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From: NJLM - Municipal Clerks [mailto:njlm-clerks@cityconnections.com]
Sent: Monday, April 12, 2010 4:14 PM
To: Lashway, Lisa
Subject: Division of Pension & Benefits Further Guidance



Municipal Clerks for Mayors, Elected Officials and Staff



April 12, 2010

Re: Division of Pension and Benefits Further Guidance on Pension Reforms

Dear Mayor:

Recently the Division of Pensions and Benefits sent Certifying Officers guidance on P.L. 2010, c. 3.

A copy of the guidance letter has been posted to the League's website under Pension Reforms.

The guidance letter addresses the elimination of the Ordinary and Accidental Disability Retirement for PERS employees hired after May 21, 2010 who will be considered by the Division of Pension and Benefits as Tier 4 employees. Employees enrolled in PERS prior to May 21, 2010 are considered as Tier 1, 2 or 3 employees and their Ordinary and Accidental Disability Retirement benefits remain unchanged.

Ordinary and Accidental Disability Retirement will be replaced with disability insurance coverage for all Tier 4 employees who become disabled due to an occupational or non-occupational condition. Complete details regarding the disability insurance will be made available to employers and members as the Division of Pension and Benefits move towards the implementation of the coverage.

Highlights of the Disability Insurance Coverage are:

- The member must be unable to perform any and every duty pertaining to his/her occupation;
- The member need not be confined to home, but must be under a

- doctor's regular care;
- The disability benefit shall be in an amount equal to 60 percent of the member's base monthly salary, reduced by any periodic benefits to which the member may be entitled during the period of total disability;
 - Eighteen months after the onset of long-term disability eligibility, the member must be unable to engage in any gainful employment for which he or she is reasonably suited by education, training, or experience;
 - Total disability shall not be considered to exist if the member is gainfully employed;
 - While disabled, the member's mandatory pension contributions are automatically credited to the member's retirement account;
 - Disability insurance benefits terminate when the member is no longer considered totally disabled, attains age 70, or begins to receive retirement benefits.

We will continue to keep you up to date on the guidance received by the State on implementing the pension reforms. If you have any questions or need additional information please contact Lori Buckelew at lbuckelew@njslom.com or 609-695-3481 x112.

Very truly yours,

William G. Dressel, Jr.
Executive Director

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