

PERS Prosecutors Part

Public Employees' Retirement System

Chapter 366, P.L. 2001, established a special Prosecutors Part within the Public Employees' Retirement System (PERS) effective January 7, 2002.

ELIGIBILITY

Employees eligible for coverage under the Prosecutors Part include:

- any county prosecutor, first assistant county prosecutor, or assistant county prosecutor;
- the Director of the Division of Criminal Justice (DCJ) in the Department of Law and Public Safety (LPS); any assistant director, deputy director, assistant attorney general, or deputy attorney general employed by that department and assigned to that division; and
- any criminal investigator in the Division of Criminal Justice ineligible for enrollment in the Police and Firemen's Retirement System.

These eligible positions are defined as "prosecutors" for the purposes of Chapter 366. The prosecutor must have been serving **on or after the effective date of the law** to be eligible for coverage under the Prosecutors Part of the PERS.

Employee Contributions

Prosecutors Part members contribute 8.5% of salary as their pension contribution. The rate was effective July 1, 2008. (The rate from January 7, 2002, until June 30, 2008 was 7.5% of salary.)

COVERED SERVICE

Prosecutors who were serving in one of the above covered positions on January 7, 2002, the enactment date of Chapter 366, had all their credited PERS service as of that date considered as Prosecutors Part service. After that date, only service performed in a prosecutor position after January 7, 2002 will be included in the Prosecutors Part of the PERS.

There are no provisions in the law for transferring or upgrading regular PERS service to Prosecutors Part service for individuals who become prosecu-

tors after January 7, 2002, (see exception discussed below). All other service, including service as a prosecutor prior to the effective date of Chapter 366, will be considered regular PERS service with the following exception.

Exception: Chapter 140, P.L. 2003, states that any PERS member appointed as a County Prosecutor after January 7, 2002 by the Governor, pursuant to Article VII, Section II, paragraph 1 of the New Jersey Constitution, will have all credited PERS service as of the date of appointment considered as Prosecutors Part service.

SERVICE CREDIT

Rules governing service for prosecutors are covered below.

Prosecutors Part and Regular PERS Accounts

If an employee has both prosecutor and non-prosecutor service, separate accounting will be made for the regular PERS service and the Prosecutors Part service. When the member retires, benefits will be calculated for Prosecutors Part and the regular PERS accounts in accordance with the law governing each part. However, the service can be combined and be considered as **all** regular PERS service if it will result in a regular PERS benefit higher than the Prosecutors Part benefit, such as a Veteran Retirement, or to qualify for a disability retirement benefit or a Deferred Retirement benefit. It may also be combined to qualify for post-retirement medical benefits, subject to employer requirements for that coverage. When service is combined to qualify for a regular PERS benefit or for post-retirement medical coverage, concurrent or overlapping service will be excluded from consideration.

Purchase of Service

Most service purchased by a prosecutor is generally considered as regular PERS service and the cost of purchase is calculated using regular PERS purchase factors.

When allowed, the cost of service purchased as Prosecutors Part service will be calculated using Prosecutors Part purchase factors. A purchase of service credit is permitted to be added to the Prosecutors Part account in the cases shown below.

- Service credited to the Prosecutors Part of the PERS that was subsequently withdrawn by the member;
- Service earned as a prosecutor after January 7, 2002 that was never credited to the Prosecutors Part;
- Temporary service as a prosecutor after January 7, 2002, but prior to enrollment in the Prosecutors Part; and
- Leave of absence from a Prosecutors Part covered position after January 7, 2002.

Vesting

A Prosecutors Part account will be considered vested (eligible for a retirement benefit) when the prosecutor has 10 years of creditable Prosecutors Part service. If a prosecutor also has other PERS service credit, the right to receive a regular PERS benefit will vest when the prosecutor has 10 years of regular PERS service. Therefore, Prosecutors Part and regular PERS service vest separately unless all of the service will be used to qualify for a regular PERS retirement benefit, not a Prosecutor Part benefit.

For example: If a member terminates employment with seven years of Prosecutors Part service and five non-concurrent years of regular PERS service, the member will qualify for a Deferred Retirement under the regular PERS by combining the service for a total of 12 years of regular PERS service. If, after two or more years without a payroll contribution, the member returns to public employment the member will be reenrolled in the PERS under the membership tier that is in effect at that time, and will begin to accrue service credit under a new PERS account.

RETIREMENT

Definition of Terms

Final Compensation means your last 12 months of salary as a prosecutor.

Prosecutors Part Retirement Types Available

The types of retirements available under the Prosecutors Part include:

Service Retirement — available at age 55* with any number of years of Prosecutors Part service. A Prosecutors Part Service Retirement is calculated using the highest of:

- 50% of Final Compensation if you have 20 or more years of service;
- 2% X Final Compensation for each year of service credit **plus** 1% for each year over 30; or
- 1/60 X years of service X Final Compensation.

Special Retirement — available at any age with 25 or more years of Prosecutors Part service. A Prosecutors Part Special Retirement is calculated using 65% of Final Compensation plus 1% of Final Compensation for each additional year over 25 up to 30 years.

Deferred Retirement — available at age 55 with ten or more years of Prosecutors Part service. A Prosecutors Part Deferred Retirement is calculated using 2% of Final Compensation for each year of service credit up to 25 years of service.

Using Prosecutor Part Service as Regular PERS Service to Obtain a Higher Benefit

Prosecutors may use their Prosecutors Part service as regular PERS service if it will result in a higher retirement allowance.

For example: A prosecutor, who is age 60 and a veteran with 20 years of Prosecutors Part service, could retire on a Veteran Retirement at 54.5% of Final Salary rather than with a Prosecutors Part Service Retirement at 50% of Final Compensation. A prosecutor may also use Prosecutors Part service earned in New Jersey to qualify for an Ordinary Disability Retirement and all Prosecutors part service to qualify for an Accidental Disability Retirement

*Members in a Prosecutors Part position on January 7, 2002 are exempted from the age 55 requirement if they have 20 or more years of service.

A PUBLICATION OF THE NEW JERSEY DIVISION OF PENSIONS AND BENEFITS

or a Deferred Retirement. When Prosecutors Part service is used as regular PERS service, the member is not entitled to a refund of Prosecutors Part employee contributions, or the difference between the regular PERS and Prosecutors Part contributions. See Fact Sheet #4, *Applying for Retirement* for a description of regular PERS retirement types.

Prosecutor Part Service and Regular PERS

If a PERS member has both Prosecutors Part and regular PERS services, the member must terminate all PERS covered employment to qualify for any retirement benefit.

Retirement allowances will be calculated for each type of service in accordance with the statutes governing each part. The member must meet all the requirements (age and service) in order to receive the benefit based on that service. Prosecutors Part retirement types are described above. Regular PERS retirement types are described in Fact Sheet #4, *Applying for Retirement*.

Example 1: A 60 year-old member has 29 years of Prosecutors Part service and 5 years of regular PERS service when she terminates all PERS-covered employment and retires. The member will receive a Prosecutors Part Special Retirement benefit (69% of Final Compensation as a prosecutor). The member will also receive a regular PERS Service Retirement benefit (5/55 times the regular PERS Final Average Salary).

Example 2: A 55 year-old member has 22 years of Prosecutors Part service and 10 years of regular PERS service when he terminates all PERS-covered employment and retires. The member may apply for a Prosecutors Part Service Retirement benefit (50% of Final Compensation as a prosecutor). Since the member is not eligible to receive a regular PERS benefit at age 55, the member will not receive a regular PERS retirement benefit when the Prosecutors Part retirement occurs. However, since the regular PERS account is vested, the member will collect a regular PERS Deferred Retirement (10/55 X Final Average Salary) at age 60.

If the member is not eligible for a regular PERS benefit upon retirement from the Prosecutors Part, the contributions for that regular PERS service may be returned. The contributions for the regular PERS service will not be refunded if some or all of that service is used to qualify for a retirement allowance or post-retirement medical benefits coverage.

Example 3: A 50 year-old member has 25 years of Prosecutors Part service and 5 years of regular PERS service when he terminates all PERS-covered employment and retires. The member may apply for a Prosecutors Part Special Retirement benefit (65% of Final Compensation as a prosecutor). The member will not be eligible for a regular PERS benefit because he does not have sufficient service to vest and is not eligible to retire before the regular PERS account will expire. Since the member does not need the regular PERS service to qualify for post-retirement medical benefits, the member will be able to receive a refund of those employee contributions.

Example 4: A 55 year-old member has 22 years of Prosecutors Part service and 5 years of regular PERS service when he terminates all PERS-covered employment and retires. The member may apply for a Prosecutors Part Special Retirement benefit (50% of Final Compensation as a prosecutor). The member will not be eligible for a regular PERS benefit because he does not have a vested regular PERS account and is not eligible to retire before the regular PERS account will expire. If the member needs the regular PERS service to qualify for post-retirement medical benefits, the member will not be able to withdraw from the regular PERS account nor receive a refund of employee contributions.

RETIREMENT OPTIONS

The retirement options for the Prosecutors Part retirement benefits are the same as those for regular PERS members. **There is no automatic survivor benefit in the Prosecutors Part of the PERS.** See Fact Sheet #5, *Pension Options*, for more information.

Retirement Options with Prosecutors Part and Regular PERS Retirements

If the member is eligible to receive **both** a Prosecutors Part retirement benefit and a regular PERS retirement benefit, the retirement option and or beneficiary selection for the regular PERS benefit may be different than that selected for the Prosecutors Part retirement benefit.

Example: A 55 year-old member has 22 years of Prosecutors Part service and 10 years of regular PERS service when he terminates all PERS-covered employment and retires. A different option selection and beneficiary may be named for the regular PERS benefit than is named for the Prosecutors Part benefit. In this case, the member could select Option A with the spouse as the beneficiary for the Prosecutors Part benefit and Option 1 with a child as the beneficiary for the regular PERS benefit.

RETURN TO EMPLOYMENT

Prosecutors who retire with a Prosecutors Part benefit are subject to the same return to employment rules as regular PERS members. If a retired Prosecutor earns more than \$15,000 in a calendar year from employment in all PERS covered position(s), then the member must cancel his/her retirement and re-enroll in the PERS. See Fact Sheet #21, *Employment After Retirement (PERS)*, for more details.

LOANS

Prosecutors are eligible to take loans from the pension system in the same manner as other members. The amount that can be borrowed is based on the total contributions the member has made to the system. The minimum repayment amount is based on the Prosecutors Part contribution rate of 8.5% of salary.

GROUP LIFE INSURANCE

The Group Life Insurance benefit for an active member in the Prosecutors Part is the same as that for regular PERS members. There is a noncontributory policy that is 1½ times the salary subject to pension received in the 12 months prior to death and a contributory policy also valued at 1½ times the salary subject to pension received in the 12 months prior to death.

The Group Life Insurance for a retiree collecting either a Prosecutors Part Service, Special, or Deferred Retirement benefit is 50% of the Final Compensation as a prosecutor.

If a prosecutor eligible for a Deferred Retirement terminates employment and dies **after** age 55 without filing for retirement, the prosecutor would receive a Group Life Insurance benefit as if retired.

If a prosecutor eligible for a Deferred Retirement terminates employment and dies **before** age 55, no Group Life Insurance benefit is payable.

Retired Group Life Insurance is contingent upon the retiree having had coverage as an active employee and having at least 10 years of service credit.

If a prosecutor uses the Prosecutors Part service to qualify for a higher regular PERS benefit, the Group Life Insurance payable will be that for a regular PERS retiree, i.e., 3/16ths of Final Salary.

If a prosecutor retires with both Prosecutors Part and regular PERS retirement allowances, the member may receive Group Life Insurance of 50% of the Final Compensation as a prosecutor and 3/16ths of the regular PERS Final Salary. The member must have a minimum of 10 years in both the Prosecutors Part and the regular PERS service to qualify for the Group Life Insurance associated with each retirement.

HEALTH BENEFITS IN RETIREMENT

The law establishing the Prosecutors Part of the PERS did not address the issue of post-retirement medical coverage. Therefore, the availability of post-retirement medical coverage to a prosecutor depends upon the employer's normal policy/rules towards providing coverage to its employees.

- For the State, employees are generally eligible for State-paid post-retirement medical upon retirement if they retire on a disability retirement or with 25 years of service credited to a New Jersey public pension system. See Fact Sheet #11, *Enrolling in Health Benefits Coverage When You Retire*, for details on qualifying for post-retirement medical coverage.
- For information about post-retirement medical

A PUBLICATION OF THE NEW JERSEY DIVISION OF PENSIONS AND BENEFITS

coverage in each of the 21 counties of New Jersey, employees should contact the Human Resource Office at the county.

WITHDRAWAL FROM THE PERS

A member may not withdraw from either the Prosecutors Part or the regular PERS while still actively employed in a position covered by the

other. The member may withdraw from both the Prosecutors Part and the regular PERS when all PERS covered employment is ended. The member may also withdraw from the regular PERS after retirement from the Prosecutors Part if no portion of the regular PERS service will be used to qualify for a regular PERS benefit or for post-retirement medical coverage.

This fact sheet has been produced and distributed by:

**New Jersey Division of Pensions and Benefits • PO Box 295 • Trenton, New Jersey 08625-0295
(609) 292-7524 • TDD for the hearing impaired (609) 292-7718**

URL: <http://www.state.nj.us/treasury/pensions> • E-mail: pensions.nj@treas.state.nj.us

This fact sheet is a summary and not intended to provide total information.
Although every attempt at accuracy is made, it cannot be guaranteed.
