

RESOLUTION 2016- 275

RESOLUTION OF THE TOWNSHIP OF OCEAN, COUNTY OF OCEAN, STATE OF NEW JERSEY SUPPORTING A-536/S-2107 TO CLARIFY VOLUNTEER POSITION DO NOT IMPACT RETIREMENT BENEFITS FOR PUBLIC EMPLOYEES

WHEREAS, in 2014, the New Jersey Division of Pension and Benefits issued a notice concerning bona fide severance of employment-post retirement employment restrictions for individuals covered by any New Jersey State administered retirement system, in order to preserve Internal Revenue Service (IRS) "qualified status" of PERS, TPAF, PFRS, SPRS and JRS plans, so as to protect retirees from a 10% excise tax penalty on their monthly retirement payments; and

WHEREAS, N.J.A.C. 17:1-17.14.2(a) defines a "bona fide severance from employment" as "the complete termination of the employee's employment relationship with the employer for a period of at least 180 days;" and

WHEREAS, if an individual returns to public employment, even as a volunteer, with the former employer prior to satisfying the requirements of a bona fide severance from employment, the employee will be required to repay all retirement benefits received from the date of retirement and may be required to re-enroll in the same or different retirement system; and

WHEREAS, Division of Pensions and Benefits have advised employees that they must sever all relations with their employer, including volunteer positions, for 180 days or they risk losing their pensions; and

WHEREAS, public employees tend to volunteer in the communities they live and work in as volunteer fire fighters, First Aid responders, celebration committee members or PTA's, to name a few; and

WHEREAS, for volunteer firefighters and first aid responders they would have to reapply to the volunteer organization as a new member, and, as a new member, they would be required to take all necessary test and training including physicals and agility test; and

WHEREAS, employees affected by the Division of Pensions ruling are at least 55 years of age who in their volunteer positions tend to be mentors to the new and younger members typically providing guidance and direction; and

WHEREAS, volunteers are the backbone of communities providing services to the residents at no cost to taxpayers while freely giving of their time and expertise; and

WHEREAS, Assembly members Holly Schepisi and Anthony Bucco and Senators Paul Sarlo and Thomas Kean, Jr., have introduced legislation to correct the Division of Pensions directive, and to promote continued volunteerism; and

WHEREAS, A-536 and S-2107 would provide that the retirement of a member of the Public Employees' Retirement System (PERS) or a member of the Police and Firemen's Retirement System (PFRS) who (1) on the date of retirement has attained the service retirement age applicable to that member and is a volunteer firefighter with the same employer from whose employment the member retires; and (2) remains a volunteer firefighter after retirement, will be a

bona fide severance from employment, notwithstanding that the retired employee maintains the relationship of a volunteer firefighter with the same employer from whom the member retired, provided that the qualified status of PERS and PFRS under federal law can be maintained;

NOW, THEREFORE, BE IT RESOLVED, that the Governing Body of the Township of Ocean, County of Ocean, State of New Jersey supports A-536 and S-2107, to permit retirees to continue to serve their fellow citizens as volunteers, without loss of their retirement, and without being forced to accept a separation from volunteer service; and

BE IT FURTHER RESOLVED, that we urge our State Legislators, Senator Christopher Connors and Assembly Members Brian Rumpf and Dianne Gove to support these bills, with voice and vote; and

BE IT FURTHER RESOLVED that copies of this Resolution are forwarded to our Legislators and to the Governor and Lieutenant Governor of New Jersey, the Senate President, the Assembly Speaker, the Senate Republican Leader and the Assembly Republican Leader, and to the New Jersey League of Municipalities.

CERTIFICATION

I, Diane Ambrosio, Clerk of the Township of Ocean, in the County of Ocean and the State of New Jersey, do hereby certify that the foregoing resolution was duly adopted by the Township Committee at its Regular Business Meeting held on the 9th day of June 2016.

Diane B. Ambrosio, RMC
Municipal Clerk