

President's Report
February 2010

Respectfully Submitted – Dominick Marino, President

PFANJ Valor Awards Brunch – April 10th, 2010 – Hyatt of Jersey City
COMPLETED APPLICATION must be mailed TO STATE OFFICE NO LATER THAN FEBRUARY 26, 2010

PFANJ Annual Convention – June 1st through 4th at Harrah's Hotel and Casino

PFANJ Annual Golf Outing – June 1st at Harbor Pines

MDA Boot Camp during April 14th Meeting.

Fire District Elections this Saturday February 20th.

I ask that you cast your ballot for PFANJ Members:

In Deptford – William Bain

In Neptune – Paul Annunziata

PFRS PENSION ELECTION:

The upcoming pension election in April will be very important to the members of the PFANJ!

Our Candidate is 1st Vice-President George Borek.

Now more than ever it is imperative in getting representation on the Pension board.

The election packages will be mailed to employers on or about April 1, 2010 for distribution to eligible voters. The packets will be mailed by a new vendor, Election America, and voters will be able to cast a vote either by mail, telephone or internet. Specific directions for voting will be included in the election packet.

PENSION Mortgage rate is now 4.75% and there will be \$150 million made available.

Pension Litigation:

The current date for the lawsuit to be heard in court is March 26th. The Appellate Division may have their ruling on the Teaches case by then also.

Negotiations and contracts are under attack!

Now more than ever, locals need to communicate with each other.

LEGISLATION:

A list of legislative bills that the PFANJ are tracking will be on the website.

There have been many bills introduced already. By Friday February 19th, the complete list of bills that we need to track will be on the website with the PFANJ position.

Some bills that we have had introduced in the past for us have been re-introduced or will be soon:

Thomas P. Canzanella 21st Century Health Bill: Assembly Bill 1250, waiting on Senate introduction

Bill that would establish two representatives from each of the four groups, PFANJ, FOP, PBA and FMBA for representation on the PFRS board: Assembly Bill 386, waiting on Senate introduction

PERS member transfer into PFRS: Assembly Bill 1469, waiting on Senate introduction

I have included a copy of Governor Christie's speech to the Joint Legislator's in this month's packet.

With respect to the NUMEROUS legislative bills that would affect firefighters:

The legislator's and Governor say: The proposals would require workers and retirees at all levels of government and local school districts to contribute to their own health care costs, ban part-time workers at the state and local levels from participating in the underfunded state pension system, cap sick leave payouts for all public employees and constitutionally require the state to fully fund its pension obligations each year. Details of the four-bill package that was introduced Monday were provided to us over the weekend and we have been evaluating these bills and how they affect firefighters. 1st Vice-President George Borek will expand on these four bills and others in his report today.

1. Amends State Constitution to require annual contributions by the State to State-administered retirement systems. (Permits the State, for the first seven years, to pay 1/7th of the contribution the first year and then 2/7th's and so on till it gets to 100 %.)
2. Makes various changes to SHBP and SEHBP concerning eligibility, cost sharing, choice of plan, application of benefit change, waiver of coverage, and multiple coverage. This would implement Recommendations 22, 23,24,25,26 and 29 the Joint Legislative committee on Public Employee Benefits Reform.
3. Makes various changes concerning payments to public employees for unused sick leave, sick leave injury in State service, and PERS and TPAF disability retirement. This would implement Recommendations 36 and 38 of the Joint Legislative committee on Public Employee Benefits Reform.
4. Makes various pension system changes concerning eligibility, retirement allowance formula, compensation definition, position eligible for service credit, non-forfeitable rights, enrollment waiver, prosecutor's part, PFRS special retirement, employer contributions. This would implement Recommendations 1, 3, 4, 5, 6, 7, 9 and 12 of the Joint Legislative committee on Public Employee Benefits Reform.

I have included in this month's packet the executive summary of the 41 recommendations with respect to the Joint Legislative Committee on Public Employee Benefits Reform.

I offer this short synopsis of the 4 major bills:

Senate Concurrent Resolution 1 -

SYNOPSIS

Amends State Constitution to require annual contributions by the State to State-administered retirement systems.

STATEMENT

This concurrent resolution proposes a constitutional amendment to require the State to pay each year the full amount of the contribution it is required to make to any defined benefit pension plan operated by the State for public employees. This requirement would commence July 1, 2011. The amendment requires the amount of the contribution to be determined by actuaries for each plan based on an annual report, prepared by the actuaries pursuant to consistent and generally accepted actuarial standards, that sets forth the assets and liabilities of the plan. This amendment permits the State, for the first seven years, to phase in this requirement, for the payments it is required to make, by paying at least 1/7th of the contribution in the first year with payments increasing by at least an additional 1/7th in each year thereafter in order to permit the State to gradually adjust the annual appropriations act to accommodate these payments.

THIS MUST BE VOTED ON BY THE VOTERS OF NEW JERSEY:

IF THE PROPOSED AMENDMENT OR AMENDMENTS OR ANY OF THEM SHALL BE APPROVED BY A MAJORITY OF THE LEGALLY QUALIFIED VOTERS OF THE STATE VOTING THEREON, THE SAME SHALL BECOME PART OF THE CONSTITUTION ON THE THIRTIETH DAY AFTER THE ELECTION, UNLESS OTHERWISE PROVIDED IN THE AMENDMENT OR AMENDMENTS.

Senate Bill 2 -

SYNOPSIS

Makes various pension system changes concerning eligibility, retirement allowance formula, compensation definition, position eligible for service credit, non-forfeitable rights, enrollment waiver, prosecutors part, PFRS special retirement, employer contributions.

STATEMENT

Sections 1-7:

These sections implement Recommendation 1 of the Joint Legislative Committee on Public Employee Benefits Reform set forth in the final report dated December 1, 2006. The committee recommended "the enactment of legislation to limit eligibility for defined benefit plans to full-time employees", with all new part-time employees, new elected officials and new full-time appointed officials having membership in a defined contribution pension plan.

The bill shifts the basis for membership in the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS) from the amount of compensation to the number of hours worked weekly. After its effective date, any person in public employment for which the hours of work are fixed at fewer than 35 per week for State employees or 32 for political subdivision employees is ineligible to become a new member of PERS and at fewer than 32 hours per week is ineligible to become a new member of TPAF. When determining eligibility, hours during which a person does not work due to the person's participation in a voluntary or mandatory furlough program will not be deducted in determining if a person's hours of work are fixed at fewer than 35 or 32 per week, as appropriate, for the purpose of eligibility.

Persons ineligible for TPAF or PERS because the hours of work are fewer than required for PERS or TPAF membership may be eligible for enrollment in the Defined Contribution Retirement Program, whose membership compensation threshold the bill increases to \$5,000 from \$1,500.

Sections 8-13:

These sections implement Recommendation 3 of the Joint Legislative Committee on Public Employee Benefits Reform set forth in the final report dated December 1, 2006 to reduce the benefits formula for new members of the Public Employees' Retirement System (PERS) and the Teachers' Annuity and Pension Fund (TPAF) by changing from 1/55 to 1/60 the multiplier of the number of years of service in the calculation of a member's retirement allowance. The committee noted that this recommendation is consistent with other recommendations aimed at reducing the long-term costs of the defined benefit retirement systems to ensure their fiscal stability and the fiscal stability of the State and local public employers funding those costs.

In 2001, legislation enhanced the PERS and TPAF benefits for members and retirees by 9% with a change of the multiplier from 1/60 to 1/55. Veterans and disability benefits were similarly enhanced. These sections return the multiplier for PERS and TPAF to 1/60 and the other benefits to their pre-2001 level, except for veterans and disability benefits, for persons who become members of PERS or TPAF after the bill is enacted.

Sections 7, 14-19, and 22-23:

These sections implement Recommendation 4 of the Joint Legislative Committee on Public Employee Benefits Reform set forth in the final report dated December 1, 2006. The committee recommended "a cap on pensionable salary at the Social Security maximum wage contribution limit under the Federal Insurance Contributions Act (FICA). ... Employees with annual compensation in excess of the Social Security maximum would be eligible for membership in the defined contribution program .. with regard to only that excess compensation. The legislation should apply prospectively to all new employees who become members of the State-administered retirement system, except the Judicial Retirement System (JRS), after the enactment of legislation." The committee stated that it "believes that this proposal should help control escalating retirement system costs." P.L.2007, c.103 implemented this recommendation for the Public Employees' Retirement System (PERS) and the Teachers' Pension and Annuity Fund (TPAF).

This bill imposes a maximum compensation upon which contributions will be made for Police and Firemen's Retirement System (PFRS) and State Police Retirement System (SPRS) purposes for police officers, firefighters, and State Police officers who become members of those systems on or after the bill's effective date. The maximum amount will be the amount of base salary equivalent to the annual maximum wage contribution base for Social Security, pursuant to the federal Insurance Contributions Act. For 2010, that amount is \$106,800. A new member for whom this annual maximum will be reached in any year will become a participant of the Defined Contribution Retirement Program (DCRP) with regard to the remaining compensation, unless the member irrevocably elects to waive the participation. For the amount of compensation over the maximum compensation, 5.5% will be deducted as a contribution for the purposes of the DCRP. When a PFRS or SPRS member also becomes a

participant in the DCRP, the life insurance and disability benefit provisions of that program will be available for that participant.

Sections 20-23:

These sections implement Recommendation 5 of the Joint Legislative Committee on Public Employee Benefits Reform set forth in the final report dated December 1, 2006. The committee recommended “the enactment of legislation to change the pension benefits calculation from the three highest paid years to the five highest paid years or from the single highest paid year to the three highest paid years, as appropriate.” The committee recommended that the legislation apply to new employees who become members of the State-administered retirement systems, except the Judicial Retirement System, after the enactment of the legislation. The committee stated that “its recommendation is consistent with other recommendations aimed at reducing the long-term costs of the defined benefit retirement systems to ensure their fiscal stability and the fiscal stability of the State and local public employers funding those costs.”

This bill changes the definition of compensation to be used to calculate retirement benefits for members of the Public Employees’ Retirement System (PERS), Teachers’ Pension and Annuity Fund (TPAF), Police and Firemen’s Retirement System (PFRS), and State Police Retirement System (SPRS), who become members after the bill’s effective date, as well as to calculate, in certain cases, pension benefits for surviving family members, when available, and death benefit payments to beneficiaries.

The bill provides that a member of the TPAF or PERS who is enrolled in the retirement system after the enactment date, would have the member’s retirement allowance calculated using the average annual compensation for the last five years of service or for any five fiscal years of membership providing the largest possible benefit to the member or the member’s beneficiary. **A member enrolled in the systems before the effective date would continue to have the member’s allowance calculated in the manner provided by existing law using the average annual compensation for the last three years of service or for any three fiscal years of membership providing the largest possible benefit to the member or the member’s beneficiary.**

The bill also changes the provisions of the PFRS and SPRS to provide that a member who is enrolled in one of these retirement systems after the effective date would have the member’s retirement allowance calculated using the average annual compensation received by the member during any three fiscal years of membership providing the largest possible benefit. **A member of the system before the effective date would continue to have the member’s allowance calculated in the manner provided by existing law using the compensation in the final year of service.**

The bill would affect the calculation of a family member’s pension benefit, when such a benefit is available, and the amount of a death benefit to a beneficiary whenever current law provides for the use of final compensation or final salary, as those terms are redefined by the bill, for the purpose of that calculation. In some instances, the current law provides that the calculations for benefits be based on the compensation or salary received in the last year of service or at the time of death; in these instances, there would be no change as a result of this bill.

Sections 24-28:

These sections implement Recommendation 6 of the Joint Legislative Committee on Public Employee Benefits Reform set forth in the final report dated December 1, 2006. The committee recommended “the enactment of legislation to require the designation of one position per employee for both the PERS or TPAF” and that the “legislation should apply to new full-time employees who become members of PERS or TPAF after the bill’s enactment and who must select one job for defined benefit credit.” The committee noted that “although a person holding multiple positions does contribute to the retirement system for each position, the potential for abuse and the difficulty in preventing it make the one-position requirement a necessary reform.”

For the purposes of the Public Employees' Retirement System and the Teachers' Pension and Annuity Fund, this bill provides that a person shall be eligible for membership in the retirement system based upon only one position and requires the retirement system to designate the position providing the higher or highest compensation for the person with such concurrent positions as the basis for eligibility for membership and the compensation base for contributions and pensions calculations. A member who leaves a designated position or acquires a different or additional position will receive a new designation by the retirement system, if appropriate. These provisions will not apply to a person who on the effective date of the bill is a member of the retirement system and holds more than one office, position, or employment covered by the retirement system with one or more employers, while the member continues to hold without a break in service more than one of those offices, positions, or employment. Under the bill, contributions would be deducted only from the member's compensation for the position designated, and for the purpose of calculating the member's retirement benefit, only that compensation would be considered. Service in a position other than the one designated will not be deemed creditable service for the purposes of the retirement system.

Section 29:

This section implements Recommendation 7 of the Joint Legislative Committee on Public Employee Benefits Reform set forth in the final report dated December 1, 2006. The committee recommended "the repeal on a prospective basis for new employees of N.J.S.A.43:3C-9.5 ... because the Legislature should not be permanently and inextricably bound by an action of a prior session of the Legislature."

The bill would remove public employees who become members after the bill's effective date of the Teachers' Pension and Annuity Fund, the Judicial Retirement System, the Prison Officers' Pension Fund, the Public Employees' Retirement System, the Consolidated Police and Firemen's Pension Fund, the Police and Firemen's Retirement System, and the State Police Retirement System from the law that provides vested members with a non-forfeitable right to receive benefits, as provided under the laws governing the retirement system or fund, upon the attainment of five years of service credit in the retirement system or fund.

Section 30:

This section implements Recommendation 9 of the Joint Legislative Committee on Public Employee Benefits Reform set forth in the final report dated December 1, 2006. The committee recommended that legislation be enacted "to give all non-vested employees the option of entering into a defined contribution program ... and should apply to all current and future public employees."

This bill permits a person who commences service in a position that makes the person eligible to be a member of the Teachers' Pension and Annuity Fund, the Judicial Retirement System, the Public Employees' Retirement System, the Police and Firemen's Retirement System, or the State Police Retirement System, or a person already enrolled but with less than 10 years of service credit, to choose either to be enrolled in the relevant retirement system or enrolled in the Defined Contribution Retirement Program established pursuant to N.J.S.A.43:15C-1 et al. with regard to that particular position by irrevocably waiving all rights and benefits which would otherwise be provided by the relevant retirement system.

In addition, this bill would permit a person commencing service, or with less than 10 years of service credit, to choose to withdraw entirely from enrollment in any State-administered retirement system. In this regard, the bill exceeds the recommendation, but serves the recommendation's goal by providing a person with the flexibility to choose a course most consistent with his or her personal situation and financial goals while also reducing the costs to public employers.

Section 31:

This bill implements Recommendation 12 of the Joint Legislative Committee on Public Employee Benefits Reform set forth in the final report dated December 1, 2006. The committee recommended "the enactment of legislation to close the PERS Prosecutors Part ... prospectively to new members." The

committee recommended “an end to special benefits within the Public Employees’ Retirement System for selected groups of public employees and officials. ... This recommendation would standardize pension benefits for public employees with similar job functions.”

This bill closes the Prosecutors Part of the Public Employees’ Retirement System (PERS) to new members. The Prosecutors Part was added to PERS in 2001. With the enactment of this bill, all prosecutors taking office after the bill’s effective date will be enrolled in the “regular” PERS system, except that a county prosecutor who is appointed by the Governor with the advice and consent of the Senate will be enrolled in the Defined Contribution Retirement System. “Prosecutor” is defined in the law as a county prosecutor, first assistant prosecutor or assistant prosecutor; the Director of the Division of Criminal Justice in the Department of Law and Public Safety; an assistant director, deputy director, assistant attorney general or deputy attorney general in that department and assigned to that division; or a criminal investigator in the Division of Criminal Justice in the Department of Law and Public Safety who is not eligible for enrollment in the Police and Firemen’s Retirement System.

Section 32-34:

These section implement Recommendation 14 of the Joint Legislative Committee on Public Employee Benefits Reform set forth in the final report dated December 1, 2006. The committee recommended “the enactment of legislation to repeal this prospective benefit enhancement, and the corresponding benefit enhancement fund, effective immediately. This recommendation would result in significant cost savings for the State and local public employers.”

The bill eliminates the provision in the PFRS that would permit a member of the Police and Firemen’s Retirement System to retire, at any age after 25 years of service credit, on a special retirement allowance of 70% of final compensation after the retirement system reaches a funded level of 104%.

Sections 35-38:

These sections provide that, with regard to any provision of this bill made applicable to a person who becomes a member of a State-administered retirement system on or after the bill’s effective date, that provision would not apply to a person who at the time of enrollment in the retirement system on or after that effective date transfers service credit, as permitted, from another State-administered retirement system or fund of which the person was a member immediately prior to the effective and continuously thereafter, but would apply to a former member of the retirement system who has been granted a retirement allowance and is reenrolled in the retirement system on or after that effective date after becoming employed again in a position that makes the person eligible to be a member of the retirement system. These sections are in line with recent prior enactments in this regard.

Section 39:

This section of the bill requires the State, beginning July 1, 2011, to make in full the annual employer’s contribution, as computed by the actuaries, to the Teachers' Pension and Annuity Fund, the Judicial Retirement System, the Prison Officers' Pension Fund, the Public Employees' Retirement System, the Consolidated Police and Firemen's Pension Fund, the Police and Firemen's Retirement System, and the State Police Retirement System. The State would be in compliance with this requirement provided the State makes a payment, to each State-administered retirement system or fund, of at least 1/7th of the full contribution, as computed by the actuaries, in the State fiscal year commencing July 1, 2011 and makes a payment in each subsequent fiscal year that increases by at least an additional 1/7th until payment of the full contribution is made in the eighth fiscal year and thereafter. This phase-in is for the purpose of allowing the State to make gradual adjustments to the annual appropriations act.

Senate Bill 3 -

SYNOPSIS

Makes various changes to SHBP and SEHBP concerning eligibility, cost sharing, choice of plan, application of benefit change, waiver of coverage, and multiple coverage

STATEMENT

Sections 1 through 6:

These sections implement Recommendations 22 and 23 of the Joint Legislative Committee on Public Employee Benefits Reform set forth in the final report dated December 1, 2006. The committee recommended that “some level of premium sharing be established for all active employees through the collective bargaining process. The committee stated “that all public employees should be required to pay some portion of the employer-provided health care insurance.” In addition, the committee recommended that “all future retirees receiving employer-paid SHBP benefits pay some amount of health care premiums ... linked to a retiree’s ability to contribute.”

The bill requires, after its effective date and the expiration of any applicable binding collective negotiations agreement, that active employees of the State, local governments, and boards of education will contribute 1.5% of base salary toward the cost of health care coverage under the State Health Benefits Program (SHBP) and the School Employees’ Health Benefits Program (SEHBP). Employees of the State, local governments, and board of educations who become a member of a State or locally-administered retirement system on or after the bill’s effective date would be required to pay in retirement 1.5% of their pension benefit toward the cost of health care coverage under the SHBP and the SEHBP. For State and local government employees and retirees and for board of education employees, this amount will be in addition to any other amount that maybe required through the collective negotiations process for employees with a majority representative for collective negotiations and, for those without such a representative, through the application of the terms of a collective negotiations agreement upon them. The contribution required for new State employees in retirement will not be waived for a retiree who participates in the New Jersey Retirees’ Wellness Program.

Section 7:

This section implements Recommendation 24 of the Joint Legislative Committee on Public Employee Benefits Reform set forth in the final report dated December 1, 2006. The committee recommended “the enactment of legislation that would allow local public employers to negotiate collectively both premium sharing arrangements, as well as offering different plan coverage within the SHBP. A local employer, for example, would be permitted to negotiate SHBP coverage through a health maintenance organization only as opposed to the wide array of options currently mandated to be available.” The goal is to “maximize savings and control costs for the taxpaying public.”

The recommendation concerning premium sharing has already been enacted into law by P.L.2007, c.62.

This bill provides local governments, including local boards of education, with the ability to limit, through collective negotiations agreements with their active employees, the choice of plans offered by the SHBP or the SEHBP.

Section 8:

This section implements Recommendation 25 of the Joint Legislative Committee on Public Employee Benefits Reform set forth in the final report dated December 1, 2006. The committee recommended “that legislation be enacted to ensure that basic changes made in the provision of SHBP benefits to State employees, such as the amount of copayments for office visits and prescription drugs, be applicable at the same time to all individuals covered by SHBP.” The committee believed that it was “important that SHBP benefits changes negotiated by the State with its employees be applicable to employees of local employers not only to reduce administrative expenses for all through conformity but also to extend to those local employers the same cost savings enjoyed by the State.” The committee believed that it was “important to ensure consistency in health benefit coverage and cost for all public employees.”

This bill requires that changes in the provision of health care benefits through the SHBP and the SEHBP that are included in collective negotiations agreements between the State and its employees be applied to local government employees including school employees at the same time and in the same manner as to State employees.

Section 9 and 10:

These sections implement Recommendation 26 of the Joint Legislative Committee on Public Employee Benefits Reform set forth in the final report dated December 1, 2006. The committee recommended the “enactment of legislation to clarify that only full-time employees are eligible for SHBP coverage by defining a full-time employee as an employee who works 35 or more hours each week. This proposal should apply only to new employees enrolling in SHBP after the enactment of legislation.” The committee stated that it “believes that significant savings to local public employers and their taxpayers are possible by bringing them into conformity with State practice and ensuring that only genuinely full-time employees and their dependents are eligible for the desirable and costly benefits of SHBP coverage.”

This bill provides that, after the bill’s effective date, enrollment in the State Health Benefits Program (SHBP) will be limited to a person who (1) is a full-time appointive or elective officer of the State or local government whose hours of work are fixed at 35 or more per week, a full-time employee of the State, or a full-time employee of an employer other than the State whose hours of work are fixed by the governing body at not less than 25 per week, or (2) an appointive or elective officer, an employee of the State, or an employee of an employer other than the State who has or is eligible for health benefits coverage in SHBP on that effective date and continuously thereafter. The bill similarly limits enrollment in the School Employees’ Health Benefits Program (SEHBP) to persons employed full-time whose hours of work are fixed by the governing body at not less than 25 per week.

Section 11:

This section implements Recommendation 27 of the Joint Legislative Committee on Public Employee Benefits Reform set forth in the final report dated December 1, 2006. The committee recommended “the enactment of legislation to permit waiver incentives for all local public employers.” The committee recommended “that the maximum amount of the waiver be 25% of the amount saved by the employer through the employee’s waiver of coverage but only for employees who waive after the enactment of the legislation.” The purpose is to give “employers another tool to use in their efforts to control the costs of providing health benefits, to save taxpayer dollars, and offer property tax relief.”

This recommendation was partly implemented by the enactment of P.L.2007, c.92 and P.L.2008, c.89. This bill implements the recommendation that the incentive be set at 25% of the amount saved by the employer and goes further to cap the amount at \$5,000. This will apply to waivers filed after the bill’s effective date.

Section 12:

This section implements Recommendation 29 of the Joint Legislative Committee on Public Employee Benefits Reform set forth in the final report dated December 1, 2006. The committee recommended the “enactment of legislation to ensure that no SHBP duplicate coverage is available to an enrolled

individual as an active employee, retiree or dependent.” In addition, the committee recommended “that applicable regulations prohibiting multiple coverage within SHBP be codified into law to abolish any current inequities and unnecessary utilization or duplication of services and benefits, and thereby to achieve savings for public employers and the taxpayers.”

This bill prohibits multiple coverage in the SHBP and the SEHBP in accordance with the rules and regulations promulgated by the State Health Benefits Commission and the School Employees’ Health Benefits Commission.

Senate Bill 4 -

SYNOPSIS

Makes various changes concerning payments to public employees for unused sick leave, sick leave injury in State service, and PERS and TPAF disability retirement.

STATEMENT

Sections 1, 2 and 3:

These sections implement Recommendation 36 of the Joint Legislative Committee on Public Employee Benefits Reform set forth in the final report dated December 1, 2006. The report concluded that “this recommendation will bring supplemental compensation for accumulated unused sick leave in line with the current law and practice for State employees, thus standardizing this benefit for public employees serving at different levels of government in the State.”

This bill provides that supplemental compensation for accumulated unused sick leave payable to any local government or school district officer or employee cannot exceed \$15,000 and can only be paid at the time the officer or employee retires. **This provision would apply only to officers and employees who commence service with a local government or a school district on or after the bill’s effective date.**

Current law limits to \$15,000 the maximum amount that may be paid to a State employee for accumulated unused sick leave when the employee retires. However, there is currently no such limit with regard to local government and to school district officers or employees, except with regard to certain high level local government and school district officers.

Sections 4 and 5:

These sections implement Recommendation 37 of the Joint Legislative Committee on Public Employee Benefits Reform set forth in the final report dated December 1, 2006. The report concludes that “this recommendation will bring the carry forward of unused vacation time in line with the current law and practice for State employees, thus standardizing these benefits for public employees serving at different levels of government in the State. In addition, this recommendation will enable local governments to control public employee benefit costs which, in turn, will reduce property tax revenue needs.”

Under this bill, local government and school district officers and employees would be allowed to carry forward vacation leave for only one successive year, except that vacation leave that could not be used because of an emergency declared by the Governor would accumulate subject to certain limits. **This provision would apply only to officers and employees who commence service with a local government or a school district on or after the bill’s effective date and only after the expiration of a current contract** applicable to such officer or employee

Current law limits vacation leave carry forward for State employees and employees of local governments that have adopted civil service. However, there is currently no such limit with regard to

other local government and to school district officers or employees, except with regard to certain high level local government and school district officers.

Section 6:

This section implements Recommendation 38 of the Joint Legislative Committee on Public Employee Benefits Reform set forth in the final report dated December 1, 2006. The committee recommended “the enactment of legislation to eliminate the State’s sick leave injury program. The legislation should close the program to all current and future State employees. The legislation should take effect after the expiration of any collective bargaining agreement in effect at the time of enactment so that no obligation in a contract is impaired.” The committee stated that “the proposals to end the sick leave injury program are sound and that employees will generally not be disadvantaged by this change because workers’ compensation benefits will continue to be available. In addition, the State will realize savings in the form of reduced employee benefit costs.”

This bill terminates the sick leave injury program for State employees who are injured or who become ill directly as a result of State employment after the bill’s effective date which is 60 days after enactment or after the expiration of current collective negotiations agreements.

Sections 7-11:

These sections implement Recommendation 17 of the Joint Legislative Committee on Public Employee Benefits Reform set forth in the final report dated December 1, 2006. The committee recommended “the enactment of legislation to replace accidental and ordinary disability benefits for new TPAF and PERS members with private disability insurance coverage.” The committee found that this recommendation would be beneficial to public employees who become disabled and would result in savings to both the State and local public employers.

This bill eliminates accidental and ordinary disability retirement for members of the Teachers’ Pension and Annuity Fund (TPAF) and Public Employees’ Retirement System (PERS) who are enrolled in the retirement system on or after this bill’s effective date. Instead, members of each system enrolled after that date will be eligible for disability insurance coverage similar to that provided by the State currently to individuals enrolled in the Defined Contribution Retirement Program.

Section 12 and 13:

These sections provide that, with regard to any provision of this bill concerning disability retirement in the Public Employees’ Retirement System and the Teachers’ Pension and Annuity Fund made applicable to a person who becomes a member of a State-administered retirement system on or after the bill’s effective date, that provision would not apply to a person who at the time of enrollment in the retirement system on or after that effective date transfers service credit, as permitted, from another State-administered retirement system or fund of which the person was a member immediately prior to the effective date and continuously thereafter, but would apply to a former member of the retirement system who has been granted a retirement allowance and is reenrolled in the retirement system on or after that effective date after becoming employed again in a position that makes the person eligible to be a member of the retirement system. These sections are in line with recent prior enactments in this regard.

These are other legislative bills that we need to be aware of:

A583 – Reduces required local employer contributions to PERS and PFRS for State Fiscal years 2009 through 2011

A688 – Revises scope of public employee collective negotiations

A966 – Revises law governing compulsory arbitration for public fire and police departments

A1043 – Abolishes Department of Personnel and New Jersey Commerce, Economic Growth and Tourism Commission and makes certain transfers; abolishes various other statutory entities.

A1488 and S770 – Requires local unit public employers to maintain and preserve retiree health benefits of PFRS retirees at least at the same level as provided at employee retirement.

A1542 – Limits payment upon retirement to \$15,000.00 to local public officers and employees for accumulated sick leave.

A1581 and S195 – Creates local police officer, and paid firefighter emergency registry

A1612 – Restricts use of accumulated sick leave by public employees in year prior to retirement.

A1613 – Limits payment upon retirement to \$10,000.00 to State and local public officers and employees for accumulated sick leave.

A2116 – Changes prospectively definition of compensation used to calculate benefits in PERS and TPAF to average of five highest-paid years and in PFRS, SPRS, and JRS to average of three highest-paid years.

A2250 – Provides exclusive jurisdiction to PERC for certain unfair labor practice claims.

S739 – Limits payment to certain public employees for accumulated sick leave upon retirement, requires fine and reprimand or termination for violation of sick leave by public employee.

We ask all members to be mindful of our brother and sisters throughout the state in our “combination departments”.

Our combination departments are under constant threats from their employer’s with using more volunteers and in the process firefighters are being threatened with a lay-off. We are not against IAFF family members seeking membership in an ALL volunteer organization. We are however asking that family members stay clear of combination departments.

Court Date:

**In the Arson Case where FF Gary V. Stephens lost his life
(LODD, Elizabeth, NJ- 1-2-09)**

This is to advise that the **sentencing** of Emilio Vasques and Jose Flores (manslaughter and criminal trespassing) will be on **FEBRUARY 26, 2010** at **9:00 AM** in Judge Joseph Perfilio's courtroom, Annex Bldg. floor 3.

Important dates and events:

February 24th – 2010 Occupational Safety and Health Education Conference

February 26th – Annual NJ Firefighters Ski Race to Benefit St. Barnabas Burn Center

March 14th – 18th – IAFF Alfred K. Whitehead Legislative Conference

March 19th – 20th – 7th Annual Women in Leadership Development (AFL-CIO)

March 20th – IAFF Local 2958 North Plainfield Firefighters 7th Annual St. Baldrick’s Day Event

April 10th – PFANJ Valor Awards Brunch

June 1st – PFANJ Annual Golf outing – Harbor Pines Golf Club & Estates

June 1st – 4th – PFANJ Annual Convention

August 22nd – 28th – IAFF 50th Bi-annual Convention

Included in Februarys packet:

PFANJ Balance Sheet as of 1/31/10

2010 Alfred K. Whitehead Legislative Conference agenda

New Jersey Firefighters 23rd Annual Ski Race application

2010 Occupational Safety and Health Education Conference application
New Insurance Benefits available to IAFF Members
Copy of recommendations of the Joint Legislative Committee on Public Employee Benefits Reform
PFANJ Valor Award Application
Copy of Governor's speech to Joint Legislators on 2-11-10
Editorial – A good start
Article – Pension reforms draw union anger 2-9-10
Editorial – Benefits reform finally on table
Article – JCFD Union President: Cutbacks threaten public safety – 2/8/10
Article – Christie set to declare fiscal emergency, freeze \$1.6B
Article – State plan for cutting payroll is stumbling
Article – State to seek pension, benefits overhaul 2-7-10
Article – Gov. Christie, Lawmakers propose sweeping pension, health care changes for public employees 2-7-10
Article – Chris Christie has found a useful bogeyman –and it wears a union label 1-28-10
Article – Healy cutting 4 fire companies will shrink arson unit 1-15-10
Article – Christie won't rule out layoffs, furloughs to close budget deficit 1-20-10
Article – Christie looks for power to veto panels' budgets 2-4-10
Article – Meeting on state budget doesn't allay concerns
Article – Forum aims to make Jersey affordable for all 2-4-10
Editorial – Grant Christie more 'authority'
Copy of State of NJ report – January Revenue collections lag projections (2/11/2010)
Copy of State of NJ report – Calendar 2009 Pension fund returns up nearly 20 percent (1/15/2010)

