

SENATE STATE GOVERNMENT, WAGERING, TOURISM &
HISTORIC PRESERVATION COMMITTEE

STATEMENT TO

SENATE, No. 4

STATE OF NEW JERSEY

DATED: FEBRUARY 18, 2010

The Senate State Government, Wagering, Tourism & Historic Preservation Committee reports favorably Senate Bill No. 4.

This bill makes various changes concerning payments to public employees for unused sick leave, sick leave for injury while in State service, and accidental and ordinary disability retirement for members of the Public Employees' Retirement System (PERS) and the Teachers Pension and Annuity Fund (TPAF). The bill also limits to one year the amount of vacation leave that certain local government and school district officers and employees would be permitted to carry forward, under most circumstances.

Sections 1, 2 and 3:

These section provide that supplemental compensation for accumulated unused sick leave payable to any local government or school district officer or employee cannot exceed \$15,000 and can only be paid at the time the officer or employee retires. This restriction would apply only to officers and employees who commence service with a local government or a school district on or after the bill's effective date.

Current law limits to \$15,000 the maximum amount that may be paid to a State employee for accumulated unused sick leave when the employee retires. There is, however, currently no such limit with regard to local government and to school district officers or employees, except with regard to certain high level local government and school district officers.

Sections 4 and 5:

These section provide that local government and school district officers and employees would be allowed to carry forward vacation leave for only one successive year, except that vacation leave that could not be used because of an emergency declared by the Governor would accumulate subject to certain limits. This restriction would apply only to officers and employees who commence service with a local government or a school district on or after the bill's effective date

and only after the expiration of a current contract applicable to such officer or employee

Current law limits vacation leave carry forward for State employees and employees of local governments that have adopted civil service. There is, however, currently no such limit with regard to other local government and to school district officers or employees, except with regard to certain high level local government and school district officers.

Section 6:

This section terminates the sick leave injury program for State employees who are injured or who become ill directly as a result of State employment after the bill's effective date, which is 60 days after enactment or after the expiration of current collective negotiations agreements.

Sections 7-11:

These sections eliminate accidental and ordinary disability retirement for members of the TPAF and PERS who become enrolled in the retirement system on or after this bill's effective date. Instead, members of each system enrolled after that date will be eligible for disability insurance coverage similar to that provided by the State currently to individuals enrolled in the Defined Contribution Retirement Program.

Section 12 and 13:

These sections provide that, with regard to any provision of this bill concerning disability retirement in the PERS and the TPAF made applicable to a person who becomes a member of a State-administered retirement system on or after the bill's effective date, that provision would not apply to a person who at the time of enrollment in the retirement system on or after that effective date transfers service credit, as permitted, from another State-administered retirement system or fund of which the person was a member immediately prior to the effective date and continuously thereafter, but would apply to a former member of the retirement system who has been granted a retirement allowance and is reenrolled in the retirement system on or after that effective date after becoming employed again in a position that makes the person eligible to be a member of the retirement system. These sections are in line with recent prior enactments in this regard.