

SENATE, No. 2578

STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED MAY 14, 2018

Sponsored by:

Senator STEPHEN M. SWEENEY

District 3 (Cumberland, Gloucester and Salem)

Senator LORETTA WEINBERG

District 37 (Bergen)

Co-Sponsored by:

Senator Oroho

SYNOPSIS

Limits payments for unused sick leave earned after effective date by public officers or employees represented by union; for all public employees, limits vacation leave carry-forward and requires suspension and forfeiture of certain supplemental compensation.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/11/2019)

1 AN ACT concerning the sick leave and vacation leave of public
2 officers and employees, and amending and supplementing
3 various parts of the statutory law.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7
8 1. Section 3 of P.L.2010, c.3 (C.18A:30-3.6) is amended to
9 read as follows:

10 3. a. Notwithstanding any law, rule or regulation to the
11 contrary, a board of education, or an agency or instrumentality
12 thereof, shall not pay supplemental compensation to any officer or
13 employee for accumulated unused sick leave in an amount in excess
14 of \$15,000. Supplemental compensation shall be payable only at
15 the time of retirement from a State-administered or locally-
16 administered retirement system based on the leave credited on the
17 date of retirement. This provision shall apply only to officers and
18 employees who commence service with the board of education, or
19 the agency or instrumentality thereof, on or after the effective date
20 of P.L.2010, c.3. This section shall not be construed to affect the
21 terms in any collective negotiations agreement with a relevant
22 provision in force on that effective date.

23 b. (1) As used in this subsection, "officer or employee" means
24 an officer or employee for whom there is a majority representative
25 for collective negotiations purposes who was in service with the
26 employer prior to the effective date of P.L.2010, c.3 and
27 continuously thereafter or who commenced service on or after that
28 effective date.

29 (2) Notwithstanding the provisions of subsection a. of this
30 section or any other law to the contrary, a board of education, or an
31 agency or instrumentality thereof, shall not pay supplemental
32 compensation to any officer or employee for accumulated unused
33 sick leave earned after the effective date of P.L. , c. (pending
34 before the Legislature as this bill) or after the expiration of a
35 collective negotiations agreement with a relevant provision
36 applicable to that officer or employee in effect on that date, except
37 as provided in this subsection. An officer or employee who on the
38 effective date of P.L. , c. (pending before the Legislature as this
39 bill), or upon the expiration of a collective negotiations agreement
40 with a relevant provision applicable to that officer or employee in
41 effect on that date, has accrued supplemental compensation based
42 upon accumulated unused sick leave earned prior to the effective
43 date shall continue to be eligible to receive the amount so accrued
44 based on that sick leave that remains credited on the date of
45 retirement. Supplemental compensation shall be payable only at the

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.

1 time of retirement from a State-administered or locally-
2 administered retirement system based on the leave credited on the
3 date of retirement.

4 If the accrued supplemental compensation based upon
5 accumulated unused sick leave earned prior to the effective date is
6 \$7,500 or more at the time of retirement based on that sick leave
7 that remains credited on the date of retirement, accumulated unused
8 sick leave earned after the effective date shall have no monetary
9 value and shall not be paid for the purpose of supplemental
10 compensation or for the purposes set forth in paragraphs (3) and (4)
11 of this subsection. If the accrued supplemental compensation based
12 upon accumulated unused sick leave earned prior to the effective
13 date is less than \$7,500 at the time of retirement based on that sick
14 leave that remains credited on the date of retirement, accumulated
15 unused sick leave earned after the effective date shall have no
16 monetary value except for the purposes set forth in paragraphs (3)
17 and (4) of this subsection, but only to a maximum amount equal to
18 the difference between \$7,500 and the accrued supplemental
19 compensation based upon accumulated unused sick leave earned
20 prior to the effective date that remains credited on the date of
21 retirement.

22 (3) Upon the retirement of an officer or employee who is
23 eligible to receive after retirement health care benefits coverage that
24 is fully or partly paid by the employer or a public entity, the
25 employer shall calculate the dollar value of the number of days of
26 unused sick leave earned after the effective date of P.L. ,
27 c. (pending before the Legislature as this bill) or after the
28 expiration of a collective negotiations agreement with a relevant
29 provision applicable to that officer or employee in effect on that
30 date, without the application of interest, which value shall not
31 exceed the limit specified in paragraph (2) of this subsection. The
32 dollar value shall be calculated using the number of such days that
33 may be used for the calculation and the per diem or other rate, if
34 any, that have been agreed upon through collective negotiations
35 between the employer and the majority representative of the
36 relevant officer or employee, if the agreement contains provisions
37 regarding these items. Following the calculation of the total dollar
38 value, the employer shall divide the total value by 60 in order to
39 determine a monthly payment of equal amounts for a period of five
40 years. In addition to any other contributions by the employer,
41 contributions by that employer in the amount of such monthly
42 payments, not to exceed the value limit in the aggregate, shall be
43 paid from appropriations and applied towards the contributions for
44 health care benefits coverage required of such retired officer or
45 employee, whether as a percentage of premium, percentage of the
46 retirement allowance, or a specific amount, to the extent necessary
47 to pay such contributions. The remaining amount, if any, necessary
48 to pay such contributions shall be paid by such retired officer or

1 employee. If the survivor of the public officer or employee is
2 eligible to continue, after the death of the officer or employee, to
3 receive health care benefits coverage that is fully or partly paid by
4 the employer or a public entity, the monthly payments shall
5 continue if provided for in a collective negotiations agreement, and
6 shall be applied towards contributions required of that survivor, but
7 only for the period of time remaining for such payments after the
8 death of the officer or employee or for the period of time permitted
9 by law or contract, whichever time period is shorter.

10 The employer shall notify the public entity responsible for the
11 payments for the health care benefits coverage provided to such
12 officers and employees if other than the employer. The employer,
13 public entity, Division of Pensions and Benefits in the Department
14 of the Treasury, and health care benefits program administrator
15 shall cooperate to develop procedures to implement the provisions
16 of this paragraph.

17 (4) Upon the retirement of an officer or employee who is not
18 eligible to receive after retirement, or for whom the employer or a
19 public entity does not provide, health care benefits coverage after
20 retirement that is fully or partly paid by the employer or a public
21 entity, the provisions of paragraph (3) of this subsection shall not
22 apply and a Health Reimbursement Arrangement, or substantially
23 similar account, shall be established by the employer and governed
24 in accordance with the requirements of the Internal Revenue
25 Service and the Internal Revenue Code. The purpose of the
26 arrangement shall be to reimburse the retiree or eligible person for
27 qualified medical expenses incurred up to the dollar value, in the
28 aggregate, of the accumulated unused sick leave, if any, as
29 computed under paragraph (3) in accordance with a collective
30 negotiations agreement, but only up to one fifth of that value
31 annually. The arrangement shall reimburse the retiree or eligible
32 person for copayments, coinsurance, deductibles, and services as set
33 forth in the plan document and permitted by the Internal Revenue
34 Service and code. The plan document shall provide for the carry
35 forward of the total amount of the unused reimbursement from year
36 to year for a period of five years. Unused reimbursement shall not
37 be payable as cash to the retiree or the retiree's estate or
38 beneficiaries. The arrangement shall be available to the survivor of
39 the retiree, in accordance with the Internal Revenue Service or
40 code, if permitted by law or a collective negotiations agreement but
41 only for the period of time of the five years that remains at the
42 death of the retiree or for the period of time permitted by law or
43 contract, whichever time period is shorter.

44 If the officer or employee is a veteran of the Armed Forces of
45 United States and been issue a certificate of such veteran status by
46 the Adjutant of the Department of Military and Veterans' Affairs, in
47 accordance with section 5 of P.L. , c. (pending before the
48 Legislature as this bill), the veteran shall receive from the employer

1 supplemental compensation in an amount, if any, as computed
2 under paragraph (3) in accordance with a collective negotiations
3 agreement and shall not be eligible for an individual Health
4 Reimbursement Arrangement as provided above.

5 (5) All officers and employees in service on the effective date of
6 P.L. , c. (pending before the Legislature as this bill) who have a
7 contractual right to receive, if eligible, supplemental compensation
8 for accumulated unused sick leave shall continue to have that
9 contractual right.

10 (6) The provisions of this subsection shall apply also to those
11 officers and employees covered under section 44 of P.L.2007, c.92
12 (C.18A:30-3.5) for whom there is a majority representative for
13 collective negotiations purposes, if any.

14 c. Payment of supplemental compensation for accumulated
15 unused sick leave shall be suspended if an officer or employee has
16 been indicted for a crime that involves or touches such office or
17 employment as defined in section 6 of P.L.2007, c.49 (C.2C:43-
18 6.5).

19 Supplemental compensation for accumulated unused sick leave
20 shall be forfeited if an officer or employee is convicted of a crime
21 that subjects the officer or employee to the provisions of section 6
22 of P.L.2007, c.49, or for a substantially similar offense under the
23 laws of another state or the United States which would have been
24 such a crime under the laws of this State.

25 (cf: P.L.2010, c.3, s.3)

26

27 2. Section 2 of P.L.2010, c.3 (C.40A:9-10.4) is amended to
28 read as follows:

29 2. a. Notwithstanding any law, rule or regulation to the
30 contrary, a political subdivision of the State, or an agency, authority
31 or instrumentality thereof, that has not adopted the provisions of
32 Title 11A of the New Jersey Statutes, shall not pay supplemental
33 compensation to any officer or employee for accumulated unused
34 sick leave in an amount in excess of \$15,000. Supplemental
35 compensation shall be payable only at the time of retirement from a
36 State-administered or locally-administered retirement system based
37 on the leave credited on the date of retirement. This provision shall
38 apply only to officers and employees who commence service with
39 the political subdivision of the State, or the agency, authority or
40 instrumentality thereof, on or after the effective date of P.L.2010,
41 c.3. This section shall not be construed to affect the terms in any
42 collective negotiations agreement with a relevant provision in force
43 on that effective date.

44 b. (1) As used in this subsection, “officer or employee”
45 means an officer or employee for whom there is a majority
46 representative for collective negotiations purposes who was in
47 service with the employer prior to the effective date of P.L.2010,

1 c.3 and continuously thereafter or who commenced service on or
2 after that effective date.

3 (2) Notwithstanding the provisions of subsection a. of this
4 section or any other law to the contrary, a political subdivision of
5 the State, or an agency, authority or instrumentality thereof, that has
6 not adopted the provisions of Title 11A of the New Jersey Statutes,
7 shall not pay supplemental compensation to any officer or employee
8 for accumulated unused sick leave earned after the effective date of
9 P.L. , c. (pending before the Legislature as this bill) or after the
10 expiration of a collective negotiations agreement with a relevant
11 provision applicable to that officer or employee in effect on that
12 date, except as provided in this subsection. An officer or employee
13 who on the effective date of P.L. , c. (pending before the
14 Legislature as this bill), or upon the expiration of a collective
15 negotiations agreement with a relevant provision applicable to that
16 officer or employee in effect on that date, has accrued supplemental
17 compensation based upon accumulated unused sick leave earned
18 prior to the effective date shall continue to be eligible to receive the
19 amount so accrued based on that sick leave that remains credited on
20 the date of retirement. Supplemental compensation shall be payable
21 only at the time of retirement from a State-administered or locally-
22 administered retirement system based on the leave credited on the
23 date of retirement.

24 If the accrued supplemental compensation based upon
25 accumulated unused sick leave earned prior to the effective date is
26 \$7,500 or more at the time of retirement based on that sick leave
27 that remains credited on the date of retirement, accumulated unused
28 sick leave earned after the effective date shall have no monetary
29 value and shall not be paid for the purpose of supplemental
30 compensation or for the purposes set forth in paragraphs (3) and (4)
31 of this subsection. If the accrued supplemental compensation based
32 upon accumulated unused sick leave earned prior to the effective
33 date is less than \$7,500 at the time of retirement based on that sick
34 leave that remains credited on the date of retirement, accumulated
35 unused sick leave earned after the effective date shall have no
36 monetary value except for the purposes set forth in paragraphs (3)
37 and (4) of this subsection, but only to a maximum amount equal to
38 the difference between \$7,500 and the accrued supplemental
39 compensation based upon accumulated unused sick leave earned
40 prior to the effective date that remains credited on the date of
41 retirement.

42 (3) Upon the retirement of an officer or employee who is
43 eligible to receive after retirement health care benefits coverage that
44 is fully or partly paid by the employer or a public entity, the
45 employer shall calculate the dollar value of the number of days of
46 unused sick leave earned after the effective date of
47 P.L. , c. (pending before the Legislature as this bill) or after the
48 expiration of a collective negotiations agreement with a relevant

1 provision applicable to that officer or employee in effect on that
2 date, without the application of interest, which value shall not
3 exceed the limit specified in paragraph (2) of this subsection. The
4 dollar value shall be calculated using the number of such days that
5 may be used for the calculation and the per diem or other rate, if
6 any, that have been agreed upon through collective negotiations
7 between the employer and the majority representative of the
8 relevant officer or employee, if the agreement contains provisions
9 regarding these items. Following the calculation of the total dollar
10 value, the employer shall divide the total value by 60 in order to
11 determine a monthly payment of equal amounts for a period of five
12 years. In addition to any other contributions by the employer,
13 contributions by that employer in the amount of such monthly
14 payments, not to exceed the value limit in the aggregate, shall be
15 paid from appropriations and applied towards the contributions for
16 health care benefits coverage required of such retired officer or
17 employee, whether as a percentage of premium, percentage of the
18 retirement allowance, or a specific amount, to the extent necessary
19 to pay such contributions. The remaining amount, if any, necessary
20 to pay such contributions shall be paid by such retired officer or
21 employee. If the survivor of the public officer or employee is
22 eligible to continue, after the death of the officer or employee, to
23 receive health care benefits coverage that is fully or partly paid by
24 the employer or a public entity, the monthly payments shall
25 continue if provided for in a collective negotiations agreement, and
26 shall be applied towards contributions required of that survivor, but
27 only for the period of time remaining for such payments after the
28 death of the officer or employee or for the period of time permitted
29 by law or contract, whichever time period is shorter.

30 The employer shall notify the public entity responsible for the
31 payments for the health care benefits coverage provided to such
32 officers and employees if other than the employer. The employer,
33 public entity, Division of Pensions and Benefits in the Department
34 of the Treasury, and health care benefits program administrator
35 shall cooperate to develop procedures to implement the provisions
36 of this paragraph.

37 (4) Upon the retirement of an officer or employee who is not
38 eligible to receive after retirement, or for whom the employer or a
39 public entity does not provide, health care benefits coverage after
40 retirement that is fully or partly paid by the employer or a public
41 entity, the provisions of paragraph (3) of this subsection shall not
42 apply and a Health Reimbursement Arrangement, or substantially
43 similar account, shall be established by the employer and governed
44 in accordance with the requirements of the Internal Revenue
45 Service and the Internal Revenue Code. The purpose of the
46 arrangement shall be to reimburse the retiree or eligible person for
47 qualified medical expenses incurred up to the dollar value, in the
48 aggregate, of the accumulated unused sick leave, if any, as

1 computed under paragraph (3) in accordance with a collective
2 negotiations agreement, but only up to one fifth of that value
3 annually. The arrangement shall reimburse the retiree or eligible
4 person for copayments, coinsurance, deductibles, and services as set
5 forth in the plan document and permitted by the Internal Revenue
6 Service and code. The plan document shall provide for the carry
7 forward of the total amount of the unused reimbursement from year
8 to year for a period of five years. Unused reimbursement shall not
9 be payable as cash to the retiree or the retiree's estate or
10 beneficiaries. The arrangement shall be available to the survivor of
11 the retiree, in accordance with the Internal Revenue Service or
12 code, if permitted by law or a collective negotiations agreement but
13 only for the period of time of the five years that remains at the
14 death of the retiree or for the period of time permitted by law or
15 contract, whichever time period is shorter.

16 If the officer or employee is a veteran of the Armed Forces of
17 United States and been issue a certificate of such veteran status by
18 the Adjutant of the Department of Military and Veterans' Affairs, in
19 accordance with section 5 of P.L. , c. (pending before the
20 Legislature as this bill), the veteran shall receive from the employer
21 supplemental compensation in an amount, if any, as computed
22 under paragraph (3) in accordance with a collective negotiations
23 agreement and shall not be eligible for an individual Health
24 Reimbursement Arrangement as provided above.

25 (5) All officers and employees in service on the effective date of
26 P.L. , c. (pending before the Legislature as this bill) who have a
27 contractual right to receive, if eligible, supplemental compensation
28 for accumulated unused sick leave shall continue to have that
29 contractual right.

30 (6) The provisions of this subsection shall apply also to those
31 officers and employees covered under section 43 of P.L.2007, c.92
32 (C.40A:9-10.2) for whom there is a majority representative for
33 collective negotiations purposes, if any. For officers or employees
34 who elect health care benefits coverage in retirement under the
35 State Health Benefits Program in accordance with section 1 of
36 P.L.1997, c.330 (C.52:14-17.32i), paragraph (3) of this subsection
37 shall apply. For officers or employees who do not elect health care
38 benefits coverage in retirement under the State Health Benefits
39 Program in accordance with section 1 of P.L.1997, c.330 (C.52:14-
40 17.32i), paragraph (4) of this subsection shall apply.

41 c. Payment of supplemental compensation for accumulated
42 unused sick leave shall be suspended if an officer or employee has
43 been indicted for a crime that involves or touches such office or
44 employment as defined in section 6 of P.L.2007, c.49 (C.2C:43-
45 6.5).

46 Supplemental compensation for accumulated unused sick leave
47 shall be forfeited if an officer or employee is convicted of a crime
48 that subjects the officer or employee to the provisions of section 6

1 of P.L.2007, c.49, or for a substantially similar offense under the
2 laws of another state or the United States which would have been
3 such a crime under the laws of this State.

4 (cf: P.L.2010, c.3, s.2)

5

6 3. Section 1 of P.L.2010, c.3 (C.11A:6-19.2) is amended to
7 read as follows:

8 1. a. Notwithstanding any law, rule or regulation to the
9 contrary, a political subdivision of the State, or an agency, authority
10 or instrumentality thereof, that has adopted the provisions of Title
11 11A of the New Jersey Statutes, shall not pay supplemental
12 compensation to any officer or employee for accumulated unused
13 sick leave in an amount in excess of \$15,000. Supplemental
14 compensation shall be payable only at the time of retirement from a
15 State-administered or locally-administered retirement system based
16 on the leave credited on the date of retirement. This provision shall
17 apply only to officers and employees who commence service with
18 the political subdivision of the State, or the agency, authority or
19 instrumentality thereof, on or after the effective date of P.L.2010,
20 c.3. This section shall not be construed to affect the terms in any
21 collective negotiations agreement with a relevant provision in force
22 on that effective date.

23 b. (1) As used in this subsection, “officer or employee”
24 means an officer or employee for whom there is a majority
25 representative for collective negotiations purposes who was in
26 service with the employer prior to the effective date of P.L.2010,
27 c.3 and continuously thereafter or who commenced service on or
28 after that effective date.

29 (2) Notwithstanding the provisions of subsection a. of this
30 section or any other law to the contrary, a political subdivision of
31 the State, or an agency, authority or instrumentality thereof, that has
32 adopted the provisions of Title 11A of the New Jersey Statutes,
33 shall not pay supplemental compensation to any officer or employee
34 for accumulated unused sick leave earned after the effective date of
35 P.L. , c. (pending before the Legislature as this bill) or after the
36 expiration of a collective negotiations agreement with a relevant
37 provision applicable to that officer or employee in effect on that
38 date, except as provided in this subsection. An officer or employee
39 who on the effective date of P.L. , c. (pending before the
40 Legislature as this bill), or upon the expiration of a collective
41 negotiations agreement with a relevant provision applicable to that
42 officer or employee in effect on that date, has accrued supplemental
43 compensation based upon accumulated unused sick leave earned
44 prior to the effective date shall continue to be eligible to receive the
45 amount so accrued based on that sick leave that remains credited on
46 the date of retirement. Supplemental compensation shall be payable
47 only at the time of retirement from a State-administered or locally-

1 administered retirement system based on the leave credited on the
2 date of retirement.

3 If the accrued supplemental compensation based upon
4 accumulated unused sick leave earned prior to the effective date is
5 \$7,500 or more at the time of retirement based on that sick leave
6 that remains credited on the date of retirement, accumulated unused
7 sick leave earned after the effective date shall have no monetary
8 value and shall not be paid for the purpose of supplemental
9 compensation or for the purposes set forth in paragraphs (3) and (4)
10 of this subsection. If the accrued supplemental compensation based
11 upon accumulated unused sick leave earned prior to the effective
12 date is less than \$7,500 at the time of retirement based on that sick
13 leave that remains credited on the date of retirement, accumulated
14 unused sick leave earned after the effective date shall have no
15 monetary value except for the purposes set forth in paragraphs (3)
16 and (4) of this subsection, but only to a maximum amount equal to
17 the difference between \$7,500 and the accrued supplemental
18 compensation based upon accumulated unused sick leave earned
19 prior to the effective date that remains credited on the date of
20 retirement.

21 (3) Upon the retirement of an officer or employee who is
22 eligible to receive after retirement health care benefits coverage that
23 is fully or partly paid by the employer or a public entity, the
24 employer shall calculate the dollar value of the number of days of
25 unused sick leave earned after the effective date of
26 P.L. , c. (pending before the Legislature as this bill) or after the
27 expiration of a collective negotiations agreement with a relevant
28 provision applicable to that officer or employee in effect on that
29 date, without the application of interest, which value shall not
30 exceed the limit specified in paragraph (2) of this subsection. The
31 dollar value shall be calculated using the number of such days that
32 may be used for the calculation and the per diem or other rate, if
33 any, that have been agreed upon through collective negotiations
34 between the employer and the majority representative of the
35 relevant officer or employee, if the agreement contains provisions
36 regarding these items. Following the calculation of the total dollar
37 value, the employer shall divide the total value by 60 in order to
38 determine a monthly payment of equal amounts for a period of five
39 years. In addition to any other contributions by the employer,
40 contributions by that employer in the amount of such monthly
41 payments, not to exceed the value limit in the aggregate, shall be
42 paid from appropriations and applied towards the contributions for
43 health care benefits coverage required of such retired officer or
44 employee, whether as a percentage of premium, percentage of the
45 retirement allowance, or a specific amount, to the extent necessary
46 to pay such contributions. The remaining amount, if any, necessary
47 to pay such contributions shall be paid by such retired officer or
48 employee. If the survivor of the public officer or employee is

1 eligible to continue, after the death of the officer or employee, to
2 receive health care benefits coverage that is fully or partly paid by
3 the employer or a public entity, the monthly payments shall
4 continue if provided for in a collective negotiations agreement, and
5 shall be applied towards contributions required of that survivor, but
6 only for the period of time remaining for such payments after the
7 death of the officer or employee or for the period of time permitted
8 by law or contract, whichever time period is shorter.

9 The employer shall notify the public entity responsible for the
10 payments for the health care benefits coverage provided to such
11 officers and employees if other than the employer. The employer,
12 public entity, Division of Pensions and Benefits in the Department
13 of the Treasury, and health care benefits program administrator
14 shall cooperate to develop procedures to implement the provisions
15 of this paragraph.

16 (4) Upon the retirement of an officer or employee who is not
17 eligible to receive after retirement, or for whom the employer or a
18 public entity does not provide, health care benefits coverage after
19 retirement that is fully or partly paid by the employer or a public
20 entity, the provisions of paragraph (3) of this subsection shall not
21 apply and a Health Reimbursement Arrangement, or substantially
22 similar account, shall be established by the employer and governed
23 in accordance with the requirements of the Internal Revenue
24 Service and the Internal Revenue Code. The purpose of the
25 arrangement shall be to reimburse the retiree or eligible person for
26 qualified medical expenses incurred up to the dollar value, in the
27 aggregate, of the accumulated unused sick leave, if any, as
28 computed under paragraph (3) in accordance with a collective
29 negotiations agreement, but only up to one fifth of that value
30 annually. The arrangement shall reimburse the retiree or eligible
31 person for copayments, coinsurance, deductibles, and services as set
32 forth in the plan document and permitted by the Internal Revenue
33 Service and code. The plan document shall provide for the carry
34 forward of the total amount of the unused reimbursement from year
35 to year for a period of five years. Unused reimbursement shall not
36 be payable as cash to the retiree or the retiree's estate or
37 beneficiaries. The arrangement shall be available to the survivor of
38 the retiree, in accordance with the Internal Revenue Service or
39 code, if permitted by law or a collective negotiations agreement but
40 only for the period of time of the five years that remains at the
41 death of the retiree or for the period of time permitted by law or
42 contract, whichever time period is shorter.

43 If the officer or employee is a veteran of the Armed Forces of
44 United States and been issue a certificate of such veteran status by
45 the Adjutant of the Department of Military and Veterans' Affairs, in
46 accordance with section 5 of P.L. , c. (pending before the
47 Legislature as this bill), the veteran shall receive from the employer
48 supplemental compensation in an amount, if any, as computed

1 under paragraph (3) in accordance with a collective negotiations
2 agreement and shall not be eligible for an individual Health
3 Reimbursement Arrangement as provided above.

4 (5) All officers and employees in service on the effective date of
5 P.L. , c. (pending before the Legislature as this bill) who have a
6 contractual right to receive, if eligible, supplemental compensation
7 for accumulated unused sick leave shall continue to have that
8 contractual right.

9 (6) The provisions of this subsection shall apply also to those
10 officers and employees covered under section 42 of P.L.2007, c.92
11 (C.11A:6-19.1) for whom there is a majority representative for
12 collective negotiations purposes, if any. For officers or employees
13 who elect health care benefits coverage in retirement under the
14 State Health Benefits Program in accordance with section 1 of
15 P.L.1997, c.330 (C.52:14-17.32i), paragraph (3) of this subsection
16 shall apply. For officers or employees who do not elect health care
17 benefits coverage in retirement under the State Health Benefits
18 Program in accordance with section 1 of P.L.1997, c.330 (C.52:14-
19 17.32i), paragraph (4) of this subsection shall apply.

20 c. Payment of supplemental compensation for accumulated
21 unused sick leave shall be suspended if an officer or employee has
22 been indicted for a crime that involves or touches such office or
23 employment as defined in section 6 of P.L.2007, c.49 (C.2C:43-
24 6.5).

25 Supplemental compensation for accumulated unused sick leave
26 shall be forfeited if an officer or employee is convicted of a crime
27 that subjects the officer or employee to the provisions of section 6
28 of P.L.2007, c.49, or for a substantially similar offense under the
29 laws of another state or the United States which would have been
30 such a crime under the laws of this State.

31 (cf: P.L.2010, c.3, s.1)

32

33 4. N.J.S.11A:6-19 is amended to read as follows:

34 11A:6-19. a. Supplemental compensation; computation;
35 limitation. Supplemental compensation shall be computed at the
36 rate of one-half of the eligible employee's daily rate of pay for each
37 day of accumulated sick leave based upon the compensation
38 received during the last year of employment prior to the effective
39 date of retirement, but supplemental compensation shall not exceed
40 \$15,000.00. If an employee dies after the effective date of
41 retirement but before payment is made, payment shall be made to
42 the employee's estate.

43 b. (1) As used in this subsection, "employee" means an
44 employee for whom there is a majority representative for collective
45 negotiations purposes.

46 (2) Notwithstanding the provisions of N.J.S.11A:6-16 to the
47 contrary, supplemental compensation shall not be paid to any State
48 employee for accumulated unused sick leave earned after the

1 effective date of P.L. , c. (pending before the Legislature as this
2 bill) or after the expiration of a collective negotiations agreement
3 with a relevant provision applicable to that employee in effect on
4 that date, except as provided in this subsection. An employee who
5 on the effective date of P.L. , c. (pending before the Legislature
6 as this bill), or upon the expiration of a collective negotiations
7 agreement with a relevant provision applicable to that employee in
8 effect on that date, has accrued supplemental compensation based
9 upon accumulated unused sick leave earned prior to the effective
10 date shall continue to be eligible to receive the amount so accrued
11 based on that sick leave that remains credited on the date of
12 retirement. Supplemental compensation shall be payable only at the
13 time of retirement from a State-administered or locally-
14 administered retirement system based on the leave credited on the
15 date of retirement.

16 If the accrued supplemental compensation based upon
17 accumulated unused sick leave earned prior to the effective date is
18 \$7,500 or more at the time of retirement based on that sick leave
19 that remains credited on the date of retirement, accumulated unused
20 sick leave earned after the effective date shall have no monetary
21 value and shall not be paid for the purpose of supplemental
22 compensation or for the purposes set forth in paragraphs (3) and (4)
23 of this subsection. If the accrued supplemental compensation based
24 upon accumulated unused sick leave earned prior to the effective
25 date is less than \$7,500 at the time of retirement based on that sick
26 leave that remains credited on the date of retirement, accumulated
27 unused sick leave earned after the effective date shall have no
28 monetary value except for the purposes set forth in paragraphs (3)
29 and (4) of this subsection, but only to a maximum amount equal to
30 the difference between \$7,500 and the accrued supplemental
31 compensation based upon accumulated unused sick leave earned
32 prior to the effective date that remains credited on the date of
33 retirement.

34 (3) Upon the retirement of an employee who is eligible to
35 receive after retirement health care benefits coverage that is fully or
36 partly paid by the employer or a public entity, the employer shall
37 calculate the dollar value of the number of days of unused sick
38 leave earned after the effective date of P.L. , c. (pending before
39 the Legislature as this bill) or after the expiration of a collective
40 negotiations agreement with a relevant provision applicable to that
41 employee in effect on that date, without the application of interest,
42 which value shall not exceed the limit specified in paragraph (2) of
43 this subsection. The dollar value shall be calculated in accordance
44 with subsection a. of this section. Following the calculation of the
45 total dollar value, the employer shall divide the total value by 60 in
46 order to determine a monthly payment of equal amounts for a
47 period of five years. In addition to any other contributions by the
48 employer, contributions by that employer in the amount of such

1 monthly payments, not to exceed the value limit in the aggregate,
2 shall be paid from appropriations and applied towards the
3 contributions for health care benefits coverage required of such
4 retired officer or employee, whether as a percentage of premium,
5 percentage of the retirement allowance, or a specific amount, to the
6 extent necessary to pay such contributions. The remaining amount,
7 if any, necessary to pay such contributions shall be paid by such
8 retired employee. If the survivor of the public employee is eligible
9 to continue, after the death of the employee, to receive health care
10 benefits coverage that is fully or partly paid by the employer or a
11 public entity, the monthly payments shall continue if provided for
12 in a collective negotiations agreement, and shall be applied towards
13 contributions required of that survivor, but only for the period of
14 time remaining for such payments after the death of the employee
15 or for the period of time permitted by law or contract, whichever
16 time period is shorter.

17 The employer shall notify the public entity responsible for the
18 payments for the health care benefits coverage provided to such
19 employees if other than the employer. The employer, Division of
20 Pensions and Benefits in the Department of the Treasury, and health
21 care benefits program administrator shall cooperate to develop
22 procedures to implement the provisions of this paragraph.

23 (4) Upon the retirement of an employee who is not eligible to
24 receive after retirement, or for whom the employer or a public
25 entity does not provide, health care benefits coverage after
26 retirement that is fully or partly paid by the employer or a public
27 entity, the provisions of paragraph (3) of this subsection shall not
28 apply and a Health Reimbursement Arrangement, or substantially
29 similar account, shall be established by the employer and governed
30 in accordance with the requirements of the Internal Revenue
31 Service and the Internal Revenue Code. The purpose of the
32 arrangement shall be to reimburse the retiree or eligible person for
33 qualified medical expenses incurred up to the dollar value, in the
34 aggregate, of the accumulated unused sick leave, if any, as
35 computed under paragraph (3) in accordance with a collective
36 negotiations agreement, but only up to one fifth of that value
37 annually. The arrangement shall reimburse the retiree or eligible
38 person for copayments, coinsurance, deductibles, and services as set
39 forth in the plan document and permitted by the Internal Revenue
40 Service and code. The plan document shall provide for the carry
41 forward of the total amount of the unused reimbursement from year
42 to year for a period of five years. Unused reimbursement shall not
43 be payable as cash to the retiree or the retiree's estate or
44 beneficiaries. The arrangement shall be available to the survivor of
45 the retiree, in accordance with the Internal Revenue Service or
46 code, if permitted by law or a collective negotiations agreement but
47 only for the period of time of the five years that remains at the

1 death of the retiree or for the period of time permitted by law or
2 contract, whichever time period is shorter.

3 If the employee is a veteran of the Armed Forces of United
4 States and been issue a certificate of such veteran status by the
5 Adjutant of the Department of Military and Veterans' Affairs, in
6 accordance with section 5 of P.L. , c. (pending before the
7 Legislature as this bill), the veteran shall receive from the employer
8 supplemental compensation in an amount, if any, as computed
9 under paragraph (3) in accordance with a collective negotiations
10 agreement and shall not be eligible for an individual Health
11 Reimbursement Arrangement as provided above.

12 (5) The provisions of this subsection shall apply also to those
13 officers and employees who are provided supplemental
14 compensation for sick leave under N.J.S.11A:6-17 for whom, if
15 any, there is a majority representative for collective negotiations
16 purposes.

17 (6) All employees in service on the effective date of
18 P.L. , c. (pending before the Legislature as this bill) who have a
19 contractual right to receive, if eligible, supplemental compensation
20 for accumulated unused sick leave shall continue to have that
21 contractual right.

22 (cf: N.J.S.11A:6-19)

23

24 5. (New section) The Adjutant General of the Department of
25 Military and Veterans' Affairs shall be responsible for determining
26 whether any person seeking to be considered a veteran for the
27 purpose of receiving supplemental compensation for accumulated
28 unused sick leave at the time of retirement, under paragraphs (4) of
29 subsections b. of section 3 of P.L.2010, c.3 (C.18A:30-3.6), section
30 2 of P.L.2010, c.3 (C.40A:9-10.4), section 1 of P.L.2010, c.3
31 (C.11A:6-19.2), or N.J.S.11A:6-19, meets the definition set forth
32 herein and adjudicating an appeal from any person disputing this
33 determination. The Adjutant General shall determine what
34 evidence of the record of service shall be sufficient for a
35 determination. The determination of the Adjutant General shall
36 apply only prospectively from the date of initial determination or
37 date of determination from an appeal, as appropriate, and shall be
38 binding upon a public employer. For the purpose of this section,
39 "veteran" means any person who has been honorably discharged or
40 released under honorable circumstances from active service in any
41 branch of the Armed Forces of the United States.

42

43 6. (New section) The Attorney General shall develop
44 guidelines or establish a procedure designed to provide a State
45 agency as defined in section 2 of P.L.1971, c.182 (C.52:13D-13), a
46 local government agency as defined in section 3 of P.L.1991, c.29
47 (C.40A:9-22.3), a local school district as defined in section 3 of
48 P.L.1991, c.393 (C.18A:12-23) or other public employer, as

1 appropriate, with notice of any indictment or conviction of any
2 active or former officer or employee of such entity for a crime that
3 involves or touches such office or employment as set forth in
4 subsection b. of section 6 of P.L.2007, c.49 (C.2C:43-6.5) that will
5 subject the officer or employee to sentencing under the provisions
6 of section 6 of P.L.2007, c.49 (C.2C:43-6.5).

7
8 7. (New section) a. The provisions of sections 1 through 3 and
9 9 through 17, inclusive, of P.L. , c. (pending before the
10 Legislature as this bill) regarding the suspension of payment of
11 supplemental compensation for accumulated unused sick or
12 vacation leave to an officer or employee who has been indicted for
13 a crime that involves or touches such office or employment as
14 defined in section 6 of P.L.2007, c.49 (C.2C:43-6.5) shall be
15 prospective in application for any crime or offense committed after
16 the effective date of P.L. , c. (pending before the Legislature as
17 this bill).

18 b. The provisions of sections 1 through 3 and 9 through 17,
19 inclusive, of P.L. , c. (pending before the Legislature as this
20 bill) providing for the forfeiture of supplemental compensation for
21 accumulated unused sick or vacation leave of an officer or
22 employee who has been convicted of a crime that subjects an officer
23 or employee to the provisions of section 6 of P.L.2007, c.49
24 (C.2C:43-6.5) shall be prospective in application for any crime or
25 offense committed after the effective date of P.L. , c. (pending
26 before the Legislature as this bill).

27
28 8. Section 44 of P.L.2007, c.92 (C.18A:30-3.5) is amended to
29 read as follows:

30 44. a. Notwithstanding any law, rule or regulation to the
31 contrary, a board of education, or an agency or instrumentality
32 thereof, shall not pay supplemental compensation to any officer or
33 employee for accumulated unused sick leave in an amount in excess
34 of \$15,000, except that an officer or employee who:

35 (1) on the effective date of P.L.2007, c.92 (C.43:15C-1 et al.),
36 or upon the expiration of a collective negotiations agreement or
37 contract of employment applicable to that officer or employee in
38 effect on that date has accrued supplemental compensation based
39 upon accumulated unused sick leave shall, upon retirement, be
40 eligible to receive for any unused leave not more than the amount
41 so accumulated or not more than \$15,000, whichever is greater; or

42 (2) becomes an officer or employee after the effective date of
43 P.L.2007, c.92 (C.43:15C-1 et al.) and has previously accrued
44 supplemental compensation based upon accumulated unused sick
45 leave shall, upon retirement, be eligible to receive for any unused
46 leave not more than the amount so previously accumulated or not
47 more than \$15,000, whichever is greater.

1 Supplemental compensation shall be payable only at the time of
2 retirement from a State-administered or locally-administered
3 retirement system based on the leave credited on the date of
4 retirement.

5 As used in this section, "officer or employee" means an elected
6 official; or a person appointed by the Governor with the advice and
7 consent of the Senate, or appointed by the Governor to serve at the
8 pleasure of the Governor only during his or her term of office; or a
9 person appointed by an elected public official or elected governing
10 body of the political subdivision, with the specific consent or
11 approval of the elected governing body of the political subdivision
12 that is substantially similar in nature to the advice and consent of
13 the Senate for appointments by the Governor of the State as that
14 similarity is determined by the elected governing body and set forth
15 in an adopted resolution, pursuant to guidelines or policy that shall
16 be established by the Department of Education, but not including a
17 person who is employed or appointed in the regular or normal
18 course of employment or appointment procedures and consented to
19 or approved in a general or routine manner appropriate for and
20 followed by the political subdivision, or the agency or
21 instrumentality thereof.

22 b. Payment of supplemental compensation for accumulated
23 unused sick leave shall be suspended if an officer or employee has
24 been indicted for a crime that involves or touches such office or
25 employment as defined in section 6 of P.L.2007, c.49 (C.2C:43-
26 6.5).

27 Supplemental compensation for accumulated unused sick leave
28 shall be forfeited if an officer or employee is convicted of a crime
29 that subjects the officer or employee to the provisions of section 6
30 of P.L.2007, c.49, or for a substantially similar offense under the
31 laws of another state or the United States which would have been
32 such a crime under the laws of this State.

33 (cf: P.L.2007, c.92, s.44)

34

35 9. Section 46 of P.L.2007, c.92 (C.18A:30-9) is amended to
36 read as follows:

37 46. a. Notwithstanding any law, rule or regulation to the
38 contrary, an officer or employee of a board of education, or an
39 agency or instrumentality thereof, who does not take vacation leave
40 that accrues on or after the effective date of P.L.2007, c.92
41 (C.43:15C-1 et al.), or on or after the date on which the person
42 becomes an officer or employee, in a given year because of business
43 demands shall be granted that accrued leave only during the next
44 succeeding year.

45 However, vacation leave not taken in a given year because of
46 duties directly related to a state of emergency declared by the
47 Governor may accumulate at the discretion of the appointing
48 authority until, pursuant to a plan established by the officer or

1 employee's appointing authority, the leave is used or the employee
2 or officer is compensated for that leave, which shall not be subject
3 to collective negotiation or collective bargaining.

4 A person who (1) is an officer or employee on the effective date
5 of P.L.2007, c.92 (C.43:15C-1 et al.), or (2) becomes an officer or
6 employee after that effective date, and has previously accrued
7 vacation leave shall be eligible and shall be permitted to retain and
8 use that accrued vacation leave.

9 As used in this section, "officer or employee" means an elected
10 official; or a person appointed by the Governor with the advice and
11 consent of the Senate, or appointed by the Governor to serve at the
12 pleasure of the Governor only during his or her term of office; or a
13 person appointed by an elected public official or elected governing
14 body of the political subdivision, with the specific consent or
15 approval of the elected governing body of the political subdivision
16 that is substantially similar in nature to the advice and consent of
17 the Senate for appointments by the Governor of the State as that
18 similarity is determined by the elected governing body and set forth
19 in an adopted resolution, pursuant to guidelines or policy that shall
20 be established by the Department of Education, but not including a
21 person who is employed or appointed in the regular or normal
22 course of employment or appointment procedures and consented to
23 or approved in a general or routine manner appropriate for and
24 followed by the political subdivision, or the agency or
25 instrumentality thereof.

26 b. Payment of supplemental compensation to any officer or
27 employee a board of education, or an agency or instrumentality
28 thereof, for accumulated unused vacation leave shall be suspended
29 if an officer or employee has been indicted for a crime that involves
30 or touches such office or employment as defined in section 6 of
31 P.L.2007, c.49 (C.2C:43-6.5).

32 Supplemental compensation for accumulated unused vacation
33 leave shall be forfeited if an officer or employee is convicted of a
34 crime that subjects the officer or employee to the provisions of
35 section 6 of P.L.2007, c.49, or for a substantially similar offense
36 under the laws of another state or the United States which would
37 have been such a crime under the laws of this State.

38 (cf: P.L.2007, c.92, s.46)

39

40 10. Section 5 of P.L.2010, c.3 (C.18A:30-9.1) is amended to
41 read as follows:

42 5. a. Notwithstanding any law, rule or regulation to the
43 contrary, an officer or employee of a board of education, or an
44 agency or instrumentality thereof, who does not take vacation leave
45 that accrues in a given year because of business demands shall be
46 granted that accrued leave only during the next succeeding year.
47 However, vacation leave not taken in a given year because of duties
48 directly related to a state of emergency declared by the Governor

1 may accumulate at the discretion of the appointing authority until,
2 pursuant to a plan established by the officer or employee's
3 appointing authority, the leave is used or the employee or officer is
4 compensated for that leave, which shall not be subject to collective
5 negotiation or collective bargaining. This provision shall apply
6 only to officers and employees who commence service with the
7 board of education, or the agency or instrumentality thereof, on or
8 after the effective date of P.L.2010, c.3. This section shall not be
9 construed to affect the terms in any collective negotiations
10 agreement with a relevant provision in force on that effective date.

11 b. As used in this subsection, "officer or employee" means an
12 officer or employee who was in service with the employer prior to
13 the effective date of P.L.2010, c.3 and continuously thereafter.

14 An officer or employee of a board of education, or an agency or
15 instrumentality thereof, who does not take vacation leave in a given
16 year that accrues after the effective date of P.L. , c. (pending
17 before the Legislature as this bill) or after the expiration of a
18 collective negotiations agreement or an individual contract of
19 employment with a relevant provision applicable to that officer or
20 employee in effect on that date, because of business demands shall
21 be granted that accrued leave only during the next succeeding year.
22 However, vacation leave not taken in a given year because of duties
23 directly related to a state of emergency declared by the Governor
24 may accumulate at the discretion of the appointing authority until,
25 pursuant to a plan established by the officer or employee's
26 appointing authority, the leave is used or the employee or officer is
27 compensated for that leave, which shall not be subject to collective
28 negotiation or collective bargaining.

29 An officer or employee who on the effective date of
30 P.L. , c. (pending before the Legislature as this bill), or upon
31 the expiration of a collective negotiations agreement or individual
32 contract of employment with a relevant provision applicable to that
33 officer or employee in effect on that date, has accrued vacation
34 leave shall be eligible and shall be permitted to retain and use that
35 accrued vacation leave.

36 c. Payment of supplemental compensation to any officer or
37 employee for accumulated unused vacation leave shall be
38 suspended if an officer or employee has been indicted for a crime
39 that involves or touches such office or employment as defined in
40 section 6 of P.L.2007, c.49 (C.2C:43-6.5).

41 Supplemental compensation for accumulated unused vacation
42 leave shall be forfeited if an officer or employee is convicted of a
43 crime that subjects the officer or employee to the provisions of
44 section 6 of P.L.2007, c.49, or for a substantially similar offense
45 under the laws of another state or the United States which would
46 have been such a crime under the laws of this State.

47 (cf: P.L.2010, c.3, s.5)

1 11. Section 43 of P.L.2007, c.92 (C.40A:9-10.2) is amended to
2 read as follows:

3 43. a. Notwithstanding any law, rule or regulation to the
4 contrary, a political subdivision of the State, or an agency, authority
5 or instrumentality thereof, that has not adopted the provisions of
6 Title 11A of the New Jersey Statutes, shall not pay supplemental
7 compensation to any officer or employee for accumulated unused
8 sick leave in an amount in excess of \$15,000, except that an officer
9 or employee who:

10 (1) on the effective date of P.L.2007, c.92 (C.43:15C-1 et al.),
11 or upon the expiration of a collective negotiations agreement or
12 contract of employment applicable to that officer or employee in
13 effect on that date has accrued supplemental compensation based
14 upon accumulated unused sick leave shall, upon retirement, be
15 eligible to receive for any unused leave not more than the amount
16 so accumulated or not more than \$15,000, whichever is greater; or

17 (2) becomes an officer or employee after the effective date of
18 P.L.2007, c.92 (C.43:15C-1 et al.) and has previously accrued
19 supplemental compensation based upon accumulated unused sick
20 leave shall, upon retirement, be eligible to receive for any unused
21 leave not more than the amount so previously accumulated or not
22 more than \$15,000, whichever is greater.

23 Supplemental compensation shall be payable only at the time of
24 retirement from a State-administered or locally-administered
25 retirement system based on the leave credited on the date of
26 retirement.

27 As used in this section, "officer or employee" means an elected
28 official; or a person appointed by the Governor with the advice and
29 consent of the Senate, or appointed by the Governor to serve at the
30 pleasure of the Governor only during his or her term of office; or a
31 person appointed by an elected public official or elected governing
32 body of a political subdivision of the State, with the specific
33 consent or approval of the elected governing body of the political
34 subdivision that is substantially similar in nature to the advice and
35 consent of the Senate for appointments by the Governor of the State
36 as that similarity is determined by the elected governing body and
37 set forth in an adopted ordinance or resolution, pursuant to
38 guidelines or policy that shall be established by the Local Finance
39 Board in the Department of Community Affairs, but not including a
40 person who is employed or appointed in the regular or normal
41 course of employment or appointment procedures and consented to
42 or approved in a general or routine manner appropriate for and
43 followed by the political subdivision, or the agency, authority or
44 instrumentality of a subdivision, or a person who holds a
45 professional license or certificate to perform and is performing as a
46 certified health officer, tax assessor, tax collector, municipal
47 planner, chief financial officer, registered municipal clerk,

1 construction code official, licensed uniform subcode inspector,
2 qualified purchasing agent, or certified public works manager.

3 b. Payment of supplemental compensation to any officer or
4 employee for accumulated unused sick leave shall be suspended if
5 an officer or employee has been indicted for a crime that involves
6 or touches such office or employment as defined in section 6 of
7 P.L.2007, c.49 (C.2C:43-6.5).

8 Supplemental compensation for accumulated unused sick leave
9 shall be forfeited if an officer or employee is convicted of a crime
10 that subjects the officer or employee to the provisions of section 6
11 of P.L.2007, c.49, or for a substantially similar offense under the
12 laws of another state or the United States which would have been
13 such a crime under the laws of this State.

14 (cf: P.L.2007, c.92, s.43)

15

16 12. Section 42 of P.L.2007, c.92 (C.11A:6-19.1) is amended to
17 read as follows:

18 42. a. Notwithstanding any law, rule or regulation to the
19 contrary, a political subdivision of the State, or an agency, authority
20 or instrumentality thereof, that has adopted the provisions of Title
21 11A of the New Jersey Statutes, shall not pay supplemental
22 compensation to any officer or employee for accumulated unused
23 sick leave in an amount in excess of \$15,000, except that an officer
24 or employee who:

25 (1) on the effective date of P.L.2007, c.92 (C.43:15C-1 et al.),
26 or upon the expiration of a collective negotiations agreement or
27 contract of employment applicable to that officer or employee in
28 effect on that date has accrued supplemental compensation based
29 upon accumulated unused sick leave shall, upon retirement, be
30 eligible to receive for any unused leave not more than the amount
31 so accumulated or not more than \$15,000, whichever is greater; or

32 (2) becomes an officer or employee after the effective date of
33 P.L.2007, c.92 (C.43:15C-1 et al.) and has previously accrued
34 supplemental compensation based upon accumulated unused sick
35 leave shall, upon retirement, be eligible to receive for any unused
36 leave not more than the amount so previously accumulated or not
37 more than \$15,000, whichever is greater.

38 Supplemental compensation shall be payable only at the time of
39 retirement from a State-administered or locally-administered
40 retirement system based on the leave credited on the date of
41 retirement.

42 As used in this section, "officer or employee" means an elected
43 official; or a person appointed by the Governor with the advice and
44 consent of the Senate, or appointed by the Governor to serve at the
45 pleasure of the Governor only during his or her term of office; or a
46 person appointed by an elected public official or elected governing
47 body of a political subdivision of the State, with the specific
48 consent or approval of the elected governing body of the political

1 subdivision that is substantially similar in nature to the advice and
2 consent of the Senate for appointments by the Governor of the State
3 as that similarity is determined by the elected governing body and
4 set forth in an adopted ordinance or resolution, pursuant to
5 guidelines or policy that shall be established by the Local Finance
6 Board in the Department of Community Affairs, but not including a
7 person who is employed or appointed in the regular or normal
8 course of employment or appointment procedures and consented to
9 or approved in a general or routine manner appropriate for and
10 followed by the political subdivision, or the agency, authority or
11 instrumentality of a subdivision, or a person who holds a
12 professional license or certificate to perform and is performing as a
13 certified health officer, tax assessor, tax collector, municipal
14 planner, chief financial officer, registered municipal clerk,
15 construction code official, licensed uniform subcode inspector,
16 qualified purchasing agent, or certified public works manager.

17 b. Payment of supplemental compensation to any officer or
18 employee for accumulated unused sick leave shall be suspended if
19 an officer or employee has been indicted for a crime that involves
20 or touches such office or employment as defined in section 6 of
21 P.L.2007, c.49 (C.2C:43-6.5).

22 Supplemental compensation for accumulated unused sick leave
23 shall be forfeited if an officer or employee is convicted of a crime
24 that subjects the officer or employee to the provisions of section 6
25 of P.L.2007, c.49, or for a substantially similar offense under the
26 laws of another state or the United States which would have been
27 such a crime under the laws of this State.

28 (cf: P.L.2007, c.92, s.42)

29

30 13. Section 45 of P.L.2007, c.92 (C.40A:9-10.3) is amended to
31 read as follows:

32 45. a. Notwithstanding any law or any rule or regulation to the
33 contrary, an officer or employee of a political subdivision of the
34 State, or an agency, authority, or instrumentality of a subdivision,
35 that has not adopted the provisions of Title 11A, Civil Service, of
36 the New Jersey Statutes, who does not take vacation leave that
37 accrues on or after the effective date of P.L.2007, c.92 (C.43:15C-1
38 et al.), or on or after the date on which the person becomes an
39 officer or employee, in a given year because of business demands
40 shall be granted that accrued leave only during the next succeeding
41 year.

42 However, vacation leave not taken in a given year because of
43 duties directly related to a state of emergency declared by the
44 Governor may accumulate at the discretion of the appointing
45 authority until, pursuant to a plan established by the officer or
46 employee's appointing authority, the leave is used or the employee
47 or officer is compensated for that leave, which shall not be subject
48 to collective negotiation or collective bargaining.

1 A person who (1) is an officer or employee on the effective date
2 of P.L.2007, c.92 (C.43:15C-1 et al.), or (2) becomes an officer or
3 employee after that effective date, and has previously accrued
4 vacation leave shall be eligible and shall be permitted to retain and
5 use that accrued vacation leave.

6 As used in this section, "officer or employee" means an elected
7 official; or a person appointed by the Governor with the advice and
8 consent of the Senate, or appointed by the Governor to serve at the
9 pleasure of the Governor only during his or her term of office; or a
10 person appointed by an elected public official or elected governing
11 body of a political subdivision of the State, with the specific
12 consent or approval of the elected governing body of the political
13 subdivision that is substantially similar in nature to the advice and
14 consent of the Senate for appointments by the Governor of the State
15 as that similarity is determined by the elected governing body and
16 set forth in an adopted ordinance or resolution, pursuant to
17 guidelines or policy that shall be established by the Local Finance
18 Board in the Department of Community Affairs, but not including a
19 person who is employed or appointed in the regular or normal
20 course of employment or appointment procedures and consented to
21 or approved in a general or routine manner appropriate for and
22 followed by the political subdivision, or the agency, authority or
23 instrumentality of a subdivision, or a person who holds a
24 professional license or certificate to perform and is performing as a
25 certified health officer, tax assessor, tax collector, municipal
26 planner, chief financial officer, registered municipal clerk,
27 construction code official, licensed uniform subcode inspector,
28 qualified purchasing agent, or certified public works manager.

29 b. Payment of supplemental compensation to any officer or
30 employee for accumulated unused vacation leave shall be
31 suspended if an officer or employee has been indicted for a crime
32 that involves or touches such office or employment as defined in
33 section 6 of P.L.2007, c.49 (C.2C:43-6.5).

34 Supplemental compensation for accumulated unused vacation
35 leave shall be forfeited if an officer or employee is convicted of a
36 crime that subjects the officer or employee to the provisions of
37 section 6 of P.L.2007, c.49, or for a substantially similar offense
38 under the laws of another state or the United States which would
39 have been such a crime under the laws of this State.

40 (cf: P.L.2007, c.92, s.45)

41

42 14. Section 4 of P.L.2010, c.3 (C.40A:9-10.5) is amended to
43 read as follows:

44 4. a. Notwithstanding any law, rule or regulation to the
45 contrary, an officer or employee of a political subdivision of the
46 State, or an agency, authority, or instrumentality thereof, that has
47 not adopted the provisions of Title 11A of the New Jersey Statutes,
48 who does not take vacation leave that accrues in a given year

1 because of business demands shall be granted that accrued leave
2 only during the next succeeding year. However, vacation leave not
3 taken in a given year because of duties directly related to a state of
4 emergency declared by the Governor may accumulate at the
5 discretion of the appointing authority until, pursuant to a plan
6 established by the officer or employee's appointing authority, the
7 leave is used or the employee or officer is compensated for that
8 leave, which shall not be subject to collective negotiation or
9 collective bargaining. This provision shall apply only to officers
10 and employees who commence service with the political
11 subdivision of the State, or the agency, authority or instrumentality
12 thereof, on or after the effective date of P.L.2010, c.3. This section
13 shall not be construed to affect the terms in any collective
14 negotiations agreement with a relevant provision in force on that
15 effective date.

16 b. As used in this subsection, "officer or employee" means an
17 officer or employee who was in service with the employer prior to
18 the effective date of P.L.2010, c.3 and continuously thereafter.

19 An officer or employee of a political subdivision of the State, or
20 an agency, authority, or instrumentality thereof, that has not
21 adopted the provisions of Title 11A of the New Jersey Statutes,
22 who does not take vacation leave in a given year that accrues after
23 the effective date of P.L. , c. (pending before the Legislature as
24 this bill) or after the expiration of a collective negotiations
25 agreement or an individual contract of employment with a relevant
26 provision applicable to that officer or employee in effect on that
27 date, because of business demands shall be granted that accrued
28 leave only during the next succeeding year. However, vacation
29 leave not taken in a given year because of duties directly related to
30 a state of emergency declared by the Governor may accumulate at
31 the discretion of the appointing authority until, pursuant to a plan
32 established by the officer or employee's appointing authority, the
33 leave is used or the employee or officer is compensated for that
34 leave, which shall not be subject to collective negotiations or
35 collective bargaining.

36 An officer or employee who on the effective date of
37 P.L. , c. (pending before the Legislature as this bill), or upon the
38 expiration of a collective negotiations agreement or an individual
39 contract of employment with a relevant provision applicable to that
40 officer or employee in effect on that date, has accrued vacation
41 leave shall be eligible and shall be permitted to retain and use that
42 accrued vacation leave.

43 c. Payment of supplemental compensation to any officer or
44 employee for accumulated unused vacation leave shall be
45 suspended if an officer or employee has been indicted for a crime
46 that involves or touches such office or employment as defined in
47 section 6 of P.L.2007, c.49 (C.2C:43-6.5).

1 Supplemental compensation for accumulated unused vacation
2 leave shall be forfeited if an officer or employee is convicted of a
3 crime that subjects the officer or employee to the provisions of
4 section 6 of P.L.2007, c.49, or for a substantially similar offense
5 under the laws of another state or the United States which would
6 have been such a crime under the laws of this State.

7 (cf: P.L.2010, c.3, s.4)

8

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

10 11A:6-16. a. Supplemental compensation upon retirement in
11 State employment. State employees in the career service, and those
12 in the senior executive and unclassified services who have been
13 granted sick leave under terms and conditions similar to career
14 service 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 b. Payment of supplemental compensation for accumulated
19 unused sick leave shall be suspended if an officer or employee has
20 been indicted for a crime that involves or touches such office or
21 employment as defined in section 6 of P.L.2007, c.49 (C.2C:43-
22 6.5).

23 Supplemental compensation for accumulated unused sick leave
24 shall be forfeited if an officer or employee is convicted of a crime
25 that subjects the officer or employee to the provisions of section 6
26 of P.L.2007, c.49, or for a substantially similar offense under the
27 laws of another state or the United States which would have been
28 such a crime under the laws of this State.

29 This subsection shall apply to employees described in
30 N.J.S.11A:6-17.

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

32

33 16. (New section) As used in this section, “officer or employee”
34 means an officer or employee of the State or a political subdivision
35 of the State covered by N.J.S.11A:6-2 or 11A:6-3.

36 Payment of supplemental compensation to any officer or
37 employee for accumulated unused vacation leave shall be
38 suspended if an officer or employee has been indicted for a crime
39 that involves or touches such office or employment as defined in
40 section 6 of P.L.2007, c.49 (C.2C:43-6.5).

41 Supplemental compensation for accumulated unused vacation
42 leave shall be forfeited if an officer or employee is convicted of a
43 crime that subjects the officer or employee to the provisions of
44 section 6 of P.L.2007, c.49, or for a substantially similar offense
45 under the laws of another state or the United States which would
46 have been such a crime under the laws of this State.

1 17. (New section) Notwithstanding the provision of any other
2 law to the contrary, the provisions of subsections b. of N.J.S.11A:6-
3 19 and of N.J.S.11A:6-16, as amended by P.L. , ,
4 c. (C.)(pending before the legislature as this bill), and the
5 provisions of sections 5, 7, and 16 of P.L. , c. (C.)(pending
6 before the legislature as this bill), and the provisions of
7 N.J.S.11A:6-2 regarding the carry forward of vacation leave not
8 taken in a given year, shall be applicable to all officers and
9 employees of any independent authority of the State and of any
10 public institution of higher education in this State, not otherwise
11 covered under those provisions, to the same extent and under the
12 same conditions. As used in this section, "independent State
13 authority" means a public authority, board, commission,
14 corporation, or other agency or instrumentality of the State
15 allocated, in but not of, a principal department of State government
16 pursuant to Article V, Section IV, paragraph 1 of the New Jersey
17 Constitution, or which is not subject to supervision or control by the
18 department in which it is allocated, and a regional authority; and
19 "public institution of higher education" means any public university
20 or college, including Rutgers, The State University, New Jersey
21 Institute of Technology and the University of Medicine and
22 Dentistry of New Jersey.

23 An officer or employee who on the effective date of
24 P.L. , c. (pending before the Legislature as this bill), or upon
25 the expiration of a collective negotiations agreement or an
26 individual contract of employment with a relevant provision
27 applicable to that officer or employee in effect on that date, has
28 accrued vacation leave shall be eligible and shall be permitted to
29 retain and use that accrued vacation leave.

30
31 18. This act shall take effect on the first day of the second
32 month following enactment.

33

34

35

STATEMENT

36

37 This bill prohibits the payment by a public employer of
38 supplemental compensation for unused sick leave that is earned
39 after the bill's effective date by a current or future State, local
40 government, or board of education officer or employee who has a
41 majority representative for collective negotiations purposes.
42 Supplemental compensation for any time earned prior to that date
43 will be payable as under current law.

44 Under the bill, if the supplemental compensation based upon
45 accumulated unused sick leave earned prior to the effective date is
46 \$7,500 or more at the time of retirement, accumulated unused sick
47 leave earned after the effective date will have no monetary value. If
48 the supplemental compensation based upon accumulated unused

1 sick leave earned prior to the effective date is less than \$7,500 at
2 the time of retirement, upon the retirement of an officer or
3 employee who is eligible to receive after retirement health care
4 benefits coverage that is fully or partly paid by the employer or a
5 public entity, the employer will determine the dollar value of the
6 number of days of unused sick leave earned after the effective date
7 of the bill or after the expiration of a collective negotiations
8 agreement with a relevant provision applicable to that officer or
9 employee in effect on that date, without interest, which cannot
10 exceed \$7,500 in the aggregate taking into account the value of the
11 sick leave earned prior to the effective date. For local government
12 and education officers and employees, the dollar value will be
13 calculated using the number of such days that may be used for the
14 calculation and the per diem or other rate, if any, that have been
15 agreed upon through collective negotiations between the employer
16 and the majority representative of the relevant officer or employee,
17 if the agreement contains provisions regarding these items. For
18 State employees, the value will be calculated in accordance with
19 current law. In addition to any other contributions by the employer,
20 the employer will make contributions in equal monthly payments
21 for a period of five years, not to exceed \$7,500 in the aggregate,
22 from appropriations which will be applied toward the contributions
23 for health care benefits coverage required of such retired officer or
24 employee, whether as a percentage of premium, percentage of the
25 retirement allowance, or a specific amount, to the extent necessary
26 to pay such contributions. The remaining amount, if any, necessary
27 to pay such contributions will be contributed by such retired officer
28 or employee. This would also apply to the survivor of a deceased
29 retired officer or employee if the survivor has been provided with
30 health care benefits coverage, by law or contract, that is fully or
31 partly paid by the employer or a public entity.

32 Upon the retirement of an officer or employee who is not eligible
33 to receive, or for whom the employer or a public entity does not
34 provide, health care benefits coverage after retirement that is fully
35 or partly paid by the employer or a public entity, the provisions of
36 the above paragraph will not apply and a Health Reimbursement
37 Arrangement, or a substantially similar account, by the employer
38 will be established and governed in accordance with the
39 requirements of the Internal Revenue Service and the Internal
40 Revenue Code. The purpose of the arrangement will be for the
41 employer to reimburse the retiree or eligible person for qualified
42 medical expenses incurred by the retiree up to the dollar value of
43 the accumulated unused sick leave, if any, as computed in
44 accordance with a collective negotiations agreement in the
45 aggregate, but only up to one fifth of that amount annually for five
46 years. The arrangement will reimburse the retiree or eligible person
47 for copayments, coinsurance, deductibles, and services as set forth
48 in the plan document and permitted by the Internal Revenue Service

1 and Code. The plan document will provide for the carry forward of
2 the total amount of the unused reimbursement from year to year for
3 five years. Unused reimbursement will not be payable as cash to
4 the retiree or the retiree's estate or beneficiaries. The arrangement
5 will be available to the survivor of the retiree, in accordance with
6 the Internal Revenue Service or Code, if permitted by law or a
7 collective negotiations agreement.

8 If the officer or employee is a veteran of the Armed Forces of
9 United States and has been issue a certificate of such veteran status
10 by the Adjutant General of the Department of Military and
11 Veterans' Affairs, the veteran will receive from the employer
12 supplemental compensation in an amount, if any, as computed in
13 accordance with a collective negotiations agreement and as limited
14 as described above and will not be eligible for an individual Health
15 Reimbursement Arrangement.

16 All officers and employees in service on the effective date of the
17 bill who have a contractual right to receive, if eligible,
18 supplemental compensation for accumulated unused sick leave will
19 continue to have that contractual right.

20 In addition, this bill limits the carry-forward of unused vacation
21 leave to one successive year only for current State, local
22 government, or board of education officers and employees whether
23 they have a majority representative for collective negotiations
24 purposes or do not have such a representative.

25 Also, for current and future State, local government, or board of
26 education officers and employees whether they have a majority
27 representative for collective negotiations purposes or do not have
28 such a representative, a payment for accumulated unused sick leave
29 or vacation leave will be suspended if such officer or employee is
30 indicted for certain crimes that involve or touch the office or
31 employment. The payment will be forfeited if such an officer or
32 employee is convicted. The bill requires the Attorney General to
33 develop guidelines or establish procedures to provide the
34 appropriate governmental agency or public employer with notice of
35 any indictment or conviction of a current or former officer or
36 employee.

37 Certain provisions of the bill would apply on the effective date
38 or upon the expiration of a collective negotiations agreement or an
39 individual contract of employment with a relevant provision in
40 effect on the bill's effective date.

41 The bill clarifies that its provisions with regard to accumulated
42 unused sick leave earned after the effective date, the suspension or
43 forfeiture of payments for unused sick leave or vacation leave, and
44 the carry forward of vacation leave will apply to all officers and
45 employees of independent State authorities and of public
46 institutions of higher education in this State.

47 The bill will take effect the first day of the second month after
48 enactment.