

17:3-4.6 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 \$3.00 or less.

17:3-4.7 Excess contributions

Excess contributions left on deposit in the Annuity Savings Fund under the provisions of N.J.S.A. 18A:66-20 must remain in the fund until the member's death or retirement.

17:3-4.8 Military leave

(a) Military leave contributions remitted by an employer on behalf of an employee, who does not return to the payroll for the minimum 90-day period required by N.J.S.A. 18A:66-34, shall be retained by the fund. Such contributions shall be transferred from the Annuity Savings Fund to the Contingent Reserve Fund. Military leave contributions remitted by an employer shall be based on the employee's salary at the time he entered military service.

(b) Payroll, as referred to in (a) above, shall be interpreted to mean any public school payroll in New Jersey, not necessarily the payroll of the employer where the member was employed when he entered military service.

As amended, R.1973 d.49, effective February 14, 1973.
See: 5 N.J.R. 20(b), 5 N.J.R. 95(b).

Case Notes

Approval of W.W.II veteran status in retirement system was proper. *Usarzewicz v. Teachers' Pension and Annuity Fund*, 94 N.J.A.R.2d (TYP) 69.

17:3-4.9 Eligibility for loan

Only active contributing members of the fund may exercise the privilege of obtaining a loan, and the maximum loan shall be 50 percent of the accumulated deductions posted to the member's account.

As amended, R.1973 d.49, effective February 14, 1973.
See: 5 N.J.R. 20(b), 5 N.J.R. 95(b).

17:3-4.10 Waiver required

Any member, who makes application for withdrawal from the fund who may otherwise be eligible to make application for retirement benefits, shall be required to execute and file a statement with the fund setting forth the benefits he is waiving in favor of withdrawal, before his application for withdrawal may be processed.

17:3-4.11 Termination; withdrawal

(a) Under the terms of the statute a member may withdraw from the fund only if he terminates all employment.

(b) No application shall be approved, if:

1. The member is on official leave of absence and his membership is subject to continuance under N.J.S.A. 18A:66.8;

2. The member certifies that his employment contract has not expired, or that he has executed another contract to work in a position subject to TPAF coverage;

3. The member has been dismissed or suspended from employment. In this event, such a member will be eligible to withdraw if he has formally resigned from his 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;

5. The member has a claim pending for Workers' Compensation benefits.

As amended, R.1973 d.49, effective February 14, 1973.
See: 5 N.J.R. 20(b), 5 N.J.R. 95(b).
As amended, R.1975 d.140, effective May 27, 1975.
See: 7 N.J.R. 179(a), 7 N.J.R. 349(a).
As amended, R.197 d.205, effective May 22, 1979.
See: 11 N.J.R. 208(a), 11 N.J.R. 359(a).

Case Notes

Previous acceptance of pension withdrawal funds deactivates member status and precludes reinstatement of membership account. *Mihalik v. Teachers' Pension and Annuity Fund*, 96 N.J.A.R.2d (TYP) 82.

Teacher's request for reinstatement of former pension membership account denied when teacher's equitable estoppel argument not supported by showing intentional misconduct or misrepresentation. *Kane v. Board of Trustees, Teachers' Pension and Annuity Fund*, 96 N.J.A.R.2d (TYP) 25.

17:3-4.12 Deductions

(a) A full deduction shall be taken for the TPAF in any payroll period in which the member is paid a sufficient amount to make a full normal deduction, plus any other arrears or loan deductions then in effect.

(b) No deduction shall be taken in any pay period in which the employee's salary is not sufficient to cover the required deductions for the TPAF.

As amended, R.1973 d.49, effective February 14, 1973.
See: 5 N.J.R. 20(b), 5 N.J.R. 95(b).

17:3-4.13 Active employment; membership requirement

All employees, otherwise eligible, who are not actively employed on the date of their enrollment, will not be covered by the group life insurance program until they return to service.

As amended, R.1974 d.24, effective January 31, 1974.
See: 5 N.J.R. 426(d), 6 N.J.R. 124(a).

SUBCHAPTER 5. PURCHASES AND ELIGIBLE SERVICE

17:3-5.1 Eligibility for purchase

(a) Only active contributing members of the system shall be eligible to make application for purchase of credit.

(b) In order to be eligible to purchase temporary service, a member must submit a written request to purchase such service within one year from the date his initial pension contributions are certified to begin and such purchase must be authorized by the member before the expiration date indicated on the letter which quotes the terms of the purchase.

Case Notes

Held that purchased service credit based upon out-of-state employment could be applied towards the 20 years service required for veteran's retirement. *Moss v. State Bd. of Trustees, Public Employees' Retirement System*, 178 N.J.Super. 460, 429 A.2d 420 (App.Div.1981).

Correction of error process not applicable to allow purchase of prior service credit where employer refused to stipulate that necessary enrollment information was not provided. *Telerico v. Freehold Regional High School*, 93 N.J.A.R.2d (TYP) 204.

Teacher would not be allowed to purchase pension credit for out-of-state substitute service. *Lillian Solomon v. Board of Trustees, Teachers' Pension and Annuity Fund*, 92 N.J.A.R.2d (TYP) 1.

Teacher, whose employment termination was found wrongful by the Commissioner but chose not to return to employment, held able to purchase pension credits, which she had sought to do before termination, as if her employment had continued through the date of the Commissioner's decision. *Stuermer v. Bd. of Trustees, Teachers' Pension and Annuity Fund*, 2 N.J.A.R. 248 (1980).

17:3-5.2 New enrollment purchases or rates adjustment

(a) Members who file an application for enrollment and indicate they want to purchase the period between their regular appointment and their compulsory date of enrollment will have such purchase calculated on the basis of their net pension rate of contribution and salary as of their date of their regular appointment. If more than one year has elapsed from the date of compulsory enrollment, the purchase of all service will be based on the member's current salary times the full pension rate of contribution.

(b) Upon enrollment or reenrollment, a veteran shall contribute at the percent rate applicable to the age resulting from the subtraction of his years of prior service (pre-1955) from the date he began his present employment or the date of enrollment, whichever is later, provided that member submits satisfactory evidence of prior public employment in New Jersey.

17:3-5.3 Reestablishing military leave credit

Any veteran, who terminated membership before January 1, 1955, and whose withdrawal of contributions included contributions paid by his employer during a period of military leave, shall receive veteran prior service credit for only the period during which he actually contributed. He can receive additional membership credit for the period of his military leave if he redeposits the amount of employer contributions, plus regular interest to the date of his authorization of such purchase.

17:3-5.4 Compulsory purchases

An employee, who was required to enroll and whose application was filed beyond his compulsory date of enrollment, will be required to purchase membership credit retroactive to the date of compulsory enrollment. Purchases will be calculated on the basis of the member's current salary at the full pension rate of contributions assigned as of his compulsory date of enrollment with regular interest.

17:3-5.5 Optional purchases of eligible service

(a) Members, who purchase temporary service, must purchase all such service immediately preceding enrollment. The purchase will be calculated on the basis of the member's current salary times the full percentage rate of contribution assigned at enrollment.

(b) The types of purchases indicated below will be calculated on the basis of the actuarial factor established for the member's age at the time of the purchase times his current salary:

1. All former membership credit in another State-administered retirement system.
2. All former service with any employer which was not certified for membership but which would have qualified on a compulsory basis at the time the service was rendered.
3. Leaves of absences:
 - i. All of the period of the leave for personal reasons for a period of less than three months.
 - ii. All of the period of the leave up to two years for personal illness or maternity.
4. Members who purchase all or a portion of their eligible out-of-State service.

(c) Rules concerning the purchase and/or conversion of Class A credit include the following:

1. The cost of Class B service credit is based on actuarial factors and such factors provide a retirement benefit which is 1/6 greater than service credited as Class A. If Class A credit is purchased, the cost will be 6/7 of the amount computed for a Class B purchase. The computation is based on the member's present salary multiplied by the actuarial factor for the member's age at the time of purchase with regular interest.
2. If a Class A member converts to Class B, he will contribute an additional 1/6 of the total contributions that would have been payable based on his full Class A contribution rate with regular interest.

As amended, R.1983 d.78, effective March 21, 1983.

See: 14 N.J.R. 1002(b), 15 N.J.R. 449(b).

Language added at (b), 1. re: State-administered retirement systems.

Amended by R.1987 d.47, effective January 20, 1987.

See: 18 N.J.R. 2120(a), 19 N.J.R. 244(a).

benefit raised from 1/5 to 1/6 greater.

Case Notes

Rule provision stating that per diem teaching service is not creditable for pension purposes held invalid as inconsistent with statutory provi-

sion allowing credit to be purchased for such services (citing former N.J.A.C. 17:3-5.4). *Antonchak v. Bd. of Trustees, Teachers' Pension and Annuity Fund*, 3 N.J.A.R. 83 (1980).