

# SENATE, No. 2140

## STATE OF NEW JERSEY 217th LEGISLATURE

INTRODUCED MAY 2, 2016

**Sponsored by:**  
**Senator JENNIFER BECK**  
**District 11 (Monmouth)**

### **SYNOPSIS**

Limits payment to certain public employees for accumulated sick leave upon retirement; requires fine and reprimand or termination for violation of sick leave by public employee.

### **CURRENT VERSION OF TEXT**

As introduced.



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1 AN ACT concerning payments to certain public employees for  
2 accumulated sick leave upon retirement and compliance with  
3 sick leave regulations, and amending and supplementing various  
4 parts of the statutory law.

5

6 **BE IT ENACTED** by the Senate and General Assembly of the State  
7 of New Jersey:

8

9 1. N.J.S.11A:6-16 is amended to read as follows:

10 11A:6-16. Supplemental compensation upon retirement in State  
11 employment. State employees in the career service, and those in the  
12 senior executive and unclassified services who have been granted  
13 sick leave under terms and conditions similar to career service  
14 employees, shall be entitled upon retirement from a State-  
15 administered retirement system to receive a lump sum payment as  
16 supplemental compensation for each full day of accumulated sick  
17 leave which is credited on the effective date of retirement.

18 After January 1, 2007, or after the expiration of a collective  
19 negotiations agreement or individual contract of employment in  
20 effect on the effective date of P.L. , c. (pending before the  
21 Legislature as this bill) providing for such supplemental  
22 compensation upon retirement, as appropriate, such payments shall  
23 not exceed the equivalent of four weeks of the employee's final  
24 compensation for an employee with 10 or more years of service  
25 credit in the retirement system. In no event shall a payment of  
26 supplemental compensation for credited accumulated sick leave to  
27 an employee exceed \$10,000. As used in this section, "final  
28 compensation" means the compensation received during the last  
29 year of employment immediately preceding retirement upon which  
30 contributions to the retirement system were made. The provisions  
31 of this paragraph shall not apply to any State employee who is a  
32 member of the State Police Retirement System or the Police and  
33 Firemen's Retirement System of New Jersey.

34 (cf: N.J.S.11A:6-16)

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36 2. N.J.S.11A:6-17 is amended to read as follows:

37 11A:6-17. Supplemental compensation; employees of Rutgers,  
38 The State University, New Jersey Institute of Technology, and  
39 Rowan University. The supplemental compensation provided under  
40 this chapter shall also be paid to each employee of Rutgers, The  
41 State University, New Jersey Institute of Technology, and Rowan  
42 University who performs services similar to those performed by  
43 employees of the New Jersey State colleges who are in the career  
44 service or who have been granted sick leave under terms and  
45 conditions similar to career service employees, including those

**EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.**

**Matter underlined thus is new matter.**

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1 employees of Rutgers, The State University who are members of the  
2 Newark Employees' Retirement System. After January 1, 2017, or  
3 after the expiration of a collective negotiations agreement or  
4 individual contract of employment in effect on the effective date of  
5 P.L. , c. (pending before the Legislature as this bill) providing  
6 for such supplemental compensation upon retirement, as  
7 appropriate, supplemental compensation payments shall not exceed  
8 the equivalent of four weeks of the employee's final compensation  
9 for an employee with 10 years or more of service credit in the  
10 retirement system. In no event shall a payment of supplemental  
11 compensation for credited accumulated sick leave to an employee  
12 exceed \$10,000. As used in this section, "final compensation"  
13 means the compensation received during the last year of  
14 employment immediately preceding retirement upon which  
15 contributions to the retirement system were made.

16 (cf: P.L.2012, c.45, s.65)

17

18 3. (New section) Notwithstanding any law, rule or regulation  
19 to the contrary, a payment to an employee of a political subdivision  
20 of the State, or any agency, authority or instrumentality thereof, that  
21 has adopted the provisions of Title 11A, Civil Service, of the New  
22 Jersey Statutes, as supplemental compensation upon retirement  
23 from a State or locally-administered retirement system for  
24 accumulated sick leave which is credited on the effective date of  
25 retirement, after January 1, 2007 or after the expiration of a  
26 collective negotiations agreement, or individual contract of  
27 employment, in effect on the effective date of P.L. , c. (pending  
28 before the Legislature as this bill) providing for such supplemental  
29 compensation upon retirement, shall not exceed the equivalent of  
30 four weeks of the employee's final compensation for an employee  
31 with 10 years or more of service credit in the retirement system. In  
32 no event shall a payment of supplemental compensation for credited  
33 accumulated sick leave to an employee exceed \$10,000. As used in  
34 this section, "final compensation" means the compensation received  
35 during the last year of employment immediately preceding  
36 retirement upon which contributions to the retirement system were  
37 made. The provisions of this paragraph shall not apply to any  
38 employee who is a member of the Police and Firemen's Retirement  
39 System of New Jersey.

40

41 4. (New section) Notwithstanding any law, rule or regulation  
42 to the contrary, a payment to an employee of a political subdivision  
43 of the State, or any agency, authority or instrumentality thereof, that  
44 has not adopted the provisions of Title 11A, Civil Service, of the  
45 New Jersey Statutes, as supplemental compensation upon retirement  
46 from a State or locally-administered retirement system for  
47 accumulated sick leave which is credited on the effective date of  
48 retirement, after January 1, 2007 or after the expiration of a  
49 collective negotiations agreement, or individual contract of

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1 employment, in effect on the effective date of P.L. , c. (pending  
2 before the Legislature as this bill) providing for such supplemental  
3 compensation upon retirement, shall not exceed the equivalent of  
4 four weeks of the employee's final compensation for an employee  
5 with 10 years or more of service credit in the retirement system. In  
6 no event shall a payment of supplemental compensation for credited  
7 accumulated sick leave to an employee exceed \$10,000. As used in  
8 this section, "final compensation" means the compensation received  
9 during the last year of employment immediately preceding  
10 retirement upon which contributions to the retirement system were  
11 made. The provisions of this paragraph shall not apply to any  
12 employee who is a member of the Police and Firemen's Retirement  
13 System of New Jersey,  
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15 5. (New section) Notwithstanding any law, rule or regulation  
16 to the contrary, a payment to an employee of a school board, or any  
17 agency or instrumentality thereof, as supplemental compensation  
18 upon retirement from a State administered retirement system for  
19 accumulated sick leave which is credited on the effective date of  
20 retirement, after January 1, 2007 or after the expiration of a  
21 collective negotiations agreement, or individual contract of  
22 employment, in effect on the effective date of P.L. , c. (pending  
23 before the Legislature as this bill) providing for such supplemental  
24 compensation upon retirement, shall not exceed the equivalent of  
25 four weeks of the employee's final compensation for an employee  
26 with 10 years or more of service credit in the retirement system. In  
27 no event shall a payment of supplemental compensation for credited  
28 accumulated sick leave to an employee exceed \$10,000. As used in  
29 this section, "final compensation" means the compensation received  
30 during the last year of employment immediately preceding  
31 retirement upon which contributions to the retirement system were  
32 made.  
33

34 6. N.J.S.11A:6-5 is amended to read as follows:

35 11A:6-5. Sick leave. a. Full-time State and political subdivision  
36 employees shall receive a sick leave credit of no less than one  
37 working day for each completed month of service during the  
38 remainder of the first calendar year of service and 15 working days  
39 in every year thereafter. Unused sick leave shall accumulate without  
40 limit.

41 b. Notwithstanding any law, rule or regulation to the contrary,  
42 the board shall adopt procedures that shall require the (1)  
43 imposition of a fine and issuance of a reprimand against any  
44 employee of the State or a political subdivision found for the first  
45 time to have violated sick leave policies and regulations, with the  
46 fine to be an amount equivalent to one week of compensation, and  
47 (2) termination of any employee found for the second time to have  
48 violated sick leave policies and regulations.

49 (cf: N.J.S.11A:6-5)

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1 7. N.J.S.18A:30-2 is amended to read as follows:  
2 18A:30-2. Sick leave allowable. a. All persons holding any  
3 office, position, or employment in all local school districts, regional  
4 school districts or county vocational schools of the state who are  
5 steadily employed by the board of education or who are protected  
6 by tenure in their office, position, or employment under the  
7 provisions of this or any other law, except persons in the classified  
8 service of the civil service under Title **[11]** 11A, Civil Service, of  
9 the **[Revised]** New Jersey Statutes, shall be allowed sick leave with  
10 full pay for a minimum of 10 school days in any school year.  
11 b. Notwithstanding any law, rule or regulation to the contrary,  
12 the commissioner shall adopt procedures which shall require the (1)  
13 imposition of a fine and issuance of a reprimand against any person  
14 described in subsection a. of this section found for the first time to  
15 have violated sick leave policies and regulations, with the fine to be  
16 an amount equivalent to one week of compensation, and (2)  
17 termination of any person found for the second time to have  
18 violated sick leave policies and regulations.  
19 (cf: N.J.S.18A:30-2)

20  
21 8. (New section) Notwithstanding any law, rule or regulation  
22 to the contrary, a political subdivision of the State, or any agency,  
23 authority or instrumentality thereof, that has not adopted the  
24 provisions of Title 11A, Civil Service, of the New Jersey Statutes,  
25 shall adopt procedures which shall require the (1) imposition of a  
26 fine and issuance of a reprimand against any employee of the  
27 political subdivision, or any agency, authority, or instrumentality  
28 thereof, found for the first time to have violated sick leave policies  
29 and regulations, with the fine to be an amount equivalent to one  
30 week of compensation, and (2) termination of any person found for  
31 the second time to have violated sick leave policies and regulations.

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33 9. This act shall take effect immediately.  
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36 STATEMENT  
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38 This bill provides that after January 1, 2017, or after the  
39 expiration of a collective negotiation agreement or an individual  
40 employment contract in effect on the bill's effective date, no State,  
41 local government, or school district employee, excluding employees  
42 who are enrolled in the State Police Retirement System or the  
43 Police and Firemen's Retirement System, shall be entitled to receive  
44 a payment as supplemental compensation upon retirement for  
45 credited accumulated sick leave the equivalent of four weeks of the  
46 employee's final compensation, provided that the employee has at  
47 least 10 years of service credit in the retirement system. In no event  
48 will a payment of supplemental compensation for credited

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1 accumulated sick leave to an employee exceed \$10,000.

2 Current law limits to \$15,000 the maximum amount that may be  
3 paid to a State employee for accumulated sick leave when the  
4 employee retires; however, there are no comparable legal limits  
5 with regard to local government and school board employees.  
6 Recent reports have highlighted the significant costs that are  
7 imposed upon New Jersey property taxpayers by this practice,  
8 especially as a result of the lack of controls and regulations for local  
9 government and school board agreements. It has been estimated  
10 that this benefit for payments for accumulated sick leave and  
11 vacation time to local and school board employees may eventually  
12 cost New Jersey property taxpayers at least \$1 billion. This bill will  
13 restrict this type of payment to public employees in the future.

14 In addition, this bill requires certain entities to adopt procedures  
15 that require the (1) imposition of a fine and issuance of a reprimand  
16 against any employee of the State, a local government or school  
17 district found for the first time to have violated sick leave policies  
18 and regulations, with the fine to be an amount equivalent to one  
19 week's compensation, and (2) termination of any person found for  
20 the second time to have violated sick leave policies and regulations.

21 This bill is part of a series of initiatives designed to address the  
22 issue of high property taxes in New Jersey.