

LEO: Law Enforcement Officers and the Public Employees' Retirement System

Public Employees' Retirement System

Chapter 257, P.L. 1955, established the Law Enforcement Officer (LEO) category as a special group of the Public Employees' Retirement System (PERS). The LEO group is eligible for enhanced retirement benefits not available to regular PERS members.

ELIGIBILITY

Individuals who do not meet the age or medical requirements for entry into the Police and Firemen's Retirement System (PFRS) as a result of employment in the titles listed below, are eligible to participate in the LEO category or as a regular member of PERS.

Any person employed in an eligible job title who meets the enrollment criteria will be enrolled in the LEO category of PERS membership, unless the member specifically signs a *Law Enforcement Officer - Waiver Form* within 90 days of receiving the LEO eligibility notification. A LEO-eligible individual, who signs the waiver form, will be enrolled as a non-law enforcement officer in the regular PERS category of membership; however, all employees holding LEO-eligible titles are subject to Compulsory Retirement as described under the "Retirement" section of this fact sheet.

The category of individuals authorized to participate as LEO members is limited and is specifically defined in the law by titles of positions (N.J.S.A. 43:15A-97).

PERS COVERED TITLES

Currently, new employees in LEO titles may choose to participate in the LEO category or as a regular member of the PERS. The following titles are covered by the LEO designation:

Division of Fish and Game

Conservation Officer

Office of County Prosecutor

County Detective

Lieutenant of County Detectives

Captain of County Detectives

Chief of County Detectives

County Investigator

Office of County Sheriff

Sheriff's Officer

Sergeant Sheriff's Officer

Lieutenant Sheriff's Officer

Captain Sheriff's Officer

Chief Sheriff's Officer

Sheriff's Investigator

Palisades Interstate Park Commission

Police Officer

RETIREMENT

Individuals classified as LEOs are entitled to enhanced retirement benefits provided they retire directly from a LEO eligible position and meet the age and LEO service requirements outlined below. LEO members can retire at a somewhat younger age than non-LEO members of the PERS.

The following are the retirement qualifications and calculations that are unique to LEO members of the PERS.

- **Service Retirement:** Permitted at age 55 after 20 years of Law Enforcement Officer service. The annual retirement allowance is equal to 2 percent of the Final Average Salary (FAS)¹ times the number of years of LEO service for which contributions were made, up to 25 years — plus 1 percent for each year of LEO service over 25 years. LEO members who have other non-LEO PERS service are also entitled to an additional 1.81 percent of the FAS for each year of non-LEO PERS service credit.

Chapter 4, P. L. 2001 provides for a supplementary "special" retirement allowance equal to 5 percent of the FAS for LEO members who retire

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

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with 25 or more years of LEO service. Under no circumstances, however, can a LEO member receive a total retirement allowance greater than 70 percent of FAS.

A LEO member with 10 or more years of LEO service who 1.) does not meet the qualifications for a Service Retirement as outlined above; or 2.) is not in an eligible LEO position at the time of retirement, may retire under the Service Retirement provisions available to non-LEO members of PERS — if the member meets the age requirements (age 60 or older). If eligible, in addition to any retirement allowance based on non-LEO service, the LEO member is entitled to a retirement allowance equal to 2 percent of the FAS times the number of years of LEO service for which contributions were made (up to 25 years, if applicable, plus 1 percent for each year of LEO service over 25 years). See the *PERS member Handbook* for more information on non-LEO Service Retirement.

- **Ordinary Disability:** Permitted after 5 years of Law Enforcement Officer service. The annual retirement allowance is equal to 43.6 percent of the Final Average Salary.
- **Accidental Disability:** While all other benefits are similar to that of the PERS (72.7 percent of

the base salary at the time of the traumatic event), there is a minimum \$5,000 Group Life Insurance death benefit in the event of death after retirement.

- **Compulsory Retirement:** *Non-veterans* must retire by the first day of the calendar month after attaining age 65. However, *veterans* who lack 20 years of PERS service credit at age 65 must retire as soon as they have 20 years of such service or on attainment of 70 years of age, whichever is earlier.

NOTE: A PERS member who is *eligible* to participate in LEO, regardless of whether he or she waives the right to participate in the LEO category or not, is subject to the mandatory retirement provisions applicable to LEO eligible members.

RATES OF CONTRIBUTION, PURCHASE OF SERVICE CREDIT, LOANS, GROUP LIFE INSURANCE, WITHDRAWAL

These areas of LEO membership are identical to those of a regular PERS member. Please see the *PERS Membership Handbook* or your personnel representative for more information regarding these benefits.

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