AN ACT concerning payment for the accumulation of sick leave by public employees and amending P.L.2010, c.3.

Limits payment to public employees for accumulated unused sick leave upon retirement to $15,000 or higher amount under certain circumstances.

PRIME Sponsor ________________/
AN ACT concerning payment for the accumulation of sick leave by public employees and amending P.L.2010, c.3.

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

1. Section 1 of P.L.2010, c.3 (C.11A:6-19.2) is amended to read as follows:
   1. Notwithstanding any law, rule or regulation to the contrary, a political subdivision of the State, or an agency, authority or instrumentality thereof, that has adopted the provisions of Title 11A of the New Jersey Statutes, shall not pay supplemental compensation to any officer or employee for accumulated unused sick leave in an amount in excess of $15,000. Supplemental compensation shall be payable only at the time of retirement from a State-administered or locally-administered retirement system based on the leave credited on the date of retirement. [This provision shall apply only to officers and employees who commence service with the political subdivision of the State, or the agency, authority or instrumentality thereof, on or after the effective date of P.L.2010, c.3. This section shall not be construed to affect the terms in any collective negotiations agreement with a relevant provision in force on that effective date.]

   An officer or employee who on the effective date of P.L. __, c. (pending before the Legislature as this bill), or upon the expiration of a collective negotiations agreement or contract of employment applicable to that officer or employee in effect on that date, has accrued supplemental compensation based upon accumulated unused sick leave in an amount greater than $15,000 shall have that greater amount of accrued supplemental compensation set as the maximum amount payable to the officer or employee for accumulated unused sick leave and shall, upon retirement, be eligible to receive for any unused sick leave not more than that maximum amount. An officer or employee who, on that effective date or expiration date, has accrued supplemental compensation based upon accumulated sick leave that is $15,000 or less shall, upon retirement, be eligible to receive for any unused sick leave not more than $15,000.
   (cf: P.L.2010, c.3, s.1)

2. Section 2 of P.L.2010, c.3 (C.40A:9-10.4) is amended to read as follows:
   2. Notwithstanding any law, rule or regulation to the contrary, a political subdivision of the State, or an agency, authority or instrumentality thereof, that has not adopted the provisions of Title 11A of the New Jersey Statutes, shall not pay supplemental compensation to any officer or employee for accumulated unused sick leave in an amount in excess of $15,000. Supplemental

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.
compensation shall be payable only at the time of retirement from a State-administered or locally-administered retirement system based on the leave credited on the date of retirement. [This provision shall apply only to officers and employees who commence service with the political subdivision of the State, or the agency, authority or instrumentality thereof, on or after the effective date of P.L.2010, c.3. This section shall not be construed to affect the terms in any collective negotiations agreement with a relevant provision in force on that effective date.]

An officer or employee who on the effective date of P.L. , c. (pending before the Legislature as this bill), or upon the expiration of a collective negotiations agreement or contract of employment applicable to that officer or employee in effect on that date, has accrued supplemental compensation based upon accumulated unused sick leave in an amount greater than $15,000 shall have that greater amount of accrued supplemental compensation set as the maximum amount payable to the officer or employee for accumulated unused sick leave and shall, upon retirement, be eligible to receive for any unused sick leave not more than that maximum amount. An officer or employee who, on that effective date or expiration date, has accrued supplemental compensation based upon accumulated sick leave that is $15,000 or less shall, upon retirement, be eligible to receive for any unused sick leave not more than $15,000.

(cf: P.L.2010, c.3, s.2)

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

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

An officer or employee who on the effective date of P.L. , c. (pending before the Legislature as this bill), or upon the expiration of a collective negotiations agreement or contract of employment applicable to that officer or employee in effect on that date, has accrued supplemental compensation based upon accumulated unused sick leave in an amount greater than $15,000 shall have that greater amount of accrued supplemental compensation set as the maximum amount payable to the officer or employee for
accumulated unused sick leave and shall, upon retirement, be eligible to receive for any unused sick leave not more than that maximum amount. An officer or employee who, on that effective date or expiration date, has accrued supplemental compensation based upon accumulated sick leave that is $15,000 or less shall, upon retirement, be eligible to receive for any unused sick leave not more than $15,000.

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

4. This act shall take effect immediately.

STATEMENT

This bill amends current law to make applicable for all public officers and employees the limit of $15,000 for the payment of supplemental compensation at retirement for accumulated unused sick leave. However, a current officer or employee who has accrued supplemental compensation based upon unused sick leave in an amount greater than $15,000 on the effective date of the bill or at the expiration of a collective negotiations agreement or contract of employment applicable to that officer or employee in effect on that date shall have that greater amount set as the maximum amount of supplemental compensation that the officer or employee is eligible to receive at the time of retirement.

Under current law, State employees are limited to $15,000 as the maximum amount that may be paid to a for accumulated sick leave when the employee retires; however, there are no comparable legal limits with regard to local government and school board employees.

The bill would not be construed to impair the obligation of a collective negotiations agreement or individual contract of employment with relevant provisions in effect on the bill’s effective date.

Limits payment to public employees for accumulated unused sick leave upon retirement to $15,000 or higher amount under certain circumstances.