

CHAPTER:	3 - CHANGES IN EMPLOYMENT & SEPARATION FROM SERVICE	ADOPTED: 3/7/06
SECTION:	8 – RETIREMENT	REVISED: 12/21/11

Employees are strongly encouraged to contact the Human Resources Department about questions regarding retiring from County employment and for details on continuing medical health benefits after retirement.

Eligible employees may be members of either the Public Employees’ Retirement System (PERS) or Police and Firemen’s Retirement System (PFRS). Membership in one of these retirement systems is generally required by the County, though some exceptions do apply. More information regarding the pension eligibility and enrollment can be found in HR 5.4.

PERS Membership Tiers

- Membership Tier 1 is members who were enrolled prior to July 1, 2007.
- Membership Tier 2 is members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008, pursuant to the provisions of Chapters 92 and 103, P.L. 2007.
- Membership Tier 3 is members who were eligible to enroll on or after November 2, 2008 and on or before May 21, 2010, pursuant to the provisions of Chapter 89, P.L. 2008.
- Membership Tier 4 is members who were eligible to enroll after May 21, 2010, pursuant to the provisions of Chapters 1 and 3, P.L. 2010.
- Membership Tier 5 is members who were eligible to enroll on or after June 28, 2011.

PFRS Membership Tiers

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

- Membership Tier 1 is members who were enrolled on or before May 21, 2010.
- Membership Tier 2 is members who were enrolled after May 21, 2010.

There are several types of retirement for which an employee may qualify including, but not limited to, those listed below:

(1) Service Retirement:

PERS – Available to Tier 1 and Tier 2 members upon reaching age 60 or older; or to Tier 3 and Tier 4 members upon reaching age 62 or older; or to Tier 5 members upon reaching age 65 or older. No minimum amount of pension service credit is required.

PFRS – The retirement age is 55 or older without any minimum years of service OR at least 20 years of service at retirement at any age provided the employee is enrolled in the system as of January 18th, 2000.

(2) Early/Special Retirement:

PERS - Available to members who have 25 years or more of pension service credit before reaching age 60 for Tier 1 and Tier 2 members, or age 62 for Tier 3 and Tier 4 members; and available to members who have 30 years or more of pension service credit before reaching age 65 for Tier 5.

The benefit is calculated using the appropriate Service Retirement formula; however, your allowance is permanently reduced if you retire prior to attaining certain ages as defined by your membership tier.

- For Tier 1 members who retire before age 55, your allowance is reduced 1/4 of 1 percent (3 percent per year) for each month under age 55.
- For Tier 2 members who retire before age 60, your allowance is reduced 1/12 of 1 percent (1 percent per year) for each month under age 60 through age 55, and 1/4 of 1 percent (3 percent per year) for each month under age 55.
- For Tier 3 and Tier 4 members who retire before age 62, your allowance is reduced 1/12 of 1 percent (1 percent per year) for each month under age 62 through age 55, and 1/4 of 1 percent (3 percent per year) for each month under age 55.
- For Tier 5 who have at least 30 years of service credit, your allowance is reduced by 3% for each year (1/4 of 1% per month) for each month under age 65.

PFRS - Available to members at any age, who have a minimum of 25 years of service credit in the PFRS. The annual benefit calculation for a Special Retirement is equal to 65 percent of your Final Compensation plus 1 percent for each year of creditable service over 25 years but not to exceed 30 years. The maximum allowance is therefore 70 percent of your Final Compensation.

(3) Deferred Retirement:

PERS – Available to members who have at least 10 years of service credit and are not yet 60 years of age if a Tier 1 or Tier 2 member, or 62 years of age if a Tier 3 or Tier 4 member, or 65 years of age if a Tier 5 member when they terminate employment. The retirement would be effective on the first of the month after attaining the appropriate Deferred Retirement age of 60 or 62. The benefit is calculated using the appropriate Service Retirement formula.

You must file an Application for Retirement Allowance for the Deferred Retirement to take effect. You may apply for a Deferred Retirement when you terminate covered employment or any time prior to attaining your Deferred Retirement age of 60 or 62. Under no circumstances can a Deferred Retirement become effective prior to the date the application is received by the Division of Pensions and Benefits.

If a member is removed from employment for cause, the member will be ineligible for Deferred Retirement.

PFRS – Available to members who have at least 10 years of service credit and are not yet 55 years of age when they terminate employment. The retirement would be effective on the first of the month after attaining age 55. The benefit calculation for a Deferred Retirement is equal to 2 percent of Final Compensation for each year of service.

You must file an Application for Retirement Allowance for the retirement to take effect. You may apply for a Deferred Retirement when you terminate covered employment or at any time prior to age 55. Under no circumstances can a retirement become effective prior to the date the application is received by the Division of Pensions and Benefits.

If a member is removed from employment for cause on charges of misconduct or delinquency, the member will be ineligible for Deferred Retirement.

(4) Ordinary Disability:

PERS – Ordinary Disability Retirement is only available to Tier 1, Tier 2, and Tier 3 members. Note: Under the provisions of Chapter 3, P.L. 2010, Tier 4

members may be eligible for disability insurance coverage after one year of continuous employment.

To qualify for an Ordinary Disability Retirement you must:

- Have an active PERS account. Active membership ceases after discontinuance of pension contributions for more than two consecutive years. If more than two years have elapsed since the last contribution, and you terminated employment because you were totally and permanently disabled, and you continue to be disabled for the same reason(s), special rules apply; contact the Division of Pensions and Benefits for more information;
- Have 10 or more years of New Jersey service credit (Out-of-State, Military, and U.S. Government civilian service purchases cannot be used to attain the 10 years);
- Be considered totally and permanently disabled (you must prove that you are physically or mentally incapacitated from performing your normal or assigned job duties or any other position your employer may assign); and
- Submit any and all medical reports or corroborating evidence on file that supports your disability.

PFRS – To qualify for an Ordinary Disability Retirement you must:

- Be a member in service at the time the application is filed with the Division of Pensions and Benefits. “Member in service” means that the member or employer was making pension contributions to the retirement system at the time of filing the Application for a Disability Retirement.

It may also mean that the member was on an approved leave of absence, paid or unpaid, or suspension, paid or unpaid, at the time of filing the Application for a Disability Retirement. If the member had pending litigation for wrongful termination filed against the employer, the member has 30 days from the date the litigation is resolved to file for disability retirement in order to be considered a “member in service.”

- Have four or more years of New Jersey service credit (Out-of-State, Military, and U.S. Government Service purchases cannot be used to attain the four years);
- Be considered totally and permanently disabled (you must prove that you are physically or mentally incapacitated from performing your normal or assigned job duties or any other position your employer may assign); and

- Submit any and all medical reports or corroborating evidence on file that supports your disability.

(5) Accidental Disability:

PERS - Accidental Disability Retirement is only available to Tier 1, Tier 2, and Tier 3 members. Note: Under the provisions of Chapter 3, P.L. 2010, Tier 4 members may be eligible for disability insurance coverage after one year of continuous employment.

To qualify for an Accidental Disability Retirement you must:

- Have an active PERS account. Active membership ceases after discontinuance of pension contributions for more than two consecutive years. If more than two years have elapsed since the last contribution, and you terminated employment because you were totally and permanently disabled, and you continue to be disabled for the same reason(s), special rules apply, contact the Division of Pensions and Benefits for more information;
- Be considered totally and permanently disabled (you must prove that you are physically or mentally incapacitated from performing your normal or assigned job duties or any other position your employer may assign) as a “direct result of a traumatic event” (see definition below) that happened during and as a direct result of carrying out your regular or assigned job duties;
- Be an active member of the PERS on the date of the “traumatic event”;
- File an Application for Disability Retirement within five years of the date of the “traumatic event”;
- Provide any and all accident reports, witness reports, and corroborating evidence on file for any and all accidents for which you are filing; and
- Be examined by physicians selected by the retirement system. The examination will be scheduled at no cost to you by the Division of Pensions and Benefits. All medical information is kept confidential and used only by the PERS Board of Trustees in reviewing your claim.

PFRS - To qualify for an Accidental Disability Retirement you must:

- Be a member in service at the time the application is filed with the Division of Pensions and Benefits. “Member in service” means that the member or employer

was making pension contributions to the retirement system at the time of filing the Application for a Disability Retirement. It may also mean that the member was on an approved leave of absence, paid or unpaid, or suspension, paid or unpaid, at the time of filing the Application for a Disability Retirement. If the member had pending litigation for wrongful termination filed against the employer, the member has 30 days from the date the litigation is resolved to file for disability retirement in order to be considered a “member in service.”

- Be considered totally and permanently disabled (you must prove that you are physically or mentally incapacitated from performing your normal or assigned job duties or any other position your employer may assign) as a “direct result of a traumatic event” (see definition below) that happened during and as a direct result of carrying out your regular or assigned job duties;
- Be an active member of the PFRS on the date of the “traumatic event”;
- File an Application for Disability Retirement within five years of the date of the “traumatic event”;
- Submit any and all accident reports, witness reports, and corroborating evidence on file or any and all accidents for which you are filing; and
- Be examined by physicians selected by the retirement system. The examination will be scheduled at no cost to you by the Division of Pensions and Benefits. All medical information is kept confidential and used only by the PFRS Board of Trustees in reviewing your claim.

Retirement parties for employees retiring from service in the County of Gloucester will not be sponsored by the County. Employees attending retirement parties will not be reimbursed by the county.

Human Resources Department:

Directs pre-retirement group conferences with employees reaching retirement age and will include PERS or PFPS as applicable, Social Security Benefits, aging and legal problems.

Offers additional individual conferences at the employee’s discretion prior to the individual's retirement to discuss Social Security and pension benefits and to address any other retirement questions.