



State of New Jersey

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DEPARTMENT OF THE TREASURY
DIVISION OF PENSIONS AND BENEFITS
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ELIZABETH MAHER MUOIO
State Treasurer

SONIA RIVERA-PEREZ
Acting Director

December 5, 2025

Sent via email to: [REDACTED]

Arlene Ortiz
[REDACTED]
[REDACTED]

RE: TPAF [REDACTED]

Dear Ms. Ortiz:

At its meeting on November 13, 2025, the Board of Trustees (Board) of the Teachers' Pension and Annuity Fund (TPAF) considered your October 7, 2025 appeal of the Board's February 18, 2025 denial of your request have the purchase of 82 months of Out-of-State service qualify to meet the requirements set forth in L 2008, c 89, which was submitted after the regulatory period to file an appeal expired.

After careful consideration, the Board affirmed its prior decision, and finding no genuine issue of material fact in dispute, the Board directed the Secretary to prepare Findings of Fact and Conclusions of Law as outlined below, which was approved by the Board at its December 4, 2025 meeting.

FINDINGS OF FACT

The record before the Board establishes that you were originally enrolled in the TPAF effective December 1, 2005, as a result of your employment with Lindenwold Public Schools as a Teacher. On September 1, 2007, you transferred to Bridgeton Board of Education as a Teacher.

On July 27, 2022, you contacted the Division's Office of Client Services (Client Services) regarding your pension account. The counselor advised you that purchase requests for Out-Of-State service cannot be used to qualify for post-retirement medical coverage. On August 4, 2022,

you submitted an *Application to Purchase Service Credit* (purchase application) for Out-of-State service with PSERS/Independence Charter School (Indpndnce Char, PA) for the period covering September 1, 2006 through October 1, 2009. On August 5, 2022, you submitted a purchase application for Out-of-State service with the New York Teachers' Retirement System/P.S. 114 (PS 114, NY) for the period covering February 1, 2000 through November 18, 2005. On August 5, 2022, and August 8, 2022, letters were sent to you acknowledging receipt of your purchase applications. The letters included the following statement:

Please note that effective November 1, 2008, purchase requests for Out-Of-State Service credit cannot be used to qualify for Post-Retirement Medical coverage.

On October 6, 2022, a Purchase Quote was issued for 70 months of Out-of-State service with PS 114, NY for the period covering February 1, 2000 through November 18, 2005. The Board notes that the Purchase Quote also included the same statement concerning Out-of-State purchases made after November 1, 2008.¹ Thereafter, on December 21, 2022, you authorized the purchase of 70 months of Out-of-State service credit.

On March 21, 2023, you had a Virtual Interview with Client Services. During the interview, you were advised that you were eligible for health benefits and dental coverage at full cost. On May 5, 2023, you contacted Client Services via telephone and were advised a third time that purchases of Out-of-State service cannot be used to qualify for post-retirement medical coverage.

On June 7, 2023, a Purchase Quote was issued for 12 months of Out-of-State service with Indpndnce Char, PA for the period covering July 1, 2006 through June 30, 2007. The Board notes that this Purchase Quote again included the same statement concerning purchases of Out-of-

¹ "Please note that effective November 1, 2008, purchase requests for Out-of-State Service cannot be used to qualify for Post-Retirement Medical coverage."

State service made after November 1, 2008.² Thereafter, on August 29, 2023, you authorized the purchase of 12 months of Out-of-State service credit.

On August 28, 2024, you had a second Virtual Interview with Client Services and were advised a fourth time that your purchases of Out-Of-State service would not qualify for post-retirement medical coverage and that you would be required to pay the full cost.

On or about November 18, 2024, the Division's Director's Office received a referral from the Division of Administration. In the referral, you acknowledge that you "missed the deadline for filing to purchase out-of-state service credit" and requested that you be able to "receive Health Care Benefits at no cost." You also claim that you were not aware of the deadline. In response, the Director's Office advised the Division of Administration that effective November 1, 2008, purchases of Out-of-State service credit cannot be used to qualify for employer-paid health benefits in retirement, but that your purchase would be used to increase your monthly retirement allowance.

On January 1, 2025, you were advised via letter that your appeal was scheduled for review by the School Employees' Health Benefits Commission on Monday, January 27, 2025. However, after further administrative review, it was determined that your appeal should be heard by the TPAF Board. As a result, your appeal was scheduled to be heard at the February 6, 2025 TPAF board meeting.³

Before the meeting, Shirlene Scott (Scott), Supervising Pensions Benefits Specialist issued an administrative denial letter, dated January 21, 2025. In the letter, Scott noted that your purchase applications, purchase quotations, and acknowledgement letters all advised you that effective November 1, 2008, purchase requests for Out-of-State service cannot be used to qualify

² "Please note that effective November 1, 2008, purchase requests for Out-of-State Service cannot be used to qualify for Post-Retirement Medical coverage."

³ The February 6, 2025, TPAF Board meeting was canceled due to the Governor's closure of all state offices.

for post-retirement medical coverage. Scott's letter also provided the following concerning L 2008, c. 89:

"Service credit established in the retirement system by a member through purchase in accordance with this section, which purchase was made by an application submitted on or after the effective date of P.L.2008, c.89, except a purchase for military service in the Armed Forces of the United States, shall not be eligible for consideration when service is used to determine the qualification of the member for any health care benefits coverage paid, in whole or in part, by a public employer after the member's retirement."

Accordingly, because you did not submit a purchase application for the 82 months of service prior to November 1, 2008, the Board denied your request to have the purchase of that time meet the requirements L 2008, c. 89 to qualify for post-retirement medical coverage.

After over 6 months after the Board's February 18, 2025 decision became final, you filed an appeal of the Board's decision.

CONCLUSIONS OF LAW

The issue before the Board is whether your December 2022 and August 2023 purchases of Out-of-State service credit qualify for post-retirement state health benefits.

N.J.S.A. 18A:66-13, states in relevant part:

Notwithstanding any other provision of law to the contrary, service credit established in the retirement system by a member through purchase in accordance with this section, which purchase was made by an application submitted on or after the effective date [Nov. 1, 2008] of P.L.2008, c.89, except a purchase for military service in the Armed Forces of the United States, shall not be eligible for consideration when service is used to determine the qualification of the member for any health care benefits coverage paid, in whole or in part, by a public employer after the member's retirement.

[Ibid.]

In addition, N.J.A.C. 17:3-5.5(b)(2)(ii) states:

- ii. For purchase applications received November 2, 2008 or later, U.S. government purchases, military purchases, and Out-of-State purchases cannot be used to qualify for post-retirement medical benefits.

[Ibid.]

The Board recognizes that "pension statutes 'should be liberally construed and administered in favor of the persons intended to be benefited.'" Francois v. Bd. of Trs., 415 N.J. Super. 335, 349 (App. Div. 2010) (internal quotation marks omitted) (quoting Klumb v. Bd. of Educ. of Manalapan-Englishtown Reg'l High Sch. Dist., 199 N.J. 14, 34 (2009)). However, "an employee has only such rights and benefits as are based upon and within the scope of the provisions of the statute." Ibid. (quoting Casale v. Pension Comm'n of the Empls.' Ret. Sys., 78 N.J. Super. 38, 40 (Law Div. 1963)). Based upon the plain language of the statute and regulation, your purchases of Out-of-State service after November 1, 2008 cannot be used to qualify for post-retirement medical benefits.

In your appeal you assert that you "did not know about buying back time until recently," however, as you yourself acknowledged in your appeal, it is your responsibility to be informed about your own retirement and to seek information. The Board also notes that the Division has ample resources for information about purchases, retirements, and post-retirement health benefits.

With respect to your untimely appeal, the Board's February 18, 2025 letter informed you that you were required to file an appeal of the Board's decision within 45 days of the date you received the Board's determination letter. Specifically, the letter advised:

If you disagree with the determination of the Board, you may appeal by submitting a written statement to the Board within 45 days after the date of written notice of the determination. The statement shall set forth in detail the reasons for your disagreement with the Board's determination and shall include any relevant documentation supporting your claim. If no such written statement is received within the 45-day period, the determination by the Board shall be final.

[(emphasis added).]

Based upon the Board's determination letter and N.J.A.C. 17:3-1.7(a) you had until April 4, 2025 to submit a written statement appealing the Board's determination. However, the record reflects that you did not file an appeal until your letter dated October 7, 2025. By operation of law, determination of the Board on February 18, 2025 was the final administrative action in this matter. However, at its November 13, 2025, the Board considered your untimely appeal and affirmed its prior determination.

The Board finds that the statutory and regulatory requirements are clear and unambiguous. Because there were no disputes of material fact, the Board was able to reach its Findings of Fact and Conclusions of Law in this matter without the need for an administrative hearing. Accordingly, this correspondence constitutes the Final Administrative Determination of the Board of Trustees of the Teachers' Pension and Annuity Fund.

You have the right, if you wish, to appeal this final administrative determination to the Superior Court of New Jersey, Appellate Division, within 45 days of the date of this letter, in accordance with the Rules Governing the Courts of the State of New Jersey. All appeals should be directed to:

Superior Court of New Jersey
Appellate Division
Attn: Court Clerk
PO Box 006
Trenton, NJ 08625

Sincerely,



Saretta Dudley, Secretary
Board of Trustees
Teachers' Pension and Annuity Fund

G-1/db/SD

c: S. Scott (ET)
DAG Alison Keating (ET)