



# Workers' Compensation Judges (PERS-WCJ) Member Guidebook Addendum



## INTRODUCTION

N.J.S.A. 43:15A-142 et seq. established special retirement benefits for members of the Public Employees' Retirement System (PERS) employed by the Division of Workers' Compensation of the Department of Labor as Workers' Compensation Judges. Members who are eligible for enrollment in the Workers' Compensation Judges (WCJ) Part of the PERS retain many regular PERS benefits, including those in the areas of retirement options, Disability Retirement, and contributory life insurance coverage. Other benefits have been added that are similar to those of the Judicial Retirement System.

This Guidebook Addendum addresses the benefits that are specific to the WCJ Part. If a topic is not specifically addressed in this addendum, WCJ members should refer to the information in the *Public Employees' Retirement System (PERS) Member Guidebook*.

Benefits and provisions of the PERS are subject to changes by the legislature, courts, and other officials. While this guidebook addendum outlines the benefit and contribution schedules of the PERS, it is not a final statement. Complete terms governing any employee benefit program are set forth in the New Jersey Statutes Annotated. Regulations, new or amended, are published in the New Jersey Register by the State Office of Administrative Law supplementing the New Jersey Administrative Code.

## MEMBERSHIP

P.L. 2007, c. 92 (Chapter 92) closed the WCJ Part of the PERS to new members as of June 8, 2007. Workers' Compensation Judges who were enrolled to the WCJ Part prior to its closure remained members of the WCJ Part. Those appointed on or after July 1, 2007, who did not have an existing Tier 1 PERS membership, were required to enroll in the Defined Contribution Retirement Program (DCRP).

P.L. 2021, c. 140 (Chapter 140), reopened the WCJ Part of the PERS. Workers' Compensation Judges required to enroll in the DCRP on or after June 8, 2007, who have not received a distribution from the DCRP, will be enrolled retroactively into the WCJ part of the PERS and receive a retirement benefit based on the WCJ Part. See the "Types of Retirement" section. Workers' Compensation Judges hired on or after June 30, 2021, will be enrolled in the WCJ Part of the PERS as of their date of hire.

### Eligibility

Any person employed in an eligible job title by the Division of Workers' Compensation prior to June 8, 2007, was eligible to be enrolled in the Workers' Compensation Judges Part.

### Eligible Job Titles

Eligible titles for membership in the WCJ Part include:

- Chief Judge;
- Administrative Supervisory Judge;
- Supervisory Judge; and
- Judge of Compensation.

## Contribution Rate

N.J.S.A. 43:15A-25 increased the member contribution rate for the WCJ Part from five percent to 5.5 percent of base salary, effective July 1, 2007. It then increased to 6.5 percent of base salary, effective with the first payroll on or after October 1, 2011. Subsequent increases phased in over seven years (each July 1st) bring the total pension contribution rate to 7.5 percent of base salary as of July 1, 2018.

The minimum repayment amount for pension loans or for the cost of a purchase of service credit corresponds with the increases in the contribution rate for any repayments certified after the date of a rate change.

## RETIREMENT

Individuals classified as Workers' Compensation Judges have a special set of retirement terms.

### Service Credit

**Workers' Compensation Judge service** — your total years of service in the WCJ Part.

**Regular PERS service** — the aggregate years of PERS service in titles other than those in the WCJ Part. This includes service purchased or transferred into the PERS.

**In the aggregate of public service** — the total years of both WCJ Part service and regular PERS service.

### Salary

**Final Salary** — the contractual salary on which your pension contributions are based as of the date of your retirement or death.

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

**Mandatory Retirement** — Retirement is mandatory for a Workers' Compensation Judge on the first of the calendar month after you reach the age of 70.

### Types of Retirement

There may be several types of retirement for which you qualify. You will normally retire with the retirement type that gives you the highest benefit.

**Note:** If you retire with less than five years of WCJ Part service or do not meet the required years of aggregate service for a retirement under the WCJ Part, you may qualify for a Service, Early, Veteran, or Deferred Retirement under the regular PERS. See the *PERS Member Guidebook* or the *Retirement — How to Apply for PERS and TPAF Members Fact Sheet* for more information.

The following are the retirement qualifications and calculations that are unique to the WCJ Part.

### Service Retirement

Eligibility for a Service Retirement is based on your age and years of service in the WCJ Part, as well as your total years of regular PERS service. A Workers' Compensation Judge is eligible for a Service Retirement upon turning age 60.

Your annual retirement benefit is calculated using 75 percent of your Final Salary if you are:

- Age 60 or older with 20 or more years of Workers' Compensation Judge service.
- Age 65 or older with 15 or more years of Workers' Compensation Judge service.
- Age 70 or older with 10 or more years of Workers' Compensation Judge service.

Your annual retirement benefit is calculated using 50 percent of your Final Salary if you are:

- Age 60 or older with five or more consecutive years of Workers' Compensation Judge service, and 20

or more years in the aggregate of public service.

- Age 65 or older with five or more consecutive years of Workers' Compensation Judge service, and 15 or more years in the aggregate of public service.

### Early Retirement

You are eligible for an Early Retirement if you are under age 60 with five or more consecutive years in the WCJ Part, with a combined total of 25 or more years in the aggregate of public service. An Early Retirement is calculated using two percent of Final Salary for each year of service up to 25 years, plus one percent of Final Salary for each year of service over 25 years, with an actuarial reduction for every month under the age of 60. You should contact the New Jersey Division of Pensions & Benefits for a retirement estimate to determine the reduction.

### Deferred Retirement

You are eligible for a Deferred Retirement if you leave after completing five or more consecutive years of WCJ Part service with an aggregate of public service of 10 years or more.

A Deferred Retirement is payable at age 60. The annual retirement benefit is calculated using two percent of your Final Salary for each year of service up to 25 years, plus one percent of Final Salary for each year of service over 25 years.

If you apply for a Deferred Retirement and die prior to your retirement becoming effective at age 60, your beneficiary is only entitled to a return of your contributions plus interest.

### Veteran Retirement

If you are a qualified military veteran, you may take a Veteran Retirement if it provides a higher benefit than the WCJ Part. The qualifications for Veteran Retirement are the same as those for regular PERS members and are described in detail in the *PERS Member Guidebook*.

### Ordinary and Accidental Disability Retirement

Ordinary and Accidental Disability Retirement is available for members of the WCJ Part. See the *PERS Member Guidebook* for a detailed description of benefits.

## **SURVIVOR BENEFITS**

### Active Survivor's Benefit

In the event of your death as an active member of the WCJ Part, there is a survivor's benefit of 25 percent of your Final Salary that is payable to your surviving spouse, civil union partner, or domestic partner (see "Definitions" section). In addition, 10 percent of the Final Salary is payable to one surviving child (see "Definitions" section), or 15 percent of your Final Salary to two or more surviving children.

If there is no surviving spouse/partner, or if your spouse/partner dies, remarries, or enters a new partnership after your death, 15 percent of your Final Salary is payable to one surviving child, 20 percent of Final Salary shared equally to two surviving children, or 30 percent of Final Salary shared equally if there are three or more surviving children.

If there is no surviving spouse/partner or child, 20 percent of the Final Salary shall be payable to one surviving dependent parent (see "Definitions" section) or 30 percent of Final Salary shall be payable in equal shares to two surviving dependent parents.

**Definitions**

- **Spouse** — A person to whom you were married for at least four years prior to the date of your death (see note) and who has not remarried or entered into a civil union. A photocopy of the *Marriage Certificate* is required for verification.
  - **Civil Union Partner** — A person of the same sex as defined by P.L. 2006, c. 103 (Chapter 103), with whom you were partnered in a civil union for at least four years prior to the date of your death (see note) and who has not entered into a new civil union or married. A photocopy of the *New Jersey Civil Union Certificate* or a valid certification from another jurisdiction that recognizes same-sex civil unions is required for verification. See the *Civil Unions and Domestic Partnerships* Fact Sheet for details.
  - **Domestic Partner** — A person of the same sex as defined by P.L. 2003, c. 246 (Chapter 246), with whom you were partnered in a domestic partnership for at least four years prior to the date of your death (see note) and who has not entered into a civil union or married. A photocopy of the *New Jersey Certificate of Domestic Partnership* dated prior to February 19, 2007, or a valid certification from another jurisdiction that recognizes same-sex domestic partners is required for verification. See the *Civil Unions and Domestic Partnerships* Fact Sheet for details.
- Note:** In cases of death as a result of an accident during the performance of regular or assigned duties, and provided death is not a result of willful negligence, the four year marriage/partnership requirement is waived.
- **Child** — An unmarried child who is under the age of 18, or a child of any age who is disabled because of mental or physical incapacity and is incapable

of any substantial, gainful employment because of the impairment. This incapacity must be expected to last for a continuous period of not less than 12 months as affirmed by the Medical Review Board.

- **Parent** — A parent of the member who was receiving at least one-half of his or her support from the member in the 12-month period immediately preceding the member's death. Benefits for one dependent parent will terminate if the surviving parent subsequently remarries.

**Retired Survivor's Benefit**

There is no automatic survivor's benefit once you retire. At retirement you will have the same options available to all PERS members when selecting a survivor's retirement allowance.

For more information see "Optional Settlements at Retirement" in the *PERS Member Guidebook*.

**GROUP LIFE INSURANCE DEATH BENEFIT**

Most active members of the WCJ Part are covered by two types of group life insurance:

- Noncontributory Group Life Insurance; and
- Contributory Group Life Insurance.

Retired members may have Noncontributory Group Life Insurance in effect during retirement if the retiree has at least 10 years of service credit or retired on a Disability Retirement.

**Noncontributory Group Life Insurance**

For active members enrolled in Noncontributory Group Life Insurance, the benefit amount is 1½ times your Final Salary.

For retired members with Noncontributory Group Life Insurance:

- If you retire on an Early or Service Retirement, the

death benefit payable to your beneficiary(ies) is one-fourth of your Final Salary.

- If you are approved for an Ordinary or Accidental Disability Retirement and you die before the age of 60, the death benefit payable to your beneficiary(ies) is equal to 1½ times your Final Salary. If death occurs after age 60, the death benefit is equal to one-fourth of your Final Salary.

**Contributory Group Life Insurance**

For active members enrolled in Contributory Group Life Insurance, the benefit amount is equal to 1½ times your Final Salary.

No retired Contributory Group Life Insurance benefit is offered.

When group life insurance is reduced at retirement, you have 31 days after termination of employment to convert the amount of insurance that was reduced to private individual insurance coverage with the Prudential Life Insurance Company, or a policy from another insurance carrier. For additional information see the *Conversion of Group Life Insurance* Fact Sheet.

**OTHER PROVISIONS OF THE PERS**

The rules regarding Purchasing Service Credit, Loans, Health Benefits Coverage at Retirement, and Withdrawal from the PERS are the same as those for regular PERS members. Please see the *PERS Member Guidebook* or your benefits representative for more information regarding these benefits.