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## Probation Association of New Jersey

*Serving New Jersey Since 1904*

*An affiliate of the American Probation and Parole Association*

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## ***SPECIAL ALERT TO PANJ MEMBERS***

### **UPDATE ON EARLY RETIREMENT INCENTIVE PLAN**

**By: George P. Christie, president, the Probation Association of New Jersey**

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The State Legislature has recently put forth in bill form their proposal with respect to the early retirement incentive program (ERI). As you will recall, this proposal was put forth by Governor Corzine during his Budget Address in February. The initiative will be taken up by the Legislature in the coming weeks as part of the State Budget for Fiscal Year 2009 which must be finalized by the constitutional deadline on June 30. Payment for the ERI in the long-term will be achieved by state savings sought in the pension reform package currently under consideration by Legislature.

While you have likely heard from your colleagues and fellow union members about these bills, please keep in mind that the legislation affects employees prospectively. Changes to the pension system do not affect the current pension or benefit accommodations for existing members of PERS. Parts of that package eliminate part-time employees from PERS in the future; limits employees to one pension; changes the pension calculation for future PERS members; and prohibits elected officials from receiving health benefits unless they work more than 35 hours per week annually. These measures will provide long-term reform to problems plaguing the pension system while brokering an agreement between the Legislature and the Administration on the ERI.

### **EARLY RETIREMENT INCENTIVE PROGRAM**

As introduced in Senate Bill 2044 (Senator Turner) and Assembly Bill 2802 (Assemblyman Burzichelli), members of the Public Employees Retirement System (PERS) who are employed in the Judiciary would be eligible for the first tier (Category One) of the ERI program. Judiciary employees would not be eligible for the Category 2 or Category 3 ERI applicant pool. In addition, the ERI program is not available to certain members of the Judiciary including: Supreme Court Justices, Superior Court Justices, Municipal Court Justices, or Municipal Court employees.

If passed by the Legislature, eligible Judiciary employees would be required to be at least 58 years of age with at least 25 years of service credit in PERS. Applicants who are not veterans would receive an additional three years of service credit in PERS; qualified veterans would receive additional pension equivalent to "3/55 of the compensation upon which the retirement is based."

The bill requires applicants for the ERI to submit their paperwork between March 1, 2008 and July 15, 2008. Applicants would be required to retire no later than August 1, 2008. After seven days of submitting the paperwork, the application is irrevocable. In essence, an employee only would have seven days to change your mind about retiring. The date of retirement can be extended until July 1, 2009 if the Judiciary requests an extension of the employees retirement date and if approved by the Treasury. If for some reason, the employee requests an extension, the Chief Justice must approve it and seek and obtain the approval of the Treasury.

Furthermore, those employees who participate in the ERI program would not be eligible for employment with the state as an employee, an appointed individual, as a contractor for professional services, or as an employee working for a contractor with the state. The bills also calls upon the Chief Justice to establish policies that would look at the number of employees in the Judicial Branch and limits the Branch to limit the number of employees for Fiscal Year 2010 effectively limiting the Judiciary from backfilling only 10 percent of the number of employees who take the ERI benefits.

If you or a colleague in the Judiciary are interested in participating in the ERI, they should visit the Treasury's website (<http://www.state.nj.us/treasury/pensions/stateeri2008.htm>). Potential applicants should be sure to look into and apply for the program before July 15, 2008 in order to receive the benefits. As always, if you or a colleague has questions they can feel free to contact the PANJ office.