

<b>CHAPTER:</b>	<b>5 - EMPLOYEE BENEFITS</b>	<b>ADOPTED: 3/7/06</b>
<b>SECTION:</b>	<b>4 - PENSION PLANS</b>	<b>REVISED: 12/21/11</b>

Eligible County employees belong to one of two pension plans, the Public Employees' Retirement System (PERS) or Police and Firemen's Retirement System (PFRS). Please refer to HR 3.8 for information concerning retirement under these pension plans.

## **PERS**

The following information concerning pension plans is intended to assist the County employee in making decisions concerning their future as an employee and retiree. Complete terms governing PERS are set forth in N.J.S.A. 43:15A et seq. The pension enrollment rules described below are in general terms and may not cover all situations.

### PERS Membership Tiers

Membership Tier 1 is members who were enrolled prior to July 1, 2007.

Membership Tier 2 is members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008, pursuant to the provisions of Chapters 92 and 103, P.L. 2007.

Membership Tier 3 is members who were eligible to enroll on or after November 2, 2008 and on or before May 21, 2010, pursuant to the provisions of Chapter 89, P.L. 2008.

Membership Tier 4 is members who were eligible to enroll after May 21, 2010, pursuant to the provisions of Chapters 1 and 3, P.L. 2010.

Membership Tier 5 is members who were eligible to enroll on or after June 28, 2011.

### Eligibility Criteria

Membership in the retirement system is generally required as a condition of employment for most employees. You are required to enroll in the PERS if:

- You are employed on a regular basis in a position covered by Social Security; and
- You are eligible for Tier 1 or Tier 2 membership and the annual salary is \$1,500 or more, or you are eligible for Tier 3 membership and the annual salary is \$7,700\* or more; and
- You are eligible for Tier 4 membership and you work at least 32 hours per week required for enrollment; and

- You are not required to be a member of any other State or local government retirement system on the basis of the same position; or if:
- You are receiving a monthly retirement allowance from the PERS, you work more than the minimum number of hours per week required for PERS Tier 4 enrollment (see above), and you earn more than \$15,000 annually, in aggregate, from all PERS-covered employment (Details of exceptions and special rules for Disability Retirees Restored to Active Services are available upon request).

***Additional information including factors for ineligibility and the rules governing Elected or Appointed Officials is available by visiting the State of New Jersey website at [www.state.nj.us/treasury/pensions/](http://www.state.nj.us/treasury/pensions/).***

Payroll deductions for the pension plan are based on a percentage of the employee's salary. These deductions begin once the enrollment process is complete and are reflected on the employee's pay stub.

If the employment terminates before retirement, the employee will receive a refund of his/her contributions to the pension system if the employee was a member for more than three years. All rights and privileges then end.

Retirement begins on the first of a month. Retirement allowances are paid after the end of a month. No benefits are paid unless it is for an entire month.

An employee who is actively contributing to PERS may get a loan from the retirement system once he/she has been a contributory member for three years and three months. Employees may borrow up to half of their accumulated contributions. Repayments are deducted from employee paychecks with interest. For eligible borrowers, the interest rate for loan applications received in 2011 is 5.25% per annum on the declining balance of the loan and there is an administrative processing fee is \$8.00 per loan. Loans are limited to no more than two per calendar year.

## **PFRS**

All police officers and firefighters appointed after June, 1944, in municipalities where local police and fire pension funds existed, or where this system was adopted by referendum or resolution, are required to become members of the Police and Firemen's Retirement System. Certain State and County law enforcement job titles are also covered.

Eligibility in the PFRS is determined by your job title, your age, and your health. State and county employees in eligible PFRS titles, who do not meet the age and medical requirements, are eligible to enroll in the Public Employees' Retirement System (PERS) and possibly, depending on job title, as Law Enforcement Officers (LEOs) in the PERS. Over the years, the eligibility criteria for membership in the PFRS has been subject to change and reinterpretation. If you have specific questions concerning eligibility for

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enrollment in the PFRS you may wish to contact the Division of Pensions and Benefits for additional information.

Enrollment in the PFRS is required for permanent, full-time employees appointed to positions in law enforcement or fire fighting in the State of New Jersey. The date of enrollment for the PFRS is the date of permanent appointment to the position, even if the enrollee has yet to complete law enforcement or fire fighter training. Enrollment usually takes about two months to process and requires the submission of an Enrollment Application and a Report of Examining Physician.

#### PFRS Membership Tiers

The passage of Chapter 1, P.L. 2010, changed compensation and retirement criteria for PFRS members enrolled as of certain dates. These differences in PFRS membership — referred to as “membership tiers” — are defined as follows:

- Membership Tier 1 — PFRS Members who were enrolled on or before May 21, 2010.
- Membership Tier 2 — PFRS Members who were enrolled after May 21, 2010.

#### **Treasurer’s Office:**

Provides employees with the enrollment applications; sometimes, this is done in conjunction with Human Resources.

Forwards the completed applications to the NJ Division of Pensions.

Receives the Certification of Payroll Deductions once processing is completed by the State and takes the appropriate measures to begin deductions.

Provides all forms, additional information and direction.

#### **Employee:**

Completes the enrollment application and returns it to the Treasurer's Office designee.

Receives notice from the State that processing is complete via a Certification of Payroll Deductions.

Contacts the Treasurer’s Office at least 6 months before the anticipated retirement date.

Files a retirement application with the Division of Pensions (available from the Treasurer's office) at least one month before they wish to retire to allow time for their application to be processed.