

ASSEMBLY, No. 1605

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblywoman PAMELA R. LAMPITT

District 6 (Burlington and Camden)

Assemblyman CRAIG J. COUGHLIN

District 19 (Middlesex)

SYNOPSIS

Limits certain payments for unused sick leave earned after effective date by public officers or employees; limits vacation leave carry-forward and requires suspension and forfeiture of certain supplemental compensation.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** concerning the sick leave and vacation leave of public
2 officers and employees, and amending and supplementing
3 various parts of the statutory law.

4
5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*

7
8 1. Section 3 of P.L.2010, c.3 (C.18A:30-3.6) is amended to
9 read as follows:

10 3. a. Notwithstanding any law, rule or regulation to the
11 contrary, a board of education, or an agency or instrumentality
12 thereof, shall not pay supplemental compensation to any officer or
13 employee for accumulated unused sick leave in an amount in excess
14 of \$15,000. Supplemental compensation shall be payable only at
15 the time of retirement from a State-administered or locally-
16 administered retirement system based on the leave credited on the
17 date of retirement. This provision shall apply only to officers and
18 employees who commence service with the board of education, or
19 the agency or instrumentality thereof, on or after the effective date
20 of P.L.2010, c.3. This section shall not be construed to affect the
21 terms in any collective negotiations agreement with a relevant
22 provision in force on that effective date.

23 b. (1) As used in this subsection, “officer or employee” means
24 an officer or employee for whom there is a majority representative
25 for collective negotiations purposes who was in service with the
26 employer prior to the effective date of P.L.2010, c.3 and
27 continuously thereafter or who commenced service on or after that
28 effective date.

29 (2) Notwithstanding the provisions of subsection a. of this
30 section or any other law to the contrary, a board of education, or an
31 agency or instrumentality thereof, shall not pay supplemental
32 compensation to any officer or employee for accumulated unused
33 sick leave earned after the effective date of P.L. , c. (pending
34 before the Legislature as this bill) or after the expiration of a
35 collective negotiations agreement with a relevant provision
36 applicable to that officer or employee in effect on that date, except
37 as provided in this subsection. An officer or employee who on the
38 effective date of P.L. , c. (pending before the Legislature as this
39 bill), or upon the expiration of a collective negotiations agreement
40 with a relevant provision applicable to that officer or employee in
41 effect on that date, has accrued supplemental compensation based
42 upon accumulated unused sick leave earned prior to the effective
43 date shall continue to be eligible to receive the amount so accrued
44 based on that sick leave that remains credited on the date of
45 retirement. Supplemental compensation shall be payable only at the

EXPLANATION – Matter enclosed in bold-faced brackets **【thus】** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 time of retirement from a State-administered or locally-
2 administered retirement system based on the leave credited on the
3 date of retirement.

4 If the accrued supplemental compensation based upon
5 accumulated unused sick leave earned prior to the effective date is
6 \$7,500 or more at the time of retirement based on that sick leave
7 that remains credited on the date of retirement, accumulated unused
8 sick leave earned after the effective date shall have no monetary
9 value and shall not be paid for the purpose of supplemental
10 compensation or for the purposes set forth in paragraphs (3) and (4)
11 of this subsection. If the accrued supplemental compensation based
12 upon accumulated unused sick leave earned prior to the effective
13 date is less than \$7,500 at the time of retirement based on that sick
14 leave that remains credited on the date of retirement, accumulated
15 unused sick leave earned after the effective date shall have no
16 monetary value except for the purposes set forth in paragraphs (3)
17 and (4) of this subsection, but only to a maximum amount equal to
18 the difference between \$7,500 and the accrued supplemental
19 compensation based upon accumulated unused sick leave earned
20 prior to the effective date that remains credited on the date of
21 retirement.

22 (3) Upon the retirement of an officer or employee who is
23 eligible to receive after retirement health care benefits coverage that
24 is fully or partly paid by the employer or a public entity, the
25 employer shall calculate the dollar value of the number of days of
26 unused sick leave earned after the effective date of P.L. ,
27 c. (pending before the Legislature as this bill) or after the
28 expiration of a collective negotiations agreement with a relevant
29 provision applicable to that officer or employee in effect on that
30 date, without the application of interest, which value shall not
31 exceed the limit specified in paragraph (2) of this subsection. The
32 dollar value shall be calculated using the number of such days that
33 may be used for the calculation and the per diem or other rate, if
34 any, that have been agreed upon through collective negotiations
35 between the employer and the majority representative of the
36 relevant officer or employee, if the agreement contains provisions
37 regarding these items. Following the calculation of the total dollar
38 value, the employer shall divide the total value by 60 in order to
39 determine a monthly payment of equal amounts for a period of five
40 years. In addition to any other contributions by the employer,
41 contributions by that employer in the amount of such monthly
42 payments, not to exceed the value limit in the aggregate, shall be
43 paid from appropriations and applied towards the contributions for
44 health care benefits coverage required of such retired officer or
45 employee, whether as a percentage of premium, percentage of the
46 retirement allowance, or a specific amount, to the extent necessary
47 to pay such contributions. The remaining amount, if any, necessary
48 to pay such contributions shall be paid by such retired officer or

1 employee. If the survivor of the public officer or employee is
2 eligible to continue, after the death of the officer or employee, to
3 receive health care benefits coverage that is fully or partly paid by
4 the employer or a public entity, the monthly payments shall
5 continue if provided for in a collective negotiations agreement, and
6 shall be applied towards contributions required of that survivor, but
7 only for the period of time remaining for such payments after the
8 death of the officer or employee or for the period of time permitted
9 by law or contract, whichever time period is shorter.

10 The employer shall notify the public entity responsible for the
11 payments for the health care benefits coverage provided to such
12 officers and employees if other than the employer. The employer,
13 public entity, Division of Pensions and Benefits in the Department
14 of the Treasury, and health care benefits program administrator
15 shall cooperate to develop procedures to implement the provisions
16 of this paragraph.

17 (4) Upon the retirement of an officer or employee who is not
18 eligible to receive after retirement, or for whom the employer or a
19 public entity does not provide, health care benefits coverage after
20 retirement that is fully or partly paid by the employer or a public
21 entity, the provisions of paragraph (3) of this subsection shall not
22 apply and a Health Reimbursement Arrangement, or substantially
23 similar account, shall be established by the employer and governed
24 in accordance with the requirements of the Internal Revenue
25 Service and the Internal Revenue Code. The purpose of the
26 arrangement shall be to reimburse the retiree or eligible person for
27 qualified medical expenses incurred up to the dollar value, in the
28 aggregate, of the accumulated unused sick leave, if any, as
29 computed under paragraph (3) in accordance with a collective
30 negotiations agreement, but only up to one fifth of that value
31 annually. The arrangement shall reimburse the retiree or eligible
32 person for copayments, coinsurance, deductibles, and services as set
33 forth in the plan document and permitted by the Internal Revenue
34 Service and code. The plan document shall provide for the carry
35 forward of the total amount of the unused reimbursement from year
36 to year for a period of five years. Unused reimbursement shall not
37 be payable as cash to the retiree or the retiree's estate or
38 beneficiaries. The arrangement shall be available to the survivor of
39 the retiree, in accordance with the Internal Revenue Service or
40 code, if permitted by law or a collective negotiations agreement but
41 only for the period of time of the five years that remains at the
42 death of the retiree or for the period of time permitted by law or
43 contract, whichever time period is shorter.

44 If the officer or employee is a veteran of the Armed Forces of
45 United States and been issue a certificate of such veteran status by
46 the Adjutant of the Department of Military and Veterans' Affairs, in
47 accordance with section 5 of P.L. , c. (pending before the
48 Legislature as this bill), the veteran shall receive from the employer

1 supplemental compensation in an amount, if any, as computed
2 under paragraph (3) in accordance with a collective negotiations
3 agreement and shall not be eligible for an individual Health
4 Reimbursement Arrangement as provided above.

5 (5) All officers and employees in service on the effective date of
6 P.L. , c. (pending before the Legislature as this bill) who have a
7 contractual right to receive, if eligible, supplemental compensation
8 for accumulated unused sick leave shall continue to have that
9 contractual right.

10 (6) The provisions of this subsection shall apply also to those
11 officers and employees covered under subsection a. of section 44 of
12 P.L.2007, c.92 (C.18A:30-3.5) for whom there is a majority
13 representative for collective negotiations purposes, if any.

14 c. As used in this subsection, “officer or employee” means an
15 officer or employee for whom there is no majority representative
16 for collective negotiations purposes who was in service with the
17 employer prior to the effective date of P.L.2010, c.3 and
18 continuously thereafter or who commenced service on or after that
19 effective date.

20 Notwithstanding the provisions of subsection a. of this section or
21 any other law to the contrary, a board of education, or an agency or
22 instrumentality thereof, shall not pay supplemental compensation to
23 any officer or employee for accumulated unused sick leave earned
24 after the effective date of P.L. , c. (pending before the Legislature
25 as this bill) or after the expiration of an individual contract of
26 employment with a relevant provision applicable to that officer or
27 employee in effect on that date. An officer or employee who on the
28 effective date of P.L. , c. (pending before the Legislature as this
29 bill), or upon the expiration of an individual contract of
30 employment with a relevant provision applicable to that officer or
31 employee in effect on that date, has accrued supplemental
32 compensation based upon accumulated unused sick leave earned
33 prior to the effective date shall continue to be eligible to receive the
34 amount so accrued based on that sick leave that remains credited on
35 the date of retirement. Supplemental compensation shall be payable
36 only at the time of retirement from a State-administered or locally-
37 administered retirement system based on the leave credited on the
38 date of retirement.

39 All officers and employees in service on the effective date of
40 P.L. , c. (pending before the Legislature as this bill) who have a
41 contractual right to receive, if eligible, supplemental compensation
42 for accumulated unused sick leave shall continue to have that
43 contractual right, except as modified by agreement between the
44 public employer and the public officer or employee after that
45 effective date to reduce the supplemental compensation either by
46 reducing the per diem value of the accumulated unused sick leave
47 or by other means.

1 d. Payment of supplemental compensation for accumulated
2 unused sick leave shall be suspended if an officer or employee
3 governed by this section has been indicted for a crime that involves
4 or touches such office or employment as defined in section 6 of
5 P.L.2007, c.49 (C.2C:43-6.5).

6 Supplemental compensation for accumulated unused sick leave
7 shall be forfeited if an officer or employee governed by this section
8 is convicted of a crime that subjects the officer or employee to the
9 provisions of section 6 of P.L.2007, c.49, or for a substantially
10 similar offense under the laws of another state or the United States
11 which would have been such a crime under the laws of this State.
12 (cf: P.L.2010, c.3, s.3)

13
14 2. Section 2 of P.L.2010, c.3 (C.40A:9-10.4) is amended to
15 read as follows:

16 2. a. Notwithstanding any law, rule or regulation to the
17 contrary, a political subdivision of the State, or an agency, authority
18 or instrumentality thereof, that has not adopted the provisions of
19 Title 11A of the New Jersey Statutes, shall not pay supplemental
20 compensation to any officer or employee for accumulated unused
21 sick leave in an amount in excess of \$15,000. Supplemental
22 compensation shall be payable only at the time of retirement from a
23 State-administered or locally-administered retirement system based
24 on the leave credited on the date of retirement. This provision shall
25 apply only to officers and employees who commence service with
26 the political subdivision of the State, or the agency, authority or
27 instrumentality thereof, on or after the effective date of P.L.2010,
28 c.3. This section shall not be construed to affect the terms in any
29 collective negotiations agreement with a relevant provision in force
30 on that effective date.

31 b. (1) As used in this subsection, "officer or employee" means
32 an officer or employee for whom there is a majority representative
33 for collective negotiations purposes who was in service with the
34 employer prior to the effective date of P.L.2010, c.3 and
35 continuously thereafter or who commenced service on or after that
36 effective date.

37 (2) Notwithstanding the provisions of subsection a. of this
38 section or any other law to the contrary, a political subdivision of
39 the State, or an agency, authority or instrumentality thereof, that has
40 not adopted the provisions of Title 11A of the New Jersey Statutes,
41 shall not pay supplemental compensation to any officer or employee
42 for accumulated unused sick leave earned after the effective date of
43 P.L. , c. (pending before the Legislature as this bill) or after the
44 expiration of a collective negotiations agreement with a relevant
45 provision applicable to that officer or employee in effect on that
46 date, except as provided in this subsection. An officer or employee
47 who on the effective date of P.L. , c. (pending before the
48 Legislature as this bill), or upon the expiration of a collective

1 negotiations agreement with a relevant provision applicable to that
2 officer or employee in effect on that date, has accrued supplemental
3 compensation based upon accumulated unused sick leave earned
4 prior to the effective date shall continue to be eligible to receive the
5 amount so accrued based on that sick leave that remains credited on
6 the date of retirement. Supplemental compensation shall be payable
7 only at the time of retirement from a State-administered or locally-
8 administered retirement system based on the leave credited on the
9 date of retirement.

10 If the accrued supplemental compensation based upon
11 accumulated unused sick leave earned prior to the effective date is
12 \$7,500 or more at the time of retirement based on that sick leave
13 that remains credited on the date of retirement, accumulated unused
14 sick leave earned after the effective date shall have no monetary
15 value and shall not be paid for the purpose of supplemental
16 compensation or for the purposes set forth in paragraphs (3) and (4)
17 of this subsection. If the accrued supplemental compensation based
18 upon accumulated unused sick leave earned prior to the effective
19 date is less than \$7,500 at the time of retirement based on that sick
20 leave that remains credited on the date of retirement, accumulated
21 unused sick leave earned after the effective date shall have no
22 monetary value except for the purposes set forth in paragraphs (3)
23 and (4) of this subsection, but only to a maximum amount equal to
24 the difference between \$7,500 and the accrued supplemental
25 compensation based upon accumulated unused sick leave earned
26 prior to the effective date that remains credited on the date of
27 retirement.

28 (3) Upon the retirement of an officer or employee who is
29 eligible to receive after retirement health care benefits coverage that
30 is fully or partly paid by the employer or a public entity, the
31 employer shall calculate the dollar value of the number of days of
32 unused sick leave earned after the effective date of P.L. _____,
33 c. (pending before the Legislature as this bill) or after the
34 expiration of a collective negotiations agreement with a relevant
35 provision applicable to that officer or employee in effect on that
36 date, without the application of interest, which value shall not
37 exceed the limit specified in paragraph (2) of this subsection. The
38 dollar value shall be calculated using the number of such days that
39 may be used for the calculation and the per diem or other rate, if
40 any, that have been agreed upon through collective negotiations
41 between the employer and the majority representative of the
42 relevant officer or employee, if the agreement contains provisions
43 regarding these items. Following the calculation of the total dollar
44 value, the employer shall divide the total value by 60 in order to
45 determine a monthly payment of equal amounts for a period of five
46 years. In addition to any other contributions by the employer,
47 contributions by that employer in the amount of such monthly
48 payments, not to exceed the value limit in the aggregate, shall be

1 paid from appropriations and applied towards the contributions for
2 health care benefits coverage required of such retired officer or
3 employee, whether as a percentage of premium, percentage of the
4 retirement allowance, or a specific amount, to the extent necessary
5 to pay such contributions. The remaining amount, if any, necessary
6 to pay such contributions shall be paid by such retired officer or
7 employee. If the survivor of the public officer or employee is
8 eligible to continue, after the death of the officer or employee, to
9 receive health care benefits coverage that is fully or partly paid by
10 the employer or a public entity, the monthly payments shall
11 continue if provided for in a collective negotiations agreement, and
12 shall be applied towards contributions required of that survivor, but
13 only for the period of time remaining for such payments after the
14 death of the officer or employee or for the period of time permitted
15 by law or contract, whichever time period is shorter.

16 The employer shall notify the public entity responsible for the
17 payments for the health care benefits coverage provided to such
18 officers and employees if other than the employer. The employer,
19 public entity, Division of Pensions and Benefits in the Department
20 of the Treasury, and health care benefits program administrator
21 shall cooperate to develop procedures to implement the provisions
22 of this paragraph.

23 (4) Upon the retirement of an officer or employee who is not
24 eligible to receive after retirement, or for whom the employer or a
25 public entity does not provide, health care benefits coverage after
26 retirement that is fully or partly paid by the employer or a public
27 entity, the provisions of paragraph (3) of this subsection shall not
28 apply and a Health Reimbursement Arrangement, or substantially
29 similar account, shall be established by the employer and governed
30 in accordance with the requirements of the Internal Revenue
31 Service and the Internal Revenue Code. The purpose of the
32 arrangement shall be to reimburse the retiree or eligible person for
33 qualified medical expenses incurred up to the dollar value, in the
34 aggregate, of the accumulated unused sick leave, if any, as
35 computed under paragraph (3) in accordance with a collective
36 negotiations agreement, but only up to one fifth of that value
37 annually. The arrangement shall reimburse the retiree or eligible
38 person for copayments, coinsurance, deductibles, and services as set
39 forth in the plan document and permitted by the Internal Revenue
40 Service and code. The plan document shall provide for the carry
41 forward of the total amount of the unused reimbursement from year
42 to year for a period of five years. Unused reimbursement shall not
43 be payable as cash to the retiree or the retiree's estate or
44 beneficiaries. The arrangement shall be available to the survivor of
45 the retiree, in accordance with the Internal Revenue Service or
46 code, if permitted by law or a collective negotiations agreement but
47 only for the period of time of the five years that remains at the

1 death of the retiree or for the period of time permitted by law or
2 contract, whichever time period is shorter.

3 If the officer or employee is a veteran of the Armed Forces of
4 United States and been issue a certificate of such veteran status by
5 the Adjutant of the Department of Military and Veterans' Affairs, in
6 accordance with section 5 of P.L. , c. (pending before the
7 Legislature as this bill), the veteran shall receive from the employer
8 supplemental compensation in an amount, if any, as computed
9 under paragraph (3) in accordance with a collective negotiations
10 agreement and shall not be eligible for an individual Health
11 Reimbursement Arrangement as provided above.

12 (5) All officers and employees in service on the effective date of
13 P.L. , c. (pending before the Legislature as this bill) who have a
14 contractual right to receive, if eligible, supplemental compensation
15 for accumulated unused sick leave shall continue to have that
16 contractual right.

17 (6) The provisions of this subsection shall apply also to those
18 officers and employees covered under subsection a. of section 43 of
19 P.L.2007, c.92 (C.40A:9-10.2) for whom there is a majority
20 representative for collective negotiations purposes, if any. For
21 officers or employees who elect health care benefits coverage in
22 retirement under the State Health Benefits Program in accordance
23 with section 1 of P.L.1997, c.330 (C.52:14-17.32i), paragraph (3) of
24 this subsection shall apply. For officers or employees who do not
25 elect health care benefits coverage in retirement under the State
26 Health Benefits Program in accordance with section 1 of P.L.1997,
27 c.330 (C.52:14-17.32i), paragraph (4) of this subsection shall apply.

28 c. As used in this subsection, "officer or employee" means an
29 officer or employee for whom there is no majority representative
30 for collective negotiations purposes who was in service with the
31 employer prior to the effective date of P.L.2010, c.3 and
32 continuously thereafter or who commenced service on or after that
33 effective date.

34 Notwithstanding the provisions of subsection a. of this section or
35 any other law to the contrary, a political subdivision of the State, or
36 an agency, authority or instrumentality thereof, that has not adopted
37 the provisions of Title 11A of the New Jersey Statutes, shall not pay
38 supplemental compensation to any officer or employee for
39 accumulated unused sick leave earned after the effective date of
40 P.L. , c. (pending before the Legislature as this bill) or after the
41 expiration of an individual contract of employment with a relevant
42 provision applicable to that officer or employee in effect on that
43 date. An officer or employee who on the effective date of P.L. , c.
44 (pending before the Legislature as this bill), or upon the expiration
45 of an individual contract of employment with a relevant provision
46 applicable to that officer or employee in effect on that date, has
47 accrued supplemental compensation based upon accumulated
48 unused sick leave earned prior to the effective date shall continue to

1 be eligible to receive the amount so accrued based on that sick leave
2 that remains credited on the date of retirement. Supplemental
3 compensation shall be payable only at the time of retirement from a
4 State-administered or locally-administered retirement system based
5 on the leave credited on the date of retirement.

6 All officers and employees in service on the effective date of
7 P.L. , c. (pending before the Legislature as this bill) who have a
8 contractual right to receive, if eligible, supplemental compensation
9 for accumulated unused sick leave shall continue to have that
10 contractual right, except as modified by agreement between the
11 public employer and the public officer or employee after that
12 effective date to reduce the supplemental compensation either by
13 reducing the per diem value of the accumulated unused sick leave
14 or by other means.

15 d. Payment of supplemental compensation for accumulated
16 unused sick leave shall be suspended if an officer or employee
17 governed by this section has been indicted for a crime that involves
18 or touches such office or employment as defined in section 6 of
19 P.L.2007, c.49 (C.2C:43-6.5).

20 Supplemental compensation for accumulated unused sick leave
21 shall be forfeited if an officer or employee governed by this section
22 is convicted of a crime that subjects the officer or employee to the
23 provisions of section 6 of P.L.2007, c.49, or for a substantially
24 similar offense under the laws of another state or the United States
25 which would have been such a crime under the laws of this State.
26 (cf: P.L.2010, c.3, s.2)

27
28 3. Section 1 of P.L.2010, c.3 (C.11A:6-19.2) is amended to
29 read as follows:

30 1. a. Notwithstanding any law, rule or regulation to the
31 contrary, a political subdivision of the State, or an agency, authority
32 or instrumentality thereof, that has adopted the provisions of Title
33 11A of the New Jersey Statutes, shall not pay supplemental
34 compensation to any officer or employee for accumulated unused
35 sick leave in an amount in excess of \$15,000. Supplemental
36 compensation shall be payable only at the time of retirement from a
37 State-administered or locally-administered retirement system based
38 on the leave credited on the date of retirement. This provision shall
39 apply only to officers and employees who commence service with
40 the political subdivision of the State, or the agency, authority or
41 instrumentality thereof, on or after the effective date of P.L.2010,
42 c.3. This section shall not be construed to affect the terms in any
43 collective negotiations agreement with a relevant provision in force
44 on that effective date.

45 b. (1) As used in this subsection, "officer or employee" means
46 an officer or employee for whom there is a majority representative
47 for collective negotiations purposes who was in service with the
48 employer prior to the effective date of P.L.2010, c.3 and

1 continuously thereafter or who commenced service on or after that
2 effective date.

3 (2) Notwithstanding the provisions of subsection a. of this
4 section or any other law to the contrary, a political subdivision of
5 the State, or an agency, authority or instrumentality thereof, that has
6 adopted the provisions of Title 11A of the New Jersey Statutes,
7 shall not pay supplemental compensation to any officer or employee
8 for accumulated unused sick leave earned after the effective date of
9 P.L. , c. (pending before the Legislature as this bill) or after the
10 expiration of a collective negotiations agreement with a relevant
11 provision applicable to that officer or employee in effect on that
12 date, except as provided in this subsection. An officer or employee
13 who on the effective date of P.L. , c. (pending before the
14 Legislature as this bill), or upon the expiration of a collective
15 negotiations agreement with a relevant provision applicable to that
16 officer or employee in effect on that date, has accrued supplemental
17 compensation based upon accumulated unused sick leave earned
18 prior to the effective date shall continue to be eligible to receive the
19 amount so accrued based on that sick leave that remains credited on
20 the date of retirement. Supplemental compensation shall be payable
21 only at the time of retirement from a State-administered or locally-
22 administered retirement system based on the leave credited on the
23 date of retirement.

24 If the accrued supplemental compensation based upon
25 accumulated unused sick leave earned prior to the effective date is
26 \$7,500 or more at the time of retirement based on that sick leave
27 that remains credited on the date of retirement, accumulated unused
28 sick leave earned after the effective date shall have no monetary
29 value and shall not be paid for the purpose of supplemental
30 compensation or for the purposes set forth in paragraphs (3) and (4)
31 of this subsection. If the accrued supplemental compensation based
32 upon accumulated unused sick leave earned prior to the effective
33 date is less than \$7,500 at the time of retirement based on that sick
34 leave that remains credited on the date of retirement, accumulated
35 unused sick leave earned after the effective date shall have no
36 monetary value except for the purposes set forth in paragraphs (3)
37 and (4) of this subsection, but only to a maximum amount equal to
38 the difference between \$7,500 and the accrued supplemental
39 compensation based upon accumulated unused sick leave earned
40 prior to the effective date that remains credited on the date of
41 retirement.

42 (3) Upon the retirement of an officer or employee who is
43 eligible to receive after retirement health care benefits coverage that
44 is fully or partly paid by the employer or a public entity, the
45 employer shall calculate the dollar value of the number of days of
46 unused sick leave earned after the effective date of P.L. ,
47 c. (pending before the Legislature as this bill) or after the
48 expiration of a collective negotiations agreement with a relevant

1 provision applicable to that officer or employee in effect on that
2 date, without the application of interest, which value shall not
3 exceed the limit specified in paragraph (2) of this subsection. The
4 dollar value shall be calculated using the number of such days that
5 may be used for the calculation and the per diem or other rate, if
6 any, that have been agreed upon through collective negotiations
7 between the employer and the majority representative of the
8 relevant officer or employee, if the agreement contains provisions
9 regarding these items. Following the calculation of the total dollar
10 value, the employer shall divide the total value by 60 in order to
11 determine a monthly payment of equal amounts for a period of five
12 years. In addition to any other contributions by the employer,
13 contributions by that employer in the amount of such monthly
14 payments, not to exceed the value limit in the aggregate, shall be
15 paid from appropriations and applied towards the contributions for
16 health care benefits coverage required of such retired officer or
17 employee, whether as a percentage of premium, percentage of the
18 retirement allowance, or a specific amount, to the extent necessary
19 to pay such contributions. The remaining amount, if any, necessary
20 to pay such contributions shall be paid by such retired officer or
21 employee. If the survivor of the public officer or employee is
22 eligible to continue, after the death of the officer or employee, to
23 receive health care benefits coverage that is fully or partly paid by
24 the employer or a public entity, the monthly payments shall
25 continue if provided for in a collective negotiations agreement, and
26 shall be applied towards contributions required of that survivor, but
27 only for the period of time remaining for such payments after the
28 death of the officer or employee or for the period of time permitted
29 by law or contract, whichever time period is shorter.

30 The employer shall notify the public entity responsible for the
31 payments for the health care benefits coverage provided to such
32 officers and employees if other than the employer. The employer,
33 public entity, Division of Pensions and Benefits in the Department
34 of the Treasury, and health care benefits program administrator
35 shall cooperate to develop procedures to implement the provisions
36 of this paragraph.

37 (4) Upon the retirement of an officer or employee who is not
38 eligible to receive after retirement, or for whom the employer or a
39 public entity does not provide, health care benefits coverage after
40 retirement that is fully or partly paid by the employer or a public
41 entity, the provisions of paragraph (3) of this subsection shall not
42 apply and a Health Reimbursement Arrangement, or substantially
43 similar account, shall be established by the employer and governed
44 in accordance with the requirements of the Internal Revenue
45 Service and the Internal Revenue Code. The purpose of the
46 arrangement shall be to reimburse the retiree or eligible person for
47 qualified medical expenses incurred up to the dollar value, in the
48 aggregate, of the accumulated unused sick leave, if any, as

1 computed under paragraph (3) in accordance with a collective
2 negotiations agreement, but only up to one fifth of that value
3 annually. The arrangement shall reimburse the retiree or eligible
4 person for copayments, coinsurance, deductibles, and services as set
5 forth in the plan document and permitted by the Internal Revenue
6 Service and code. The plan document shall provide for the carry
7 forward of the total amount of the unused reimbursement from year
8 to year for a period of five years. Unused reimbursement shall not
9 be payable as cash to the retiree or the retiree's estate or
10 beneficiaries. The arrangement shall be available to the survivor of
11 the retiree, in accordance with the Internal Revenue Service or
12 code, if permitted by law or a collective negotiations agreement but
13 only for the period of time of the five years that remains at the
14 death of the retiree or for the period of time permitted by law or
15 contract, whichever time period is shorter.

16 If the officer or employee is a veteran of the Armed Forces of
17 United States and been issue a certificate of such veteran status by
18 the Adjutant of the Department of Military and Veterans' Affairs, in
19 accordance with section 5 of P.L. , c. (pending before the
20 Legislature as this bill), the veteran shall receive from the employer
21 supplemental compensation in an amount, if any, as computed
22 under paragraph (3) in accordance with a collective negotiations
23 agreement and shall not be eligible for an individual Health
24 Reimbursement Arrangement as provided above.

25 (5) All officers and employees in service on the effective date of
26 P.L. , c. (pending before the Legislature as this bill) who have a
27 contractual right to receive, if eligible, supplemental compensation
28 for accumulated unused sick leave shall continue to have that
29 contractual right.

30 (6) The provisions of this subsection shall apply also to those
31 officers and employees covered under subsection a. of section 42 of
32 P.L.2007, c.92 (C.11A:6-19.1) for whom there is a majority
33 representative for collective negotiations purposes, if any. For
34 officers or employees who elect health care benefits coverage in
35 retirement under the State Health Benefits Program in accordance
36 with section 1 of P.L.1997, c.330 (C.52:14-17.32i), paragraph (3) of
37 this subsection shall apply. For officers or employees who do not
38 elect health care benefits coverage in retirement under the State
39 Health Benefits Program in accordance with section 1 of P.L.1997,
40 c.330 (C.52:14-17.32i), paragraph (4) of this subsection shall apply.

41 c. As used in this subsection, "officer or employee" means an
42 officer or employee for whom there is no majority representative
43 for collective negotiations purposes who was in service with the
44 employer prior to the effective date of P.L.2010, c.3 and
45 continuously thereafter or who commenced service on or after that
46 effective date.

47 Notwithstanding the provisions of subsection a. or any other law
48 to the contrary, a political subdivision of the State, or an agency,

1 authority or instrumentality thereof, that has adopted the provisions
2 of Title 11A of the New Jersey Statutes, shall not pay supplemental
3 compensation to any officer or employee for accumulated unused
4 sick leave earned after the effective date of P.L. , c. (pending
5 before the Legislature as this bill) or after the expiration of an
6 individual contract of employment with a relevant provision
7 applicable to that officer or employee in effect on that date. An
8 officer or employee who on the effective date of P.L. , c.
9 (pending before the Legislature as this bill), or upon the expiration
10 of an individual contract of employment with a relevant provision
11 applicable to that officer or employee in effect on that date, has
12 accrued supplemental compensation based upon accumulated
13 unused sick leave earned prior to the effective date shall continue to
14 be eligible to receive the amount so accrued based on that sick leave
15 that remains credited on the date of retirement. Supplemental
16 compensation shall be payable only at the time of retirement from a
17 State-administered or locally-administered retirement system based
18 on the leave credited on the date of retirement.

19 All officers and employees in service on the effective date of
20 P.L. , c. (pending before the Legislature as this bill) who have a
21 contractual right to receive, if eligible, supplemental compensation
22 for accumulated unused sick leave shall continue to have that
23 contractual right, except as modified by agreement between the
24 public employer and the public officer or employee after that
25 effective date to reduce the supplemental compensation either by
26 reducing the per diem value of the accumulated unused sick leave
27 or by other means.

28 d. Payment of supplemental compensation for accumulated
29 unused sick leave shall be suspended if an officer or employee
30 governed by this section has been indicted for a crime that involves
31 or touches such office or employment as defined in section 6 of
32 P.L.2007, c.49 (C.2C:43-6.5).

33 Supplemental compensation for accumulated unused sick leave
34 shall be forfeited if an officer or employee governed by this section
35 is convicted of a crime that subjects the officer or employee to the
36 provisions of section 6 of P.L.2007, c.49, or for a substantially
37 similar offense under the laws of another state or the United States
38 which would have been such a crime under the laws of this State.
39 (cf: P.L.2010, c.3, s.1)

40

41 4. N.J.S.11A:6-19 is amended to read as follows:

42 11A:6-19. a. Supplemental compensation; computation;
43 limitation. Supplemental compensation shall be computed at the
44 rate of one-half of the eligible employee's daily rate of pay for each
45 day of accumulated sick leave based upon the compensation
46 received during the last year of employment prior to the effective
47 date of retirement, but supplemental compensation shall not exceed
48 \$15,000.00. If an employee dies after the effective date of

1 retirement but before payment is made, payment shall be made to
2 the employee's estate.

3 b. (1) As used in this subsection, "employee" means an
4 employee for whom there is a majority representative for collective
5 negotiations purposes.

6 (2) Notwithstanding the provisions of N.J.S.11A:6-16 to the
7 contrary, supplemental compensation shall not be paid to any State
8 employee for accumulated unused sick leave earned after the
9 effective date of P.L. , c. (pending before the Legislature as this
10 bill) or after the expiration of a collective negotiations agreement
11 with a relevant provision applicable to that employee in effect on
12 that date, except as provided in this subsection. An employee who
13 on the effective date of P.L. , c. (pending before the Legislature
14 as this bill), or upon the expiration of a collective negotiations
15 agreement with a relevant provision applicable to that employee in
16 effect on that date, has accrued supplemental compensation based
17 upon accumulated unused sick leave earned prior to the effective
18 date shall continue to be eligible to receive the amount so accrued
19 based on that sick leave that remains credited on the date of
20 retirement. Supplemental compensation shall be payable only at the
21 time of retirement from a State-administered or locally-
22 administered retirement system based on the leave credited on the
23 date of retirement.

24 If the accrued supplemental compensation based upon
25 accumulated unused sick leave earned prior to the effective date is
26 \$7,500 or more at the time of retirement based on that sick leave
27 that remains credited on the date of retirement, accumulated unused
28 sick leave earned after the effective date shall have no monetary
29 value and shall not be paid for the purpose of supplemental
30 compensation or for the purposes set forth in paragraphs (3) and (4)
31 of this subsection. If the accrued supplemental compensation based
32 upon accumulated unused sick leave earned prior to the effective
33 date is less than \$7,500 at the time of retirement based on that sick
34 leave that remains credited on the date of retirement, accumulated
35 unused sick leave earned after the effective date shall have no
36 monetary value except for the purposes set forth in paragraphs (3)
37 and (4) of this subsection, but only to a maximum amount equal to
38 the difference between \$7,500 and the accrued supplemental
39 compensation based upon accumulated unused sick leave earned
40 prior to the effective date that remains credited on the date of
41 retirement.

42 (3) Upon the retirement of an employee who is eligible to
43 receive after retirement health care benefits coverage that is fully or
44 partly paid by the employer or a public entity, the employer shall
45 calculate the dollar value of the number of days of unused sick
46 leave earned after the effective date of P.L. , c. (pending before
47 the Legislature as this bill) or after the expiration of a collective
48 negotiations agreement with a relevant provision applicable to that

1 employee in effect on that date, without the application of interest,
2 which value shall not exceed the limit specified in paragraph (2) of
3 this subsection. The dollar value shall be calculated in accordance
4 with subsection a. of this section. Following the calculation of the
5 total dollar value, the employer shall divide the total value by 60 in
6 order to determine a monthly payment of equal amounts for a
7 period of five years. In addition to any other contributions by the
8 employer, contributions by that employer in the amount of such
9 monthly payments, not to exceed the value limit in the aggregate,
10 shall be paid from appropriations and applied towards the
11 contributions for health care benefits coverage required of such
12 retired officer or employee, whether as a percentage of premium,
13 percentage of the retirement allowance, or a specific amount, to the
14 extent necessary to pay such contributions. The remaining amount,
15 if any, necessary to pay such contributions shall be paid by such
16 retired employee. If the survivor of the public employee is eligible
17 to continue, after the death of the employee, to receive health care
18 benefits coverage that is fully or partly paid by the employer or a
19 public entity, the monthly payments shall continue if provided for
20 in a collective negotiations agreement, and shall be applied towards
21 contributions required of that survivor, but only for the period of
22 time remaining for such payments after the death of the employee
23 or for the period of time permitted by law or contract, whichever
24 time period is shorter.

25 The employer shall notify the public entity responsible for the
26 payments for the health care benefits coverage provided to such
27 employees if other than the employer. The employer, Division of
28 Pensions and Benefits in the Department of the Treasury, and health
29 care benefits program administrator shall cooperate to develop
30 procedures to implement the provisions of this paragraph.

31 (4) Upon the retirement of an employee who is not eligible to
32 receive after retirement, or for whom the employer or a public
33 entity does not provide, health care benefits coverage after
34 retirement that is fully or partly paid by the employer or a public
35 entity, the provisions of paragraph (3) of this subsection shall not
36 apply and a Health Reimbursement Arrangement, or substantially
37 similar account, shall be established by the employer and governed
38 in accordance with the requirements of the Internal Revenue
39 Service and the Internal Revenue Code. The purpose of the
40 arrangement shall be to reimburse the retiree or eligible person for
41 qualified medical expenses incurred up to the dollar value, in the
42 aggregate, of the accumulated unused sick leave, if any, as
43 computed under paragraph (3) in accordance with a collective
44 negotiations agreement, but only up to one fifth of that value
45 annually. The arrangement shall reimburse the retiree or eligible
46 person for copayments, coinsurance, deductibles, and services as set
47 forth in the plan document and permitted by the Internal Revenue
48 Service and code. The plan document shall provide for the carry

1 forward of the total amount of the unused reimbursement from year
2 to year for a period of five years. Unused reimbursement shall not
3 be payable as cash to the retiree or the retiree's estate or
4 beneficiaries. The arrangement shall be available to the survivor of
5 the retiree, in accordance with the Internal Revenue Service or
6 code, if permitted by law or a collective negotiations agreement but
7 only for the period of time of the five years that remains at the
8 death of the retiree or for the period of time permitted by law or
9 contract, whichever time period is shorter.

10 If the employee is a veteran of the Armed Forces of United
11 States and been issue a certificate of such veteran status by the
12 Adjutant of the Department of Military and Veterans' Affairs, in
13 accordance with section 5 of P.L. , c. (pending before the
14 Legislature as this bill), the veteran shall receive from the employer
15 supplemental compensation in an amount, if any, as computed
16 under paragraph (3) in accordance with a collective negotiations
17 agreement and shall not be eligible for an individual Health
18 Reimbursement Arrangement as provided above.

19 (5) The provisions of this subsection shall apply also to those
20 officers and employees who are provided supplemental
21 compensation for sick leave under N.J.S.11A:6-17 for whom, if
22 any, there is a majority representative for collective negotiations
23 purposes.

24 (6) All employees in service on the effective date of P.L. ,
25 c. (pending before the Legislature as this bill) who have a
26 contractual right to receive, if eligible, supplemental compensation
27 for accumulated unused sick leave shall continue to have that
28 contractual right.

29 (cf: N.J.S.11A:6-19)

30

31 5. (New section) The Adjutant General of the Department of
32 Military and Veterans' Affairs shall be responsible for determining
33 whether any person seeking to be considered a veteran for the
34 purpose of receiving supplemental compensation for accumulated
35 unused sick leave at the time of retirement, under paragraphs (4) of
36 subsections b. of section 3 of P.L.2010, c.3 (C.18A:30-3.6), section
37 2 of P.L.2010, c.3 (C.40A:9-10.4), section 1 of P.L.2010, c.3
38 (C.11A:6-19.2), or N.J.S.11A:6-19, meets the definition set forth
39 herein and adjudicating an appeal from any person disputing this
40 determination. The Adjutant General shall determine what
41 evidence of the record of service shall be sufficient for a
42 determination. The determination of the Adjutant General shall
43 apply only prospectively from the date of initial determination or
44 date of determination from an appeal, as appropriate, and shall be
45 binding upon a public employer. For the purpose of this section,
46 "veteran" means any person who has been honorably discharged or
47 released under honorable circumstances from active service in any
48 branch of the Armed Forces of the United States.

1 6. (New section) The Attorney General shall develop
2 guidelines or establish a procedure designed to provide a State
3 agency as defined in section 2 of P.L.1971, c.182 (C.52:13D-13), a
4 local government agency as defined in section 3 of P.L.1991, c.29
5 (C.40A:9-22.3), a local school district as defined in section 3 of
6 P.L.1991, c.393 (C.18A:12-23) or other public employer, as
7 appropriate, with notice of any indictment or conviction of any
8 active or former officer or employee of such entity for a crime that
9 involves or touches such office or employment as set forth in
10 subsection b. of section 6 of P.L.2007, c.49 (C.2C:43-6.5) that will
11 subject the officer or employee to sentencing under the provisions
12 of section 6 of P.L.2007, c.49 (C.2C:43-6.5).

13

14 7. (New section) a. The provisions of sections 1 through 3 and
15 9 through 18, inclusive, of P.L. , c. (pending before the
16 Legislature as this bill) regarding the suspension of payment of
17 supplemental compensation for accumulated unused sick or
18 vacation leave to an officer or employee who has been indicted for
19 a crime that involves or touches such office or employment as
20 defined in section 6 of P.L.2007, c.49 (C.2C:43-6.5) shall be
21 prospective in application for any crime or offense committed after
22 the effective date of P.L. , c. (pending before the Legislature as
23 this bill).

24 b. The provisions of sections 1 through 3 and 9 through 18,
25 inclusive, of P.L. , c. (pending before the Legislature as this
26 bill) providing for the forfeiture of supplemental compensation for
27 accumulated unused sick or vacation leave of an officer or
28 employee who has been convicted of a crime that subjects an officer
29 or employee to the provisions of section 6 of P.L.2007, c.49
30 (C.2C:43-6.5) shall be prospective in application for any crime or
31 offense committed after the effective date of P.L. , c. (pending
32 before the Legislature as this bill).

33

34 8. Section 44 of P.L.2007, c.92 (C.18A:30-3.5) is amended to
35 read as follows:

36 44. a. Notwithstanding any law, rule or regulation to the
37 contrary, a board of education, or an agency or instrumentality
38 thereof, shall not pay supplemental compensation to any officer or
39 employee for accumulated unused sick leave in an amount in excess
40 of \$15,000, except that an officer or employee who:

41 (1) on the effective date of P.L.2007, c.92 (C.43:15C-1 et al.),
42 or upon the expiration of a collective negotiations agreement or
43 contract of employment applicable to that officer or employee in
44 effect on that date has accrued supplemental compensation based
45 upon accumulated unused sick leave shall, upon retirement, be
46 eligible to receive for any unused leave not more than the amount
47 so accumulated or not more than \$15,000, whichever is greater; or

1 (2) becomes an officer or employee after the effective date of
2 P.L.2007, c.92 (C.43:15C-1 et al.) and has previously accrued
3 supplemental compensation based upon accumulated unused sick
4 leave shall, upon retirement, be eligible to receive for any unused
5 leave not more than the amount so previously accumulated or not
6 more than \$15,000, whichever is greater.

7 Supplemental compensation shall be payable only at the time of
8 retirement from a State-administered or locally-administered
9 retirement system based on the leave credited on the date of
10 retirement.

11 As used in this **[section]** subsection, "officer or employee"
12 means an elected official; or a person appointed by the Governor
13 with the advice and consent of the Senate, or appointed by the
14 Governor to serve at the pleasure of the Governor only during his or
15 her term of office; or a person appointed by an elected public
16 official or elected governing body of the political subdivision, with
17 the specific consent or approval of the elected governing body of
18 the political subdivision that is substantially similar in nature to the
19 advice and consent of the Senate for appointments by the Governor
20 of the State as that similarity is determined by the elected governing
21 body and set forth in an adopted resolution, pursuant to guidelines
22 or policy that shall be established by the Department of Education,
23 but not including a person who is employed or appointed in the
24 regular or normal course of employment or appointment procedures
25 and consented to or approved in a general or routine manner
26 appropriate for and followed by the political subdivision, or the
27 agency or instrumentality thereof.

28 b. As used in this subsection, "officer or employee" means an
29 officer or employee as defined in subsection a. of this section for
30 whom there is no majority representative for collective negotiations
31 purposes.

32 Notwithstanding the provisions of subsection a. of this section to
33 the contrary, a board of education, or an agency or instrumentality
34 thereof, shall not pay supplemental compensation to any officer or
35 employee for accumulated unused sick leave earned after the
36 effective date of P.L. , c. (pending before the Legislature as this
37 bill) or after the expiration of an individual contract of employment
38 with a relevant provision applicable to that officer or employee in
39 effect on that date. An officer or employee who on the effective
40 date of P.L. , c. (pending before the Legislature as this bill), or
41 upon the expiration of an individual contract of employment with a
42 relevant provision applicable to that officer or employee in effect on
43 that date, has accrued supplemental compensation based upon
44 accumulated unused sick leave earned prior to the effective date
45 shall continue to be eligible to receive the amount so accrued based
46 on that sick leave that remains credited on the date of retirement.
47 Supplemental compensation shall be payable only at the time of
48 retirement from a State-administered or locally-administered

1 retirement system based on the leave credited on the date of
2 retirement.

3 All officers and employees in service on the effective date of
4 P.L. , c. (pending before the Legislature as this bill) who have a
5 contractual right to receive, if eligible, supplemental compensation
6 for accumulated unused sick leave shall continue to have that
7 contractual right, except as modified by agreement between the
8 public employer and the public officer or employee after that
9 effective date to reduce the supplemental compensation either by
10 reducing the per diem value of the accumulated unused sick leave
11 or by other means.

12 c. Payment of supplemental compensation for accumulated
13 unused sick leave shall be suspended if an officer or employee
14 governed by this section has been indicted for a crime that involves
15 or touches such office or employment as defined in section 6 of
16 P.L.2007, c.49 (C.2C:43-6.5).

17 Supplemental compensation for accumulated unused sick leave
18 shall be forfeited if an officer or employee governed by this section
19 is convicted of a crime that subjects the officer or employee to the
20 provisions of section 6 of P.L.2007, c.49, or for a substantially
21 similar offense under the laws of another state or the United States
22 which would have been such a crime under the laws of this State.
23 (cf: P.L.2007, c.92, s.44)

24
25 9. Section 46 of P.L.2007, c.92 (C.18A:30-9) is amended to
26 read as follows:

27 46. a. Notwithstanding any law, rule or regulation to the
28 contrary, an officer or employee of a board of education, or an
29 agency or instrumentality thereof, who does not take vacation leave
30 that accrues on or after the effective date of P.L.2007, c.92
31 (C.43:15C-1 et al.), or on or after the date on which the person
32 becomes an officer or employee, in a given year because of business
33 demands shall be granted that accrued leave only during the next
34 succeeding year.

35 However, vacation leave not taken in a given year because of
36 duties directly related to a state of emergency declared by the
37 Governor may accumulate at the discretion of the appointing
38 authority until, pursuant to a plan established by the officer or
39 employee's appointing authority, the leave is used or the employee
40 or officer is compensated for that leave, which shall not be subject
41 to collective negotiation or collective bargaining.

42 A person who (1) is an officer or employee on the effective date
43 of P.L.2007, c.92 (C.43:15C-1 et al.), or (2) becomes an officer or
44 employee after that effective date, and has previously accrued
45 vacation leave shall be eligible and shall be permitted to retain and
46 use that accrued vacation leave.

47 As used in this section, "officer or employee" means an elected
48 official; or a person appointed by the Governor with the advice and

1 consent of the Senate, or appointed by the Governor to serve at the
2 pleasure of the Governor only during his or her term of office; or a
3 person appointed by an elected public official or elected governing
4 body of the political subdivision, with the specific consent or
5 approval of the elected governing body of the political subdivision
6 that is substantially similar in nature to the advice and consent of
7 the Senate for appointments by the Governor of the State as that
8 similarity is determined by the elected governing body and set forth
9 in an adopted resolution, pursuant to guidelines or policy that shall
10 be established by the Department of Education, but not including a
11 person who is employed or appointed in the regular or normal
12 course of employment or appointment procedures and consented to
13 or approved in a general or routine manner appropriate for and
14 followed by the political subdivision, or the agency or
15 instrumentality thereof.

16 b. Payment of supplemental compensation to any officer or
17 employee a board of education, or an agency or instrumentality
18 thereof, for accumulated unused vacation leave shall be suspended
19 if an officer or employee has been indicted for a crime that involves
20 or touches such office or employment as defined in section 6 of
21 P.L.2007, c.49 (C.2C:43-6.5).

22 Supplemental compensation for accumulated unused vacation
23 leave shall be forfeited if an officer or employee is convicted of a
24 crime that subjects the officer or employee to the provisions of
25 section 6 of P.L.2007, c.49, or for a substantially similar offense
26 under the laws of another state or the United States which would
27 have been such a crime under the laws of this State.

28 (cf: P.L.2007, c.92, s.46)

29

30 10. Section 5 of P.L.2010, c.3 (C.18A:30-9.1) is amended to
31 read as follows:

32 5. a. Notwithstanding any law, rule or regulation to the
33 contrary, an officer or employee of a board of education, or an
34 agency or instrumentality thereof, who does not take vacation leave
35 that accrues in a given year because of business demands shall be
36 granted that accrued leave only during the next succeeding year.
37 However, vacation leave not taken in a given year because of duties
38 directly related to a state of emergency declared by the Governor
39 may accumulate at the discretion of the appointing authority until,
40 pursuant to a plan established by the officer or employee's
41 appointing authority, the leave is used or the employee or officer is
42 compensated for that leave, which shall not be subject to collective
43 negotiation or collective bargaining. This provision shall apply
44 only to officers and employees who commence service with the
45 board of education, or the agency or instrumentality thereof, on or
46 after the effective date of P.L.2010, c.3. This section shall not be
47 construed to affect the terms in any collective negotiations
48 agreement with a relevant provision in force on that effective date.

1 b. As used in this subsection, “officer or employee” means an
2 officer or employee who was in service with the employer prior to
3 the effective date of P.L.2010, c.3 and continuously thereafter.

4 An officer or employee of a board of education, or an agency or
5 instrumentality thereof, who does not take vacation leave in a given
6 year that accrues after the effective date of P.L. , c. (pending
7 before the Legislature as this bill) or after the expiration of a
8 collective negotiations agreement or an individual contract of
9 employment with a relevant provision applicable to that officer or
10 employee in effect on that date, because of business demands shall
11 be granted that accrued leave only during the next succeeding year.
12 However, vacation leave not taken in a given year because of duties
13 directly related to a state of emergency declared by the Governor
14 may accumulate at the discretion of the appointing authority until,
15 pursuant to a plan established by the officer or employee's
16 appointing authority, the leave is used or the employee or officer is
17 compensated for that leave, which shall not be subject to collective
18 negotiation or collective bargaining.

19 An officer or employee who on the effective date of P.L. , c.
20 (pending before the Legislature as this bill), or upon the expiration
21 of a collective negotiations agreement or individual contract of
22 employment with a relevant provision applicable to that officer or
23 employee in effect on that date, has accrued vacation leave shall be
24 eligible and shall be permitted to retain and use that accrued
25 vacation leave.

26 c. Payment of supplemental compensation to any officer or
27 employee for accumulated unused vacation leave shall be
28 suspended if an officer or employee has been indicted for a crime
29 that involves or touches such office or employment as defined in
30 section 6 of P.L.2007, c.49 (C.2C:43-6.5).

31 Supplemental compensation for accumulated unused vacation
32 leave shall be forfeited if an officer or employee is convicted of a
33 crime that subjects the officer or employee to the provisions of
34 section 6 of P.L.2007, c.49, or for a substantially similar offense
35 under the laws of another state or the United States which would
36 have been such a crime under the laws of this State.

37 (cf: P.L.2010, c.3, s.5)

38
39 11. Section 43 of P.L.2007, c.92 (C.40A:9-10.2) is amended to
40 read as follows:

41 43. a. Notwithstanding any law, rule or regulation to the
42 contrary, a political subdivision of the State, or an agency, authority
43 or instrumentality thereof, that has not adopted the provisions of
44 Title 11A of the New Jersey Statutes, shall not pay supplemental
45 compensation to any officer or employee for accumulated unused
46 sick leave in an amount in excess of \$15,000, except that an officer
47 or employee who:

1 (1) on the effective date of P.L.2007, c.92 (C.43:15C-1 et al.),
2 or upon the expiration of a collective negotiations agreement or
3 contract of employment applicable to that officer or employee in
4 effect on that date has accrued supplemental compensation based
5 upon accumulated unused sick leave shall, upon retirement, be
6 eligible to receive for any unused leave not more than the amount
7 so accumulated or not more than \$15,000, whichever is greater; or

8 (2) becomes an officer or employee after the effective date of
9 P.L.2007, c.92 (C.43:15C-1 et al.) and has previously accrued
10 supplemental compensation based upon accumulated unused sick
11 leave shall, upon retirement, be eligible to receive for any unused
12 leave not more than the amount so previously accumulated or not
13 more than \$15,000, whichever is greater.

14 Supplemental compensation shall be payable only at the time of
15 retirement from a State-administered or locally-administered
16 retirement system based on the leave credited on the date of
17 retirement.

18 As used in this **【section】** subsection, "officer or employee"
19 means an elected official; or a person appointed by the Governor
20 with the advice and consent of the Senate, or appointed by the
21 Governor to serve at the pleasure of the Governor only during his or
22 her term of office; or a person appointed by an elected public
23 official or elected governing body of a political subdivision of the
24 State, with the specific consent or approval of the elected governing
25 body of the political subdivision that is substantially similar in
26 nature to the advice and consent of the Senate for appointments by
27 the Governor of the State as that similarity is determined by the
28 elected governing body and set forth in an adopted ordinance or
29 resolution, pursuant to guidelines or policy that shall be established
30 by the Local Finance Board in the Department of Community
31 Affairs, but not including a person who is employed or appointed in
32 the regular or normal course of employment or appointment
33 procedures and consented to or approved in a general or routine
34 manner appropriate for and followed by the political subdivision, or
35 the agency, authority or instrumentality of a subdivision, or a
36 person who holds a professional license or certificate to perform
37 and is performing as a certified health officer, tax assessor, tax
38 collector, municipal planner, chief financial officer, registered
39 municipal clerk, construction code official, licensed uniform
40 subcode inspector, qualified purchasing agent, or certified public
41 works manager.

42 b. As used in this subsection, "officer or employee" means an
43 officer or employee as defined in subsection a. of this section for
44 whom there is no majority representative for collective negotiations
45 purposes.

46 Notwithstanding the provisions of subsection a. of this section to
47 the contrary, a political subdivision of the State, or an agency,
48 authority or instrumentality thereof, that has not adopted the

1 provisions of Title 11A of the New Jersey Statutes, shall not pay
2 supplemental compensation to any officer or employee for
3 accumulated unused sick leave earned after the effective date of
4 P.L. , c. (pending before the Legislature as this bill) or after the
5 expiration of an individual contract of employment with a relevant
6 provision applicable to that officer or employee in effect on that
7 date. An officer or employee who on the effective date of P.L. , c.
8 (pending before the Legislature as this bill), or upon the expiration
9 of an individual contract of employment with a relevant provision
10 applicable to that officer or employee in effect on that date, has
11 accrued supplemental compensation based upon accumulated
12 unused sick leave earned prior to the effective date shall continue to
13 be eligible to receive the amount so accrued based on that sick leave
14 that remains credited on the date of retirement. Supplemental
15 compensation shall be payable only at the time of retirement from a
16 State-administered or locally-administered retirement system based
17 on the leave credited on the date of retirement.

18 All officers and employees in service on the effective date of
19 P.L. , c. (pending before the Legislature as this bill) who have a
20 contractual right to receive, if eligible, supplemental compensation
21 for accumulated unused sick leave shall continue to have that
22 contractual right, except as modified by agreement between the
23 public employer and the public officer or employee after that
24 effective date to reduce the supplemental compensation either by
25 reducing the per diem value of the accumulated unused sick leave
26 or by other means.

27 c. Payment of supplemental compensation to any officer or
28 employee governed by this section for accumulated unused sick
29 leave shall be suspended if the officer or employee has been
30 indicted for a crime that involves or touches such office or
31 employment as defined in section 6 of P.L.2007, c.49 (C.2C:43-
32 6.5).

33 Supplemental compensation for accumulated unused sick leave
34 shall be forfeited if an officer or employee governed by this section
35 is convicted of a crime that subjects the officer or employee to the
36 provisions of section 6 of P.L.2007, c.49, or for a substantially
37 similar offense under the laws of another state or the United States
38 which would have been such a crime under the laws of this State.
39 (cf: P.L.2007, c.92, s.43)

40

41 12. Section 42 of P.L.2007, c.92 (C.11A:6-19.1) is amended to
42 read as follows:

43 42. a. Notwithstanding any law, rule or regulation to the
44 contrary, a political subdivision of the State, or an agency, authority
45 or instrumentality thereof, that has adopted the provisions of Title
46 11A of the New Jersey Statutes, shall not pay supplemental
47 compensation to any officer or employee for accumulated unused

1 sick leave in an amount in excess of \$15,000, except that an officer
2 or employee who:

3 (1) on the effective date of P.L.2007, c.92 (C.43:15C-1 et al.),
4 or upon the expiration of a collective negotiations agreement or
5 contract of employment applicable to that officer or employee in
6 effect on that date has accrued supplemental compensation based
7 upon accumulated unused sick leave shall, upon retirement, be
8 eligible to receive for any unused leave not more than the amount
9 so accumulated or not more than \$15,000, whichever is greater; or

10 (2) becomes an officer or employee after the effective date of
11 P.L.2007, c.92 (C.43:15C-1 et al.) and has previously accrued
12 supplemental compensation based upon accumulated unused sick
13 leave shall, upon retirement, be eligible to receive for any unused
14 leave not more than the amount so previously accumulated or not
15 more than \$15,000, whichever is greater.

16 Supplemental compensation shall be payable only at the time of
17 retirement from a State-administered or locally-administered
18 retirement system based on the leave credited on the date of
19 retirement.

20 As used in this **[section]** subsection, "officer or employee"
21 means an elected official; or a person appointed by the Governor
22 with the advice and consent of the Senate, or appointed by the
23 Governor to serve at the pleasure of the Governor only during his or
24 her term of office; or a person appointed by an elected public
25 official or elected governing body of a political subdivision of the
26 State, with the specific consent or approval of the elected governing
27 body of the political subdivision that is substantially similar in
28 nature to the advice and consent of the Senate for appointments by
29 the Governor of the State as that similarity is determined by the
30 elected governing body and set forth in an adopted ordinance or
31 resolution, pursuant to guidelines or policy that shall be established
32 by the Local Finance Board in the Department of Community
33 Affairs, but not including a person who is employed or appointed in
34 the regular or normal course of employment or appointment
35 procedures and consented to or approved in a general or routine
36 manner appropriate for and followed by the political subdivision, or
37 the agency, authority or instrumentality of a subdivision, or a
38 person who holds a professional license or certificate to perform
39 and is performing as a certified health officer, tax assessor, tax
40 collector, municipal planner, chief financial officer, registered
41 municipal clerk, construction code official, licensed uniform
42 subcode inspector, qualified purchasing agent, or certified public
43 works manager.

44 b. As used in this subsection, "officer or employee" means an
45 officer or employee as defined in subsection a. of this section for
46 whom there is no majority representative for collective negotiations
47 purposes.

1 Notwithstanding the provisions of subsection a. of this section to
2 the contrary, a political subdivision of the State, or an agency,
3 authority or instrumentality thereof, that has adopted the provisions
4 of Title 11A of the New Jersey Statutes, shall not pay supplemental
5 compensation to any officer or employee for accumulated unused
6 sick leave earned after the effective date of P.L. , c. (pending
7 before the Legislature as this bill) or after the expiration of an
8 individual contract of employment with a relevant provision
9 applicable to that officer or employee in effect on that date. An
10 officer or employee who on the effective date of P.L. , c.
11 (pending before the Legislature as this bill), or upon the expiration
12 of an individual contract of employment with a relevant provision
13 applicable to that officer or employee in effect on that date, has
14 accrued supplemental compensation based upon accumulated
15 unused sick leave earned prior to the effective date shall continue to
16 be eligible to receive the amount so accrued based on that sick leave
17 that remains credited on the date of retirement. Supplemental
18 compensation shall be payable only at the time of retirement from a
19 State-administered or locally-administered retirement system based
20 on the leave credited on the date of retirement.

21 All officers and employees in service on the effective date of
22 P.L. , c. (pending before the Legislature as this bill) who have a
23 contractual right to receive, if eligible, supplemental compensation
24 for accumulated unused sick leave shall continue to have that
25 contractual right, except as modified by agreement between the
26 public employer and the public officer or employee after that
27 effective date to reduce the supplemental compensation either by
28 reducing the per diem value of the accumulated unused sick leave
29 or by other means.

30 c. Payment of supplemental compensation to any officer or
31 employee for accumulated unused sick leave shall be suspended if
32 an officer or employee has been indicted for a crime that involves
33 or touches such office or employment as defined in section 6 of
34 P.L.2007, c.49 (C.2C:43-6.5).

35 Supplemental compensation for accumulated unused sick leave
36 shall be forfeited if an officer or employee is convicted of a crime
37 that subjects the officer or employee to the provisions of section 6
38 of P.L.2007, c.49, or for a substantially similar offense under the
39 laws of another state or the United States which would have been
40 such a crime under the laws of this State.

41 (cf: P.L.2007, c.92, s.42)

42
43 13. Section 45 of P.L.2007, c.92 (C.40A:9-10.3) is amended to
44 read as follows:

45 45. a. Notwithstanding any law or any rule or regulation to the
46 contrary, an officer or employee of a political subdivision of the
47 State, or an agency, authority, or instrumentality of a subdivision,
48 that has not adopted the provisions of Title 11A, Civil Service, of

1 the New Jersey Statutes, who does not take vacation leave that
2 accrues on or after the effective date of P.L.2007, c.92 (C.43:15C-1
3 et al.), or on or after the date on which the person becomes an
4 officer or employee, in a given year because of business demands
5 shall be granted that accrued leave only during the next succeeding
6 year.

7 However, vacation leave not taken in a given year because of
8 duties directly related to a state of emergency declared by the
9 Governor may accumulate at the discretion of the appointing
10 authority until, pursuant to a plan established by the officer or
11 employee's appointing authority, the leave is used or the employee
12 or officer is compensated for that leave, which shall not be subject
13 to collective negotiation or collective bargaining.

14 A person who (1) is an officer or employee on the effective date
15 of P.L.2007, c.92 (C.43:15C-1 et al.), or (2) becomes an officer or
16 employee after that effective date, and has previously accrued
17 vacation leave shall be eligible and shall be permitted to retain and
18 use that accrued vacation leave.

19 As used in this section, "officer or employee" means an elected
20 official; or a person appointed by the Governor with the advice and
21 consent of the Senate, or appointed by the Governor to serve at the
22 pleasure of the Governor only during his or her term of office; or a
23 person appointed by an elected public official or elected governing
24 body of a political subdivision of the State, with the specific
25 consent or approval of the elected governing body of the political
26 subdivision that is substantially similar in nature to the advice and
27 consent of the Senate for appointments by the Governor of the State
28 as that similarity is determined by the elected governing body and
29 set forth in an adopted ordinance or resolution, pursuant to
30 guidelines or policy that shall be established by the Local Finance
31 Board in the Department of Community Affairs, but not including a
32 person who is employed or appointed in the regular or normal
33 course of employment or appointment procedures and consented to
34 or approved in a general or routine manner appropriate for and
35 followed by the political subdivision, or the agency, authority or
36 instrumentality of a subdivision, or a person who holds a
37 professional license or certificate to perform and is performing as a
38 certified health officer, tax assessor, tax collector, municipal
39 planner, chief financial officer, registered municipal clerk,
40 construction code official, licensed uniform subcode inspector,
41 qualified purchasing agent, or certified public works manager.

42 b. Payment of supplemental compensation to any officer or
43 employee for accumulated unused vacation leave shall be
44 suspended if an officer or employee has been indicted for a crime
45 that involves or touches such office or employment as defined in
46 section 6 of P.L.2007, c.49 (C.2C:43-6.5).

47 Supplemental compensation for accumulated unused vacation
48 leave shall be forfeited if an officer or employee is convicted of a

1 crime that subjects the officer or employee to the provisions of
2 section 6 of P.L.2007, c.49, or for a substantially similar offense
3 under the laws of another state or the United States which would
4 have been such a crime under the laws of this State.

5 (cf: P.L.2007, c.92, s.45)

6
7 14. Section 4 of P.L.2010, c.3 (C.40A:9-10.5) is amended to
8 read as follows:

9 4. a. Notwithstanding any law, rule or regulation to the
10 contrary, an officer or employee of a political subdivision of the
11 State, or an agency, authority, or instrumentality thereof, that has
12 not adopted the provisions of Title 11A of the New Jersey Statutes,
13 who does not take vacation leave that accrues in a given year
14 because of business demands shall be granted that accrued leave
15 only during the next succeeding year. However, vacation leave not
16 taken in a given year because of duties directly related to a state of
17 emergency declared by the Governor may accumulate at the
18 discretion of the appointing authority until, pursuant to a plan
19 established by the officer or employee's appointing authority, the
20 leave is used or the employee or officer is compensated for that
21 leave, which shall not be subject to collective negotiation or
22 collective bargaining. This provision shall apply only to officers
23 and employees who commence service with the political
24 subdivision of the State, or the agency, authority or instrumentality
25 thereof, on or after the effective date of P.L.2010, c.3. This section
26 shall not be construed to affect the terms in any collective
27 negotiations agreement with a relevant provision in force on that
28 effective date.

29 b. As used in this subsection, "officer or employee" means an
30 officer or employee who was in service with the employer prior to
31 the effective date of P.L.2010, c.3 and continuously thereafter.

32 An officer or employee of a political subdivision of the State, or
33 an agency, authority, or instrumentality thereof, that has not
34 adopted the provisions of Title 11A of the New Jersey Statutes,
35 who does not take vacation leave in a given year that accrues after
36 the effective date of P.L. , c. (pending before the Legislature as
37 this bill) or after the expiration of a collective negotiations
38 agreement or an individual contract of employment with a relevant
39 provision applicable to that officer or employee in effect on that
40 date, because of business demands shall be granted that accrued
41 leave only during the next succeeding year. However, vacation
42 leave not taken in a given year because of duties directly related to
43 a state of emergency declared by the Governor may accumulate at
44 the discretion of the appointing authority until, pursuant to a plan
45 established by the officer or employee's appointing authority, the
46 leave is used or the employee or officer is compensated for that
47 leave, which shall not be subject to collective negotiations or
48 collective bargaining.

1 An officer or employee who on the effective date of P.L. , c.
2 (pending before the Legislature as this bill), or upon the expiration
3 of a collective negotiations agreement or an individual contract of
4 employment with a relevant provision applicable to that officer or
5 employee in effect on that date, has accrued vacation leave shall be
6 eligible and shall be permitted to retain and use that accrued
7 vacation leave.

8 c. Payment of supplemental compensation to any officer or
9 employee for accumulated unused vacation leave shall be
10 suspended if an officer or employee has been indicted for a crime
11 that involves or touches such office or employment as defined in
12 section 6 of P.L.2007, c.49 (C.2C:43-6.5).

13 Supplemental compensation for accumulated unused vacation
14 leave shall be forfeited if an officer or employee is convicted of a
15 crime that subjects the officer or employee to the provisions of
16 section 6 of P.L.2007, c.49, or for a substantially similar offense
17 under the laws of another state or the United States which would
18 have been such a crime under the laws of this State.

19 (cf: P.L.2010, c.3, s.4)

20
21 15. N.J.S.11A:6-16 is amended to read as follows:

22 11A:6-16. a. Supplemental compensation upon retirement in
23 State employment. State employees in the career service, and those
24 in the senior executive and unclassified services who have been
25 granted sick leave under terms and conditions similar to career
26 service employees, shall be entitled upon retirement from a State-
27 administered retirement system to receive a lump sum payment as
28 supplemental compensation for each full day of accumulated sick
29 leave which is credited on the effective date of retirement.

30 b. Payment of supplemental compensation for accumulated
31 unused sick leave shall be suspended if an officer or employee has
32 been indicted for a crime that involves or touches such office or
33 employment as defined in section 6 of P.L.2007, c.49 (C.2C:43-
34 6.5).

35 Supplemental compensation for accumulated unused sick leave
36 shall be forfeited if an officer or employee is convicted of a crime
37 that subjects the officer or employee to the provisions of section 6
38 of P.L.2007, c.49, or for a substantially similar offense under the
39 laws of another state or the United States which would have been
40 such a crime under the laws of this State.

41 This subsection shall apply to employees described in
42 N.J.S.11A:6-17.

43 (cf: N.J.S.11A:6-16)

44
45 16. (New section) As used in this section, “officer or employee”
46 means an officer or employee of the State or a political subdivision
47 of the State covered by N.J.S.11A:6-2 or 11A:6-3.

1 Payment of supplemental compensation to any officer or
2 employee for accumulated unused vacation leave shall be
3 suspended if an officer or employee has been indicted for a crime
4 that involves or touches such office or employment as defined in
5 section 6 of P.L.2007, c.49 (C.2C:43-6.5).

6 Supplemental compensation for accumulated unused vacation
7 leave shall be forfeited if an officer or employee is convicted of a
8 crime that subjects the officer or employee to the provisions of
9 section 6 of P.L.2007, c.49, or for a substantially similar offense
10 under the laws of another state or the United States which would
11 have been such a crime under the laws of this State.

12
13 17. (New section) Notwithstanding the provision of any other
14 law to the contrary, the provisions of subsections b. of N.J.S.11A:6-
15 19 and of N.J.S.11A:6-16, as amended by P.L. , c. (C.)
16 (pending before the Legislature as this bill), and the provisions of
17 sections 5, 7, 16, and 18 of P.L. , c. (C.) (pending before the
18 Legislature as this bill), and the provisions of N.J.S.11A:6-2
19 regarding the carry forward of vacation leave not taken in a given
20 year, shall be applicable to all officers and employees of any
21 independent authority of the State and of any public institution of
22 higher education in this State, not otherwise covered under those
23 provisions, to the same extent and under the same conditions. As
24 used in this section, “independent State authority” means a public
25 authority, board, commission, corporation, or other agency or
26 instrumentality of the State allocated, in but not of, a principal
27 department of State government pursuant to Article V, Section IV,
28 paragraph 1 of the New Jersey Constitution, or which is not subject
29 to supervision or control by the department in which it is allocated,
30 and a regional authority; and “public institution of higher
31 education” means any public university or college, including
32 Rutgers, The State University, New Jersey Institute of Technology
33 and the University of Medicine and Dentistry of New Jersey.

34 An officer or employee who on the effective date of P.L. , c.
35 (pending before the Legislature as this bill), or upon the expiration
36 of a collective negotiations agreement or an individual contract of
37 employment with a relevant provision applicable to that officer or
38 employee in effect on that date, has accrued vacation leave shall be
39 eligible and shall be permitted to retain and use that accrued
40 vacation leave.

41
42 18. (New section) As used in this section, “officer or employee”
43 means an officer or employee for whom there is no majority
44 representative for collective negotiations purposes.

45 Notwithstanding the provisions of N.J.S.11A:6-16, 17, and 19 to
46 the contrary, supplemental compensation shall not be paid to State
47 employees in the career service, and those in the senior executive
48 and unclassified services who have been granted sick leave under

1 terms and conditions similar to career service employees for
2 accumulated unused sick leave earned after the effective date of
3 P.L. , c. (pending before the Legislature as this bill) or after the
4 expiration of an individual contract of employment with a relevant
5 provision applicable to that officer or employee in effect on that
6 date. An officer or employee who on the effective date of P.L. ,
7 c. (pending before the Legislature as this bill), or upon the
8 expiration of an individual contract of employment with a relevant
9 provision applicable to that officer or employee in effect on that
10 date, has accrued supplemental compensation based upon
11 accumulated unused sick leave earned prior to the effective date
12 shall continue to be eligible to receive the amount so accrued based
13 on that sick leave that remains credited on the date of retirement.
14 Supplemental compensation shall be payable only at the time of
15 retirement from a State-administered or locally-administered
16 retirement system based on the leave credited on the date of
17 retirement.

18 Payment of supplemental compensation for accumulated unused
19 sick leave shall be suspended if an officer or employee has been
20 indicted for a crime that involves or touches such office or
21 employment as defined in section 6 of P.L.2007, c.49 (C.2C:43-
22 6.5).

23 Supplemental compensation for accumulated unused sick leave
24 shall be forfeited if an officer or employee is convicted of a crime
25 that subjects the officer or employee to the provisions of section 6
26 of P.L.2007, c.49, or for a substantially similar offense under the
27 laws of another state or the United States which would have been
28 such a crime under the laws of this State.

29 All officers and employees in service on the effective date of
30 P.L. , c. (pending before the Legislature as this bill) who have a
31 contractual right to receive, if eligible, supplemental compensation
32 for accumulated unused sick leave shall continue to have that
33 contractual right, except as modified by agreement between the
34 public employer and the public officer or employee after that
35 effective date to reduce the supplemental compensation either by
36 reducing the per diem value of the accumulated unused sick leave
37 or by other means.

38
39 19. This act shall take effect on the first day of the second month
40 following enactment.
41

42

43

STATEMENT

44

45 This bill prohibits the payment by a public employer of
46 supplemental compensation for unused sick leave that is earned after
47 the bill's effective date by a current or future State, local government,
48 or board of education officer or employee whether or not the officer or

1 employee has a majority representative for collective negotiations
2 purposes. Supplemental compensation for any time earned prior to
3 that date will be payable as under current law.

4 Under the bill, for an officer or employee who has a majority
5 representative, if the supplemental compensation based upon
6 accumulated unused sick leave earned prior to the effective date is
7 \$7,500 or more at the time of retirement, accumulated unused sick
8 leave earned after the effective date will have no monetary value. If
9 the supplemental compensation based upon accumulated unused sick
10 leave earned prior to the effective date is less than \$7,500 at the time
11 of retirement, upon the retirement of an officer or employee who is
12 eligible to receive after retirement health care benefits coverage that is
13 fully or partly paid by the employer or a public entity, the employer
14 will determine the dollar value of the number of days of unused sick
15 leave earned after the effective date of the bill or after the expiration of
16 a collective negotiations agreement with a relevant provision
17 applicable to that officer or employee in effect on that date, without
18 interest, which cannot exceed \$7,500 in the aggregate taking into
19 account the value of the sick leave earned prior to the effective date.
20 For local government and education officers and employees who have
21 a majority representative, the dollar value will be calculated using the
22 number of such days that may be used for the calculation and the per
23 diem or other rate, if any, that have been agreed upon through
24 collective negotiations between the employer and the majority
25 representative of the relevant officer or employee, if the agreement
26 contains provisions regarding these items. For State employees who
27 have a majority representative, the value will be calculated in
28 accordance with current law. In addition to any other contributions by
29 the employer, the employer will make contributions in equal monthly
30 payments for a period of five years, not to exceed \$7,500 in the
31 aggregate, from appropriations which will be applied toward the
32 contributions for health care benefits coverage required of such retired
33 officer or employee, whether as a percentage of premium, percentage
34 of the retirement allowance, or a specific amount, to the extent
35 necessary to pay such contributions. The remaining amount, if any,
36 necessary to pay such contributions will be contributed by such retired
37 officer or employee. This would also apply to the survivor of a
38 deceased retired officer or employee if the survivor has been provided
39 with health care benefits coverage, by law or contract, that is fully or
40 partly paid by the employer or a public entity.

41 Upon the retirement of an officer or employee who has a majority
42 representative, who is not eligible to receive, or for whom the
43 employer or a public entity does not provide, health care benefits
44 coverage after retirement that is fully or partly paid by the employer or
45 a public entity, the provisions of the above paragraph will not apply
46 and a Health Reimbursement Arrangement, or a substantially similar
47 account, by the employer will be established and governed in
48 accordance with the requirements of the Internal Revenue Service and

1 the Internal Revenue Code. The purpose of the arrangement will be
2 for the employer to reimburse the retiree or eligible person for
3 qualified medical expenses incurred by the retiree up to the dollar
4 value of the accumulated unused sick leave, if any, as computed in
5 accordance with a collective negotiations agreement in the aggregate,
6 but only up to one fifth of that amount annually for five years. The
7 arrangement will reimburse the retiree or eligible person for
8 copayments, coinsurance, deductibles, and services as set forth in the
9 plan document and permitted by the Internal Revenue Service and
10 Code. The plan document will provide for the carry forward of the
11 total amount of the unused reimbursement from year to year for five
12 years. Unused reimbursement will not be payable as cash to the retiree
13 or the retiree's estate or beneficiaries. The arrangement will be
14 available to the survivor of the retiree, in accordance with the Internal
15 Revenue Service or Code, if permitted by law or a collective
16 negotiations agreement.

17 If the officer or employee is a veteran of the Armed Forces of
18 United States and has been issue a certificate of such veteran status by
19 the Adjutant General of the Department of Military and Veterans'
20 Affairs, the veteran will receive from the employer supplemental
21 compensation in an amount, if any, as computed in accordance with a
22 collective negotiations agreement and as limited as described above
23 and will not be eligible for an individual Health Reimbursement
24 Arrangement.

25 For an officer or employee who does not have a majority
26 representative for collective negotiations purposes, supplemental
27 compensation will not be permitted upon retirement in any amount for
28 any accumulated unused sick leave time earned after the bill's
29 effective date. Supplemental compensation for any time earned prior
30 to that date will be payable as under current law.

31 All officers and employees in service on the effective date of the
32 bill who have a contractual right to receive, if eligible, supplemental
33 compensation for accumulated unused sick leave will continue to have
34 that contractual right.

35 In addition, this bill limits the carry-forward of unused vacation
36 leave to one successive year only for current State, local government,
37 or board of education officers and employees whether they have a
38 majority representative for collective negotiations purposes or do not
39 have such a representative.

40 Also, for current and future State, local government, or board of
41 education officers and employees whether or not they have a majority
42 representative for collective negotiations, a payment for accumulated
43 unused sick leave or vacation leave will be suspended if such officer or
44 employee is indicted for certain crimes that involve or touch the office
45 or employment. The payment will be forfeited if such an officer or
46 employee is convicted. The bill requires the Attorney General to
47 develop guidelines or establish procedures to provide the appropriate

1 governmental agency or public employer with notice of any indictment
2 or conviction of a current or former officer or employee.

3 Certain provisions of the bill would apply on the effective date or
4 upon the expiration of a collective negotiations agreement or an
5 individual contract of employment with a relevant provision in effect
6 on the bill's effective date.

7 The bill clarifies that its provisions with regard to accumulated
8 unused sick leave earned after the effective date, the suspension or
9 forfeiture of payments for unused sick leave or vacation leave, and the
10 carry forward of vacation leave will apply to all officers and
11 employees of independent State authorities and of public institutions
12 of higher education in this State.

13 The bill will take effect the first day of the second month after
14 enactment.