

ASSEMBLY, No. 2624

STATE OF NEW JERSEY 221st LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

Sponsored by:

Assemblyman JAY WEBBER
District 26 (Morris and Passaic)

Co-Sponsored by:

Assemblymen McGuckin and Clifton

SYNOPSIS

Prohibits terminal leave compensation for local government employees.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT concerning terminal leave benefits for officers and
2 employees of certain political subdivisions and amending and
3 supplementing various parts of the statutory law.
4

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

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8 1. N.J.S.11A:6-23 is amended to read as follows:

9 11A:6-23. a. [Supplemental compensation; rules.] The Civil
10 Service Commission shall adopt rules for the implementation of
11 supplemental compensation, which shall include but need not be
12 limited to application and eligibility procedures.

13 b. Notwithstanding the provisions of any law, rule, or
14 regulation to the contrary, officers and employees of a political
15 subdivision of the State that is not a school district, or any agency,
16 authority, or instrumentality thereof that has adopted the provisions
17 of Title 11A, Civil Service, of the New Jersey Statutes, shall not be
18 eligible to receive or accrue any terminal leave compensation at any
19 time based upon accrued administrative leave, vacation leave, sick
20 leave, or terminal leave benefits for longevity of service to that
21 political subdivision or agency, authority, or instrumentality
22 thereof.

23 (cf: P.L.2008, c.29, s.55)
24

25 2. N.J.S.40A:9-10 is amended to read as follows:

26 40A:9-10. a. Except as otherwise provided by law, the board of
27 chosen freeholders of the county or the governing body of the
28 municipality shall fix the amount of salary, wages or other
29 compensation to be paid to county and municipal officers and
30 employees unless they are to serve without compensation.

31 b. Notwithstanding the provisions of any law, rule, or
32 regulation to the contrary, officers and employees of a political
33 subdivision of the State that is not a school district, or any agency,
34 authority, or instrumentality thereof that has not adopted the
35 provisions of Title 11A, Civil Service, of the New Jersey Statutes,
36 shall not be eligible to receive or accrue any terminal leave
37 compensation at any time based upon accrued administrative leave,
38 vacation leave, sick leave, or terminal leave benefits for longevity
39 of service to that political subdivision or agency, authority, or
40 instrumentality thereof.

41 (cf: P.L.1971, c.200, s.1).
42

43 3. (New section) Notwithstanding the provisions of any law,
44 rule, or regulation to the contrary, for and employees of a political
45 subdivision of the State that is not a school district, or any agency,

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 authority, or instrumentality thereof that has adopted the provisions
2 of Title 11A, Civil Service, of the New Jersey Statutes, the use of
3 six or more consecutive days of accumulated sick leave within the
4 12-month period preceding the date that employee first becomes
5 eligible for retirement, without a medical necessity verified in
6 writing by a physician, is prohibited. The commission shall
7 promulgate rules and procedures to ensure that verification of
8 medical necessity is provided. Any employee that does not comply
9 with the verification requirement shall be subject to suspension
10 without pay. The length of the suspension shall be determined by
11 the appointing authority. The rules shall provide that the employer
12 may require the employee to submit to an examination by a
13 physician selected by the employer to verify the medical necessity.
14 The employer shall deduct all sick leave found to have been used in
15 violation of this prohibition from the amount of unused
16 accumulated sick leave credited on the effective date of retirement
17 upon which supplemental compensation, if any, for the employee at
18 the time of retirement is calculated. Actions taken under this
19 section shall comply with the requirements of N.J.S.11A:2-6 et seq.
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21 4. (New section) Notwithstanding the provisions of any law,
22 rule or regulation to the contrary, for officers and employees of a
23 political subdivision of the State that is not a school district, or any
24 agency, authority, or instrumentality thereof, that has not adopted
25 the provisions of Title 11A, Civil Service, of the New Jersey
26 Statutes, the use of six or more consecutive days of accumulated
27 sick leave, after that employee is eligible for retirement without a
28 medical necessity verified in writing by a physician, is prohibited.
29 The Local Finance Board in the Department of Community Affairs
30 shall promulgate rules and procedures to ensure that verification of
31 medical necessity is provided. Any employee that does not comply
32 with the verification requirement shall be subject to suspension
33 without pay. The length of the suspension shall be determined by
34 the appointing authority. The rules shall provide that the employer
35 may require the employee to submit to an examination by a
36 physician selected by the employer to verify the medical necessity.
37 The employer shall deduct all sick leave found to have been used in
38 violation of this prohibition from the number of unused
39 accumulated sick leave credited on the effective date of retirement
40 upon which supplemental compensation, if any, for the employee at
41 the time of retirement is calculated.
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43 5. This act shall take effect immediately, except that it shall
44 remain inoperative with respect to contrary provisions of a
45 collective negotiations agreement or individual contract of
46 employment in effect on the effective date.

STATEMENT

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This bill would implement Recommendation 3 of the State Commission of Investigation’s (SCI) report entitled, “The Beat Goes On...Waste and Abuse in Local Government Employee Compensation and Benefits” and would eliminate terminal leave. Terminal leave allows public employees to remain on the public payroll at full salary and benefits immediately prior to their retirement without coming to work by using up accumulated leave, usually in the form of many sick days banked over the course of a career. The bill bans the payment of terminal leave compensation for accumulated unused administrative, sick, and vacation leave or terminal benefits for longevity for employees of certain political subdivisions, including counties, municipalities, fire districts, and school districts.

This bill would also prohibit the use of six or more accumulated sick days by an employee within the twelve month period after they are eligible for retirement, unless a physician verifies in writing the necessity of that medical leave. The local government employer may require the employee to submit to an examination conducted by a physician selected by the employer to verify the medical necessity. The bill requires the employer to deduct, for each day of sick leave used in violation, one day of accumulated unused sick leave.