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State of New Jersey

**Public Employees'
Retirement System**

**WORKERS'
COMPENSATION
JUDGES
ADDENDUM**



August 2016

**Department of the Treasury
Division of Pensions and Benefits**

PUBLIC EMPLOYEES' RETIREMENT SYSTEM

HANDBOOK ADDENDUM FOR THE WORKERS' COMPENSATION JUDGES PART OF THE PERS

INTRODUCTION

N.J.S.A. 43:15A-142 et seq. established special retirement benefits for members of the Public Employees' Retirement System (PERS) employed by the Division of Workers' Compensation of the Department of Labor as Workers' Compensation Judges. Members who are eligible for enrollment in the Workers' Compensation Judges (WCJ) Part of the PERS retain many regular PERS benefits, including those in the areas of retirement options, disability retirement, and contributory life insurance coverage. Other benefits have been added that are similar to those of the Judicial Retirement System.

N.J.S.A. 43:15C-1 et seq. closed the Workers' Compensation Judges Part of the PERS to new members as of June 8, 2007.

This *Handbook Addendum* addresses the benefits that are specific to the WCJ Part of the PERS. If a topic is not specifically addressed in this addendum, WCJ members should refer to the information in the *Public Employees' Retirement System Member Handbook*.

Benefits and provisions of the Public Employees' Retirement System are subject to changes by the legislature, courts, and other officials. While this booklet outlines the benefit and contribution schedules of the Public Employees' Retirement System, it is not a final statement. Complete terms governing any employee benefit program are set forth in the New Jersey Statutes Annotated. Regulations, new or amended, are published in the New Jersey Register by the State Office of Administrative Law supplementing the New Jersey Administrative Code.

MEMBERSHIP

Closed to New Members

- Workers' Compensation Judges who were enrolled in the WCJ Part *prior to* its closure remain members of the WCJ Part of the PERS.
- A member who is enrolled in the regular PERS, and who is appointed as a Workers' Compensation Judge *on or after* June 8, 2007, will remain a regular PERS member while a Workers' Compensation Judge.
- Workers' Compensation Judges who are appointed *on or after* July 1, 2007, and do not have an existing PERS membership may only be enrolled in the Defined Contribution Retirement Program (DCRP). See Fact Sheet #80, *DCRP for Elected and Appointed Officials*, for more information.

Eligibility

Any person employed in an eligible job title by the Division of Workers' Compensation of the Department of Labor *prior to* June 8, 2007, was eligible to be enrolled in the Workers' Compensation Judges Part of the PERS.

Eligible Job Titles

Eligible titles for membership in the WCJ Part of the PERS include:

- Chief Judge
- Administrative Supervisory Judge
- Supervisory Judge
- Judge of Compensation

Contribution Rate

N.J.S.A. 43:15A-25 increased the member contribution rate for the WCJ Part of the PERS to **6.5** percent of base salary, effective with the first payroll on or after October 1, 2011. Subsequent increases will be phased in over 7 years (each July 1st) to bring the total pension contribution rate to **7.5** percent of base salary as of July 1, 2018.

The increase in the contribution rate also increases the minimum repayment amount for pension loans or for the cost of a purchase of service credit if the repayment is certified after the date of the rate change.

Prior to the enactment of this legislation, the contribution rate for the WCJ Part of the PERS was 5.5 percent of base salary. This rate was effective July 1, 2007. The rate prior to July 1, 2007, was 5 percent of base salary.

RETIREMENT

Individuals classified as Workers' Compensation Judges have a special set of retirement terms.

Service Credit

“Workers' Compensation Judge service” means your total years of service as a Workers' Compensation Judge with the Division of Workers' Compensation.

“Regular PERS service” means the aggregate years of PERS service in titles other than a Workers' Compensation Judge. This includes service purchased or transferred into the PERS.

“In the aggregate of public service” means the total years of both Workers' Compensation Judge service and regular PERS service.

Salary

“Final Salary” means the contractual salary on which your pension contributions are based as of the date of your retirement or death.

“Final Average Salary” means your average salary for the three years immediately preceding your retirement. If your last three years are not your highest years of salary, your retirement allowance will be calculated using your three highest fiscal years (July 1 to June 30) of salary.

Mandatory Retirement — Retirement is mandatory for a Workers' Compensation Judge on the first of the calendar month after you reach the age of 70.

Types of Retirement

There may be several types of retirement for which you qualify. You will normally retire with the retirement type that gives you the highest benefit.

***Note:** If you retire with less than five years of Worker's Compensation Judge service or do not meet the required years of aggregate service for a retirement under the WCJ Part of the PERS, you may qualify for a Service, Early, Veteran, or Deferred Retirement under the regular PERS. See the PERS Member Handbook or Fact Sheet #4, Applying for Retirement, for more information.*

The following are the retirement qualifications and calculations that are unique to the WCJ Part of the PERS.

Service Retirement

Eligibility for a Service Retirement is based on your age and years of service as a Workers' Compensation Judge, as well as your total years of regular PERS service.

A Workers' Compensation Judge is eligible for a Service Retirement upon turning age 60.

Your annual retirement benefit is calculated using 75 percent of your Final Salary if you are:

- **Age 60** or older with 20 or more years of Workers' Compensation Judge service.

- **Age 65** or older with 15 or more years of Workers' Compensation Judge service.
- **Age 70** or older with 10 or more years of Workers' Compensation Judge service.

Your annual retirement benefit is calculated using 50 percent of your Final Salary if you are:

- **Age 60** or older with five or more consecutive years of service as a Workers' Compensation Judge, and 20 or more years in the aggregate of public service.
- **Age 65** or older with five or more consecutive years of service as a Workers' Compensation Judge, and 15 or more years in the aggregate of public service.

Early Retirement

You are eligible for an Early Retirement if you are under age 60 with five or more successive years as a Workers' Compensation Judge, with a combined total of 25 or more years in the aggregate of public service. An Early Retirement is calculated at two percent of Final Salary for each year of service up to 25 years, **plus** one percent of Final Salary for each year of service over 25 years, with an actuarial reduction for every month under the age of 60. You should contact the Division for a retirement estimate to determine the reduction.

Deferred Retirement

If you leave WCJ and PERS employment before you are eligible for a Service or Early Retirement — and you were not removed for cause on charges of misconduct or delinquency — you may still have a right to a retirement benefit. This is known as Deferred Retirement.

You are eligible for a WCJ Deferred Retirement if you leave after completing five or more consecutive years of Workers' Compensation Judge service with an aggregate service credit of 10 years or more.

A Deferred Retirement is payable at age 60. The annual retirement benefit is calculated at two percent of your Final Salary for each year of service up to 25 years, plus one percent of Final Salary for each year of service over 25 years.

If you apply for a Deferred Retirement and die prior to your retirement becoming effective at age 60, your beneficiary is only entitled to a return of your contributions plus interest.

Veteran Retirement

If you are a qualified military veteran, you may take a Veteran Retirement if it provides a higher benefit than the WCJ Part of the PERS.

The qualifications for Veteran Retirement are the same as those for regular PERS members and are described in detail in the *PERS Member Handbook*.

Ordinary Disability Retirement

Ordinary Disability Retirement is available for members of the WCJ Part of the PERS. See the *PERS Member Handbook* for a detailed description of Ordinary Disability Retirement benefits.

Accidental Disability Retirement

Accidental Disability Retirement is available for members of the WCJ Part of the PERS. See the *PERS Member Handbook* for a detailed description of Accidental Disability Retirement benefits.

SURVIVOR BENEFITS

Active Survivor's Benefit

In the event of your death as an active member of the WCJ Part of the PERS, there is a survivor's benefit of 25 percent of your Final Salary that is payable to your surviving spouse, civil union partner, or eligible domestic partner (see definitions). In addition, 10 percent of the Final Salary is payable to one surviving child (see definitions), or 15 percent of your Final Salary to two or more surviving children.

If there is no surviving spouse/domestic partner or, if your spouse/partner dies, remarries, or enters a new partnership after your death, 15 percent of your Final Salary is payable to one surviving child, 20 percent of Final Salary shared equally to two surviving children, or 30 percent of Final Salary shared equally if there are three or more surviving children.

If there is no surviving spouse/partner or child, 20 percent of the Final Salary shall be payable to one surviving dependent parent (see definitions) or 30 percent of Final Salary shall be payable in equal shares to two surviving dependent parents.

Definitions

- **Spouse** — This is a person to whom you are legally married. A photocopy of the *Marriage Certificate* is required for verification.
- **Civil Union Partner** — This is a person of the same sex with whom you have entered into a civil union. A photocopy of the New Jersey *Civil Union Certificate* or a valid certification from another jurisdiction that recognizes same-sex civil unions is required for verification (see Fact Sheet #75, *Civil Unions*, for details).
- **Domestic Partner** — This is a same-sex domestic partner, as defined under N.J.S.A. 26:8A-3, the Domestic Partnership Act. A photocopy of the New Jersey *Certificate of Domestic Partnership* dated prior to February 19, 2007 or a valid certification from another jurisdiction that recognizes same-sex domestic partners is required for verification (see Fact Sheet #71, *Benefits Under the Domestic Partnership Act*, for details).
- **Child** — This is an unmarried child who is under the age of 18 or a child of any age who is disabled because of mental or physical incapacity and is incapable of any substantial, gainful employment because of the impairment. This incapacity must last or be expected to last for a continuous period of not less than 12 months as affirmed by the Medical Board.
- **Parent** — This is a parent of the member who was receiving at least one-half of his or her support from the member in the 12-month period immediately preceding the member's death. The survivor benefit is terminated by marriage of the parent subsequent to the death of the member.

Retired Survivor's Benefit

There is no automatic survivor's benefit once you retire. At retirement you will have the same options available to all PERS members when selecting a survivor's retirement allowance.

For more information about the available options see "Optional Settlements at Retirement" in the *PERS Member Handbook*.

GROUP LIFE INSURANCE DEATH BENEFIT

Most **active members** of the WCJ Part of the PERS are covered by two types of group life insurance:

- **Noncontributory Group Life Insurance;** and
- **Contributory Group Life Insurance.**

Retired members may have Noncontributory Group Life Insurance in effect during retirement if the retiree has at least 10 years of service credit or retired on a disability retirement.

Noncontributory Group Life Insurance

For **active members** enrolled in Noncontributory Group Life Insurance, the benefit amount is 1½ times your Final Salary.

For **retired members** with Noncontributory Group Life Insurance:

- If you retire on an Early or Service Retirement, the death benefit payable to your beneficiary(ies) is ¼ times your Final Salary.
- If you are approved for an Ordinary or Accidental Disability Retirement and you die before the age of 60, the death benefit payable to your beneficiary(ies) is equal to 1½ times your Final Salary. If death occurs after age 60, the death benefit is equal to ¼ times your Final Salary.

Contributory Group Life Insurance

For **active members** enrolled in Contributory Group Life Insurance, the benefit amount is equal to 1½ times your Final Salary.

No retired Contributory Group Life Insurance benefit is offered.

When group life insurance is reduced at retirement, you have 31 days after termination of employment to convert the amount of insurance that was reduced to private individual insurance coverage with the Prudential Life Insurance Company, or a policy from another insurance carrier. For additional information see Fact Sheet #13, *Conversion of Group Life Insurance*.

OTHER PROVISIONS OF THE PERS

The rules regarding Purchasing Service Credit, Loans, Health Benefits Coverage at Retirement, and Withdrawal from the PERS are the same for WCJ Part members as they are for regular PERS members. Please see the *PERS Member Handbook* or your benefits representative for more information regarding these benefits.

