

PHILIP D. MURPHY

Governor

SHEILA Y. OLIVER *Lt. Governor* 

DEPARTMENT OF THE TREASURY
DIVISION OF PENSIONS AND BENEFITS
P. O. Box 295
TRENTON, NEW JERSEY 08625-0295
Telephone (609) 292-7524 / Facsimile (609) 777-1779

TRS 711 (609) 292-6683 www.nj.gov/treasury/pensions

February 20, 2020

ELIZABETH MAHER MUOIO State Treasurer

JOHN D. MEGARIOTIS

Acting Director

**Sherol Anderson** 

Re: PERS

## **FINAL ADMINISTRATIVE DETERMINATION**

Dear Ms. Anderson:

I am writing in reference to the decision of the Board of Trustees of the Public Employees' Retirement System (PERS) regarding your appeal of the Board's decision of October 16, 2019, in which it denied your request to purchase additional service credit covering the period from December 12, 2015 through December 31, 2015. On November 29, 2019, you appealed the Board's decision. At its meeting on January 15, 2020, the Board determined that there are no material facts in dispute and therefore directed the Board Secretary, in consultation with the Attorney General's Office, to prepare Findings of Fact and Conclusions of Law, which were presented and approved by the Board at its February 19, 2020, meeting.

## **FINDINGS OF FACT**

The record before the Board reveals that on March 23, 2016, you submitted a request to purchase service credit for a Leave of Absence period beginning November 1, 2015 through December 31, 2015, while you were employed with the Somerset County Judiciary. Your employer completed a *Purchase-Employer Certification* form indicating that you were on a leave from November 6, 2015 through December 11, 2015, for personal reasons. Based upon the aforementioned certification, the Division of Pensions and Benefits (Division) provided you with a *Purchase Cost Quotation* which permitted you to purchase the period from November 14, 2015

through December 11, 2015, a total of 2 biweekly pay periods. You were not permitted to purchase any period of time beyond December 11, 2015. Subsequently, you did remit a lump sum payment for the purchase of the 2 biweekly pay periods.

It was not until December 20, 2018 that you pursued the purchase of employment for the period from December 12, 2015 through December 31, 2015. However, the Division advised that you were not permitted to purchase additional service. Thereafter, on May 27, 2019 you attempted to purchase the same period of time as a Leave of Absence. The Division obtained copies of your employment history from the New Jersey Department of Personnel. The records confirmed that you separated employment in your position as an Administrative Specialist 3 Confidential, an unclassified position with the Judiciary, on December 11, 2015. On July 22, 2019, the Division denied you the opportunity to purchase the period of employment from December 12, 2015 through December 31, 2015 because you were not employed for this period of time and per N.J.A.C. 17:2-5.5(a)4 iv, which states that a leave of absence shall be deemed to have ended upon termination. You appealed the Division's decision to the PERS Board.

At its meeting of October 16, 2019, the Board considered your personal statements as well as all relevant documentation regarding your request to purchase additional service credit covering the period from December 12, 2015 through December 31, 2015. Following its review, the Board denied your request to purchase additional service credit for the period from December 12, 2015 through December 31, 2015. On November 28, 2019, you appealed the Board's decision. At its meeting of January 15, 2020, the Board found that no genuine issue of material fact was in dispute and directed the Board Secretary to draft a Final Administrative Determination which it would consider at its meeting of February 19, 2020.

## **CONCLUSIONS OF LAW**

A member of the PERS has the option to purchase certain PERS service credit. Under PERS regulations, a member has the option to purchase service such as former membership credit, former service with any other employer which would have qualified at the time the service was rendered; continuous temporary service leading without interruption to enrollment, and for a leave of absence. The regulation states that "[A] leave of absence shall be deemed to have ended upon resignation, termination or return to covered payroll…" See N.J.A.C. 17:2-5.5(a)4 iv.

The Board found that it was undisputed that your employment was terminated as of December 11, 2015. Thus, your leave of absence ended on that date. As per the regulation, you were permitted to purchase your leave of absence from November 14, 2015 through December 11, 2015, as you were still on a leave of absence, as confirmed by your employer. Based upon the above, the Board denied your request to purchase the period from December 12, 2015 through December 31, 2015. The Board also noted that, at the time that you submitted your request to purchase this time on May 27, 2019, you were not an active member of the retirement system and thus were not permitted to purchase additional service credit as only active members may do so.

As noted above, the PERS Board has considered your written submissions and all documentation in the record. Because this matter does not entail any disputed questions of fact, the PERS Board was able to reach its findings of fact and conclusions of law in this matter on the basis of the retirement system's enabling statutes and regulations without the need for an administrative hearing. Accordingly, this correspondence shall constitute the Final Administrative Determination of the Board of Trustees of the Public Employees' Retirement System.

You have the right, if you wish, to appeal this final administrative action 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:

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

> > Sincerely,

Jeff S. Ignatowitz, Secretary

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Board of Trustees

Public Employees' Retirement System

G-6/JSI

C: A. Csaszi (ET)