

group, and large group markets as follows: all hospital service corporation contracts issued, pursuant to N.J.S.A. 17:48-1 et seq.; all medical service corporation contracts issued, pursuant to N.J.S.A. 17:48A-1 et seq.; all health service corporation contracts issued, pursuant to N.J.S.A. 17:48E-1 et seq.; and all health insurance policies issued, pursuant to N.J.S.A. 17B:26-1 et seq., 17B:27-26 et seq., 17B:27A-2 et seq., and 17B:27A-17 et seq.

(c) This subchapter shall not apply to any policy or contract that, pursuant to a contract between a carrier and the New Jersey Department of Human Services, provides benefits to persons who are eligible for medical assistance pursuant to P.L. 1968, c. 413 (N.J.S.A. 30:4D-1 et seq.); the Children's Health Care Coverage Program pursuant to P.L. 1997, c. 272 (N.J.S.A. 30:4I-1 et seq.); the FamilyCare Health Coverage Program pursuant to P.L. 2000, c. 71 (N.J.S.A. 30:4J-1 et seq.); or any other program administered by the Division of Medical Assistance and Health Services in the New Jersey Department of Human Services.

#### 11:24A-2A.2 Required benefits

Except in the case of a religious employer that is granted an exclusion, pursuant to N.J.A.C. 11:24A-24.3, a carrier shall provide coverage, without limit or exclusion, for medical and surgical abortion in accordance with this subchapter. A carrier may apply cost sharing, including deductible, copayment, or coinsurance, as applicable, to such services provided such cost sharing is also applied to similar services or coverages under the policy.

#### 11:24A-2A.3 Religious employer exclusion

(a) A religious employer may request, and a carrier shall grant, an exclusion for medical and surgical abortion coverage, if coverage conflicts with the religious employer's *bona fide* religious beliefs and practices. An exclusion granted pursuant to this section shall not be construed to permit a carrier to exclude coverage for care that is necessary to preserve the life or health of the covered person or that is the result of an act of rape or incest.

(b) A carrier that issues a policy or contract containing a religious employer exclusion shall provide written notice of such exclusion to each prospective insured or covered person. Such notice shall appear in not less than 10-point type in the certificate or evidence of coverage, the covered person's application or enrollment form, and all sales and marketing materials.

(c) For each request that a carrier grants to a religious employer, pursuant to this section, the carrier shall make an informational filing with the Department of Banking and Insurance (Department), including a form of the written notice provided to prospective insureds pursuant to (b) above. Informational filings, including information that identifies the name of the employer, if such is not stated on the written notice, shall be made by the carrier and shall be submitted to the Department at the following address:

New Jersey Department of Banking and Insurance  
Attention: Life and Health Division  
Religious Employer Exclusion  
20 West State Street  
Trenton, NJ 08625-0325  
[lifhealth@dobi.nj.gov](mailto:lifhealth@dobi.nj.gov)

## TREASURY—GENERAL

### (a)

#### DIVISION OF PENSIONS AND BENEFITS

#### STATE HOUSE COMMISSION

#### Judicial Retirement System

Deferred Retirement (P.L. 2021, c. 105, P.L. 2021, c. 329, and P.L. 2022, c. 94)

#### Proposed Readoption with Amendments: N.J.A.C. 17:10

Authorized By: Judicial Retirement System, Brittany Zulla, Secretary.

Authority: N.J.S.A. 43:6A-29.d.

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number: PRN 2023-031.

Submit comments by June 30, 2023, to:

Danielle Schimmel  
Assistant Director  
Division of Pensions and Benefits  
PO Box 295  
Trenton, NJ 08625-0295  
[DPB.regulations@treas.nj.gov](mailto:DPB.regulations@treas.nj.gov)

The agency proposal follows:

#### Summary

The Division of Pensions and Benefits (Division) is responsible for promulgating and reviewing administrative rules for the Judicial Retirement System (JRS), codified at N.J.A.C. 17:10. The State House Commission (Commission) acts as the Board of Trustees (Board) for the JRS and has the general responsibility for the proper operation of the JRS.

On January 9, 2020, Governor Murphy signed P.L. 2019, c. 287, which permits a member of the JRS to retire and defer receipt of a retirement benefit, if appointed county prosecutor by the Governor at the time of retirement. Thereafter, Governor Murphy signed P.L. 2021, c. 105, which changes the eligibility criteria for the above-mentioned county prosecutors. On December 21, 2021, Governor Murphy signed P.L. 2021, c. 329, which modifies the JRS statutes to permit a judge appointed as Administrative Director of the Courts by the Chief Justice of the Supreme Court to defer retirement. This bill clarified the law to provide deferred retirement to a JRS member who is at least 65 years of age, has the necessary judicial service credit for a full judicial retirement, and has served for 20 years as a judge for any court in New Jersey. Additionally, this bill specifically overrode the JRS mandatory retirement age of 70 and allows for the deferment of the mandatory retirement for the JRS to the first day of the month following the termination of the member's service in the position of county prosecutor or as the Administrative Director of the Courts. On August 5, 2022, Governor Murphy signed P.L. 2022, c. 94, which permits a judge who defers retirement from the JRS to become a county prosecutor or Administrative Director of the Courts, to collect State or county annuities. Therefore, the Division proposes several amendments to comply with the new laws. In addition, the rules at N.J.A.C. 17:10 are due to expire and must be readopted.

N.J.A.C. 17:10 was scheduled to expire on May 17, 2023, pursuant to N.J.S.A. 52:14B-5.1.c. As the Division filed this notice of re-adoption prior to that date, the expiration date is extended 180 days to November 13, 2023, pursuant to N.J.S.A. 52:14B-5.1.c(2).

Therefore, the Division proposes the following amendments that affect retirements in the JRS.

#### Subchapter 1. Administration

- N.J.A.C. 17:10-1.1, Commission meetings, remains unchanged.
- N.J.A.C. 17:10-1.2, Fiscal year, remains unchanged.
- N.J.A.C. 17:10-1.3, Officers and committees, remains unchanged.
- N.J.A.C. 17:10-1.4, Certifying officer, remains unchanged.
- N.J.A.C. 17:10-1.5, Records, remains unchanged.

N.J.A.C. 17:10-1.6, Appeal from Commission decisions, remains unchanged.

N.J.A.C. 17:10-1.7, Suspension of pension checks, remains unchanged.

N.J.A.C. 17:10-1.8, Proof of age, remains unchanged.

N.J.A.C. 17:10-1.9, Judges; biweekly salaries, remains unchanged.

N.J.A.C. 17:10-1.10, Survivor benefits; establishing dependency, remains unchanged.

N.J.A.C. 17:10-1.11 (Reserved), remains unchanged.

#### **Subchapter 1A. Definitions**

N.J.A.C. 17:10-1A.1, Definitions, remains unchanged.

#### **Subchapter 2. Enrollment and Purchases**

N.J.A.C. 17:10-2.1, Enrollment date, remains unchanged.

N.J.A.C. 17:10-2.2, Enrollment following deferred retirement, remains unchanged.

N.J.A.C. 17:10-2.3, Eligibility for purchase, remains unchanged.

At Subchapter 2, N.J.A.C. 17:10-2.4, Optional purchase of eligible service, is proposed for amendment to state that public employment covered pursuant to the Defined Benefit Retirement Program is not eligible for purchase.

#### **Subchapter 3. Insurance and Death Benefits**

N.J.A.C. 17:10-3.1, Computation of benefits; non-contributory insurance, remains unchanged.

N.J.A.C. 17:10-3.2, Acceptable designations of beneficiaries; non-contributory insurance, remains unchanged.

N.J.A.C. 17:10-3.3, Leave for illness, remains unchanged.

N.J.A.C. 17:10-3.4, Survivor benefits, remains unchanged.

N.J.A.C. 17:10-3.5, Contributory group life insurance; beneficiary designation, remains unchanged.

New N.J.A.C. 17:10-3.6(c) is proposed, which outlines the death benefits of members who defer retirement pursuant to P.L. 2021, c. 105. Specifically, the beneficiary shall be eligible for a pension or survivor's benefit, and for any death benefits, based on the approved retirement application and the retirement shall be effective as of the date of death.

#### **Subchapter 4. Membership**

N.J.A.C. 17:10-4.1, Creditable salary (compensation), remains unchanged.

N.J.A.C. 17:10-4.2, Approved leave, remains unchanged.

N.J.A.C. 17:10-4.3, Suspension, remains unchanged.

N.J.A.C. 17:10-4.4, Termination; resignation, remains unchanged.

N.J.A.C. 17:10-4.5, Purchasing eligible service credit, remains unchanged.

N.J.A.C. 17:10-4.6, Per diem credit, remains unchanged.

N.J.A.C. 17:10-4.7, Deductions, remains unchanged.

N.J.A.C. 17:10-4.8, Minimum adjustment, remains unchanged.

N.J.A.C. 17:10-4.9, Withdrawals, remains unchanged.

N.J.A.C. 17:10-4.10, Eligibility for loan, remains unchanged.

#### **Subchapter 5. Retirements**

N.J.A.C. 17:10-5.1, Applications, remains unchanged.

N.J.A.C. 17:10-5.2, Effective date, remains unchanged.

N.J.A.C. 17:10-5.3, Effective date; changes, remains unchanged.

N.J.A.C. 17:10-5.4, Deferred retirement, is proposed for amendment to include language to implement the provisions at P.L. 2021, c. 105, and P.L. 2021, c. 329. The law permits a JRS member who is at least 65 years of age, has the necessary judicial service credit for a full judicial retirement, and has served for 20 years as a judge for any court in New Jersey to defer retirement if appointed as county prosecutor by the Governor or as the Administrative Director of the Courts upon appointment by the Chief Justice of the Supreme Court at the time of retirement. In addition, a member of the JRS who files for deferred retirement pursuant to this section is not eligible to participate in the Defined Contribution Retirement System, enroll in any other State-administered retirement system, or receive any other payments from the county or State deemed to be payments from retirement accounts, funds, or pensions, not including annuities.

N.J.A.C. 17:10-5.5, Benefits payable when a member dies with a retirement application pending, remains unchanged.

N.J.A.C. 17:10-5.6, Retirement credit, remains unchanged.

N.J.A.C. 17:10-5.7, Employer disability application; employee notice, remains unchanged.

N.J.A.C. 17:10-5.8, Early retirement defined, remains unchanged.

N.J.A.C. 17:10-5.9, Service retirement; eligibility, remains unchanged.

N.J.A.C. 17:10-5.10, Disability retirement process; medical examinations; physicians, remains unchanged.

N.J.A.C. 17:10-5.11, Compulsory retirement is proposed for amendment to allow JRS members to defer retirement pursuant to P.L. 2021, c. 105, to the first day of the month following the termination of the member's service in the position of county prosecutor.

N.J.A.C. 17:10-5.12, Outstanding loan, remains unchanged.

N.J.A.C. 17:10-5.13, Waiver, remains unchanged.

#### **Subchapter 6. Transfers**

N.J.A.C. 17:10-6.1, Interfund transfers; other State systems, remains unchanged.

N.J.A.C. 17:10-6.2 (Reserved), remains unchanged.

The Division has provided a 60-day comment period for this notice of proposal; therefore, pursuant to N.J.A.C. 1:30-3.3(a)5, this notice is exempted from the rulemaking calendar requirement.

#### **Social Impact**

The rules proposed for readoption with amendments at N.J.A.C. 17:10 benefit JRS members, retirees, and their survivors. Members, retirees, survivors of members and retirees, and employers all rely on the efficient operation of the JRS to provide them with the information needed regarding their individual accounts. Members and employers rely upon the publication and clarity of rules governing the JRS to guide the administration of their benefits and maintain the retirement system's stability. Additionally, the Division notes that the proposed amendments are made pursuant to the above-referenced statutes.

#### **Economic Impact**

The rules proposed for readoption with amendments regarding deferred retirement pursuant to P.L. 2021, c. 105, and P.L. 2021, c. 329, will result in a reduction of expenditures for the JRS. According to the fiscal estimate prepared by the Office of Legislative Services, "this bill will reduce the total number of retirement allowances paid to a judge in retirement, and therefore expenditures from the pension fund for the Judicial Retirement System (JRS), by an indeterminate amount, multiplied by the number of monthly retirement allowances that are deferred while the former judge is working as the Administrative Director of the Court."

#### **Federal Standards Statement**

A Federal standards analysis is not required because N.J.S.A. 43:16A-13(7) governs the subject of this rulemaking, and there are no Federal requirements or standards that affect the subject of this rulemaking.

#### **Jobs Impact**

Implementation of the rules proposed for readoption with amendments will not result in the generation or loss of jobs, and only impact benefits of members in the JRS.

#### **Agriculture Industry Impact**

The rules proposed for readoption with amendments will not have any impact on the agriculture industry as they would only impact the benefits of members in the JRS.

#### **Regulatory Flexibility Statement**

The rules of the JRS affect members and retirees of the JRS. Thus, the rules proposed for readoption with amendments do not impose any reporting, recordkeeping, or other compliance requirements upon small businesses, as defined in the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. Therefore, a regulatory flexibility analysis is not required.

#### **Housing Affordability Impact Analysis**

The rules proposed for readoption with amendments will have no impact on the affordability of housing in New Jersey, nor will they evoke a change in the average costs associated with housing, because the proposed amendments pertain to the administration of the JRS for members, retirees, and survivors of members and retirees, specifically, the disability retirement process and P.L. 2021, c. 105.

**Smart Growth Development Impact Analysis**

The rules proposed for readoption with amendments will not have any impact on the achievement of smart growth; nor will they evoke a change in housing production in Planning Areas 1 or 2, or within designated centers, under the State Development and Redevelopment Plan, because the proposed amendments pertain to administration of the JRS for members, retirees, and survivors of members and retirees, specifically, the disability retirement process and P.L. 2021, c.105.

**Racial and Ethnic Community Criminal Justice and Public Safety Impact**

The Commission has evaluated this rulemaking and determined that it will not have an impact on pretrial detention, sentencing, probation, or parole policies concerning adults and juveniles in the State. Accordingly, no further analysis is required.

**Full text** of the rules proposed for readoption may be found in the New Jersey Administrative Code at N.J.A.C. 17:10.

**Full text** of the proposed amendments follows (additions indicated in boldface **thus**; deletions indicated in brackets [thus]):

SUBCHAPTER 2. ENROLLMENT AND PURCHASES

17:10-2.4 Optional purchase of eligible service

(a) A member may purchase all, or a portion, of former membership in a New Jersey State-administered retirement system. A member may also purchase service rendered in an office, position, or employment of the State of New Jersey, or of a county, municipality, board of education, or public agency of the State of New Jersey. "Service" means public service rendered for which pension credit is allowed on the basis of contributions made by the State. **Public employment covered pursuant to the Defined Contribution Retirement Program is not eligible for purchase.**

(b)-(c) (No change.)

SUBCHAPTER 3. INSURANCE AND DEATH BENEFITS

17:10-3.6 Death benefits in active service; death benefits in retirement

(a)-(b) (No change.)

(c) **If a person dies while in service with a deferred retirement pursuant to the provisions at P.L. 2021, c. 105, P.L. 2021, c. 329, and N.J.A.C. 17:10-5.4(b), as a county prosecutor or as the Administrative Director of the Courts, the death shall not be considered a death in active service. The beneficiary shall be eligible for a pension or survivor's benefit, and for any death benefits, based on the approved retirement application and the retirement shall be effective as of the date of death. The election by the member of an option in accordance**

**with section 1 at P.L. 2002, c. 54 (N.J.S.A. 43:6A-16.1) shall become effective and payable.**

SUBCHAPTER 5. RETIREMENTS

17:10-5.4 Deferred retirement

(a) (No change.)

(b) Notwithstanding the language at N.J.A.C. 17:10-5.11 and (a) above, a member of the JRS is permitted to resign as a judge and apply for, but defer, retirement in order to serve as a county prosecutor upon appointment by the Governor **or as the Administrative Director of the Courts upon appointment by the Chief Justice of the Supreme Court.** To be eligible, the member must be at least 65 years of age, [and] have [at least 25 years of continuous service as a judge] **the necessary judicial service credit for a full judicial retirement, and serve for 20 years as a judge for any court in New Jersey.** The retirement would become effective after service as a county prosecutor **or as the Administrative Director of the Courts** ends. In addition, the health care benefits under the State Health Benefits Program that the person would be entitled to upon retirement as a State employee would also be deferred until after service as a county prosecutor **or as the Administrative Director of the Courts** ends and the retirement becomes effective. **In accordance with N.J.S.A. 43:6A-11.1, if such member attains the age of 70 years while serving as a county prosecutor or as the Administrative Director of the Courts and has an approved application for retirement, the effective date of which has been deferred, the member shall be permitted to continue to serve in the position, and the compulsory retirement for the member shall be deferred to the first day of the month following the termination of the member's service in the position of county prosecutor or as the Administrative Director of the Courts. A member of the JRS who files for deferred retirement pursuant to this section shall not be eligible to participate in the Defined Contribution Retirement System, enroll in any other State-administered retirement system, or receive any other payments from the county or State deemed to be payments from retirement accounts, funds, or pensions not including annuities.**

17:10-5.11 Compulsory retirement

[Compulsory] **Except as provided at P.L. 2021, c. 105, P.L. 2021, c. 329, and N.J.A.C. 17:10-5.4, compulsory retirement will be effective upon the attainment of age 70. The retired member will receive a pension prorated by the number of days in the month of retirement as of the date of attaining age 70.**