-time police and fire titles
- 17:2-2.9 Eligibility and enrollment of employees of bi-state and multi-state agencies pursuant to P.L. 2003, c.263 (N.J.S.A. 43:15A-73)
- 17:2-2.10 Enrollment eligibility of on-call employees who have not established membership; including, but not limited to, substitute teachers, replacement teachers, and bedside or home instructors

**SUBCHAPTER 3. INSURANCE AND DEATH BENEFITS**

- 17:2-3.1 Compulsory and optional enrollment
- 17:2-3.2 Computation of insurance benefits
- 17:2-3.3 Contributory insurance rate
- 17:2-3.4 New enrollments and transfers; contributory insurance premiums
- 17:2-3.5 Leave for illness; life insurance coverage
- 17:2-3.6 Survivor benefits
- 17:2-3.7 Withdrawal application; contributory insurance
- 17:2-3.8 Withdrawal and return; contributory insurance
- 17:2-3.9 Retired life insurance coverage
- 17:2-3.10 Contributory insurance premiums; leave of absence and workers' compensation
- 17:2-3.11 Ten-month members
- 17:2-3.12 Beneficiary designation; pension contributions
- 17:2-3.13 Benefits payable under P.L. 1984, c.96, as amended by P.L. 1995, c.221
- 17:2-3.14 Acceptable designations of beneficiaries
- 17:2-3.15 Suspension

**SUBCHAPTER 4. MEMBERSHIP**

- 17:2-4.1 Creditable compensation
- 17:2-4.2 Leave with pay
- 17:2-4.3 School year members; 10 and 12 months
- 17:2-4.4 Loan tolerance
- 17:2-4.5 Service and salary credit: awards of back pay
- 17:2-4.6 Minimum adjustment
- 17:2-4.7 Part-time hourly, on-call or per diem salary
- 17:2-4.8 Military leave prior to August 1, 1974; employer contributions
- 17:2-4.9 Eligibility for loan
- 17:2-4.10 Waiver of retirement benefits upon withdrawal
- 17:2-4.11 Termination; withdrawal
- 17:2-4.12 Deductions
- 17:2-4.13 Active employment; membership requirement
- 17:2-4.14 Continuance of membership; transfer
- 17:2-4.15 Ineligible service
- 17:2-4.16 Creditable service; Law Enforcement Officers

**SUBCHAPTER 5. PURCHASES AND ELIGIBLE SERVICE**

- 17:2-5.1 Eligibility for purchase
- 17:2-5.2 New enrollment purchase or rate adjustment
- 17:2-5.3 Reestablishing military leave credit
- 17:2-5.4 Compulsory contributions (back deductions)
- 17:2-5.5 Optional purchases of eligible service
- 17:2-5.6 Methods of payment
- 17:2-5.7 (Reserved)
- 17:2-5.8 Per diem credit
- 17:2-5.9 through 17:2-5.10 (Reserved)
- 17:2-5.11 Service ineligible for purchase
- 17:2-5.12 Correction of errors for prior service credit
- 17:2-5.13 Lump sum purchases

**SUBCHAPTER 6. RETIREMENT**

- 17:2-6.1 Applications
- 17:2-6.2 Effective date
- 17:2-6.3 Effective dates; change
- 17:2-6.4 Outstanding loan
- 17:2-6.5 Willful negligence
- 17:2-6.6 (Reserved)
- 17:2-6.7 Disability determination
- 17:2-6.8 Option selection; accidental disability denied
- 17:2-6.9 Employer and employee notices
- 17:2-6.10 Involuntary disability application
- 17:2-6.11 Early retirement; reduction
- 17:2-6.12 Service retirement; eligibility
- 17:2-6.13 Disability retirant; annual medical examinations
- 17:2-6.14 Disability retirant; annual report (employment, earnings, test and adjustment)
- 17:2-6.15 Disability retirements; filing after more than two years' discontinuance of service
- 17:2-6.16 Compulsory retirement; Law Enforcement Officers (LEO)
- 17:2-6.17 Approved allowance
- 17:2-6.18 Option 1 benefit
- 17:2-6.19 (Reserved)
- 17:2-6.20 Final compensation; 10 and 12-month members reported monthly
- 17:2-6.21 Determination of last year's salary; veterans paid on a monthly basis
- 17:2-6.22 Waiver
- 17:2-6.23 (Reserved)
- 17:2-6.24 Final compensation; biweekly salary computation for employees reported on a biweekly basis
- 17:2-6.25 Determination of last year's salary; veterans reported on a biweekly basis
- 17:2-6.26 Medical examination; physician
- 17:2-6.27 Work-related travel; accidental disability retirement and accidental death benefit coverage

**SUBCHAPTER 7. TRANSFERS**

- 17:2-7.1 Honorable service; interfund transfers; State-administered retirement systems
- 17:2-7.2 Intrafund transfers; State-administered retirement systems

**SUBCHAPTER 8. PROSECUTORS PART**

- 17:2-8.1 Definitions
- 17:2-8.2 Criteria for determining eligibility for enrollment for employees of the Department of Law and Public Safety
- 17:2-8.3 Contribution rate
- 17:2-8.4 Ineligibility for credit in the Prosecutors Part
- 17:2-8.5 Interfund transfers
- 17:2-8.6 Purchase of service
- 17:2-8.7 Eligibility for a loan
- 17:2-8.8 Vesting
- 17:2-8.9 Withdrawal from Prosecutors Part or regular PERS service
- 17:2-8.10 Retirement effective date
- 17:2-8.11 Election of largest possible retirement allowance
- 17:2-8.12 Service retirement
- 17:2-8.13 Eligibility for disability and accidental death retirement benefit
- 17:2-8.14 Retirement date for prosecutors having both regular and Prosecutors Part Public Employees' Retirement System service
- 17:2-8.15 Options at retirement
- 17:2-8.16 Return to employment

**SUBCHAPTER 1. ADMINISTRATION****17:2-1.1 Board meetings**

(a) The Board of Trustees shall meet on the third Wednesday 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.

Amended by R.1977 d.148, effective April 27, 1977.

See: 9 N.J.R. 142(b), 9 N.J.R. 295(a).

Amended by R.2000 d.26, effective January 18, 2000.

See: 31 N.J.R. 3229(a), 32 N.J.R. 304(a).

Deleted former (b); and recodified former (c) as (b), and substituted a reference to chairpersons for a reference to chairmen.

**17:2-1.2 Fiscal year**

The transaction of business and control of finance shall be conducted from a July 1 to June 30 fiscal year.

Amended by R.2000 d.430, effective November 6, 2000.

See: 32 N.J.R. 2660(a), 32 N.J.R. 3996(a).

Rewrote the section.

**17:2-1.3 Officers and committees**

(a) The members of the Board shall elect a chairperson and vice chairperson, and a representative to the State Investment Council from its membership for the forthcoming year at its regular meeting held in July. A representative to the Pension System Actuary Selection Committee, as provided for by N.J.S.A. 43:4b-1, shall be elected by the Board whenever the selection of a new actuary is needed.

(b) The chairperson of the Board shall preside at all of its meetings, or in the absence of the chairperson, the vice chairperson shall assume the chairperson's responsibilities. In the absence of the chairperson and vice chairperson, another member selected by the majority of the members in attendance will preside for that single meeting.

(c) The chairperson and the Secretary of the Board shall have the power to act for the Board in any matter which may be referred to them by the Board of Trustees.

(d) There shall be one standing committee which is the finance committee pursuant to N.J.S.A. 43:15A-32. The committee shall be appointed by the chairperson at the July meeting for the forthcoming fiscal year. The finance committee shall review all investment transactions and financial reports referred to it by the Secretary for presentation to the Board at its regular monthly meetings. The committee shall consist of five members three of whom shall be elected members of the Board.

As amended, R.1971 d.71, effective May 18, 1971.

See: 3 N.J.R. 50(a), 3 N.J.R. 117(b).

As amended, R.1976 d.383, effective December 6, 1976.

See: 8 N.J.R. 537(c), 8 N.J.R. 48(a).

Amended by R.2000 d.26, effective January 18, 2000.

See: 31 N.J.R. 3229(a), 32 N.J.R. 304(a).

Substituted references to chairpersons for references to chairmen throughout; in (a), inserted a reference to a representative to the State Investment Council and the Pension System Actuary Committee; and in (e), substituted "five members, three of whom shall be elected members of the Board" for "three members" at the end.

Amended by R.2005 d.75, effective February 22, 2005.

See: 36 N.J.R. 4682(a), 37 N.J.R. 619(b).

Rewrote the section.

**17:2-1.4 Election of member-trustee**

(a) The procedures for the election of a State, municipal, or county trustee representative to the Public Employees' Retirement System (PERS) Board of Trustees are set forth in this section.

(b) Eligible candidates shall include any active or retired member of the PERS. Only State members may seek State seats, only municipal members may seek municipal seats, and only county members may seek county seats on the Board of Trustees. All candidates shall comply with any and

all requirements as provided by law and these rules. Any candidate who fails to comply with the law and these rules is automatically disqualified as a candidate.

(c) The following apply to election notices:

1. At least nine months prior to the expiration of the term of each elected trustee or immediately upon a vacancy on the Board, a notice shall be prepared and distributed by the Secretary of the Board or a contracted vendor through the certifying officers to each member who is eligible to vote.