

43:16A-11.8

LEGISLATIVE HISTORY CHECKLIST

NJSA: 43:16A-11.8 (PFRS-purchase of credit for military service up to 5 years)

CHAPTER 162

Laws Of: 1986

BILL NO: S1459

Sponsor(s): McManimon

Date Introduced: January 21, 1986

Committee: Assembly: State Government

Senate: State Government, Federal & Interstate Relations and Veterans' Affairs

Amended during passage: No Substituted for A3239 (not attached since identical to S1459)

Date of Passage: Assembly: October 23, 1986

Senate: March 10, 1986

Date of Approval: December 2, 1986

Following statements are attached if available:

Sponsor statement: Yes

Committee statement: Assembly Yes

Senate Yes

Fiscal Note: Yes

Veto Message: No

Message on Signing: No

Following were printed:

Reports: No

Hearings: No

SENATE, No. 1459

STATE OF NEW JERSEY

INTRODUCED JANUARY 21, 1986

By Senator McMANIMON

Referred to Committee on State Government, Federal and Interstate
Relations and Veterans Affairs

AN ACT concerning the purchase of credit for time in active military
service under the Police and Firemen's Retirement System of
New Jersey and amending P. L. 1983, c. 391.

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

1 1. Section 2 of P. L. 1983, c. 391 (C. 43:16A-11.8) is amended to
2 read as follows:

3 2. Notwithstanding the provisions of section 4 of P. L. 1944, c. 255
4 (C. 43:16A-4), any member who meets the definition of "veteran"
5 as provided in this act may, upon filing an application with the
6 board of trustees of the retirement system, purchase credit for all
7 or portion of the time spent in active military service *whether dur-*
8 *ing the wars, uprising, insurrections, expeditions or emergencies*
9 *enumerated in section 1 of P. L. 1983, c. 391 or at any other time*
10 prior to his enrollment in the retirement system, but not exceeding
11 five years. No application shall be accepted for the purchase of
12 credit for such service, however, if at the time of application, the
13 member has a vested right to retirement benefits in another retire-
14 ment system based in whole or in part upon his military service.
15 A member who applies to purchase credit for his previous military
16 service under the provisions of this act shall be liable for payment
17 to the retirement system of the entire amount of the contributions
18 required to pay the cost of the purchase of such service. Neither
19 the State nor the employer of a member who applies to purchase
20 credit under the provisions of this supplementary act shall be
21 liable for any payment to the retirement system on behalf of the
22 member for the purchase of such credit.

**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 printed in italics thus is new matter.**

23 The member may purchase credit for such military service by
 24 making his payment therefor to the retirement system in a lump
 25 sum or in regular monthly installments pursuant to such formulas,
 26 rules and regulations [as] as shall be approved by the board of the
 27 retirement system. Notwithstanding any other provision of this
 28 act, if, upon retirement, the member's payment for purchase of
 29 military service credit is insufficient to provide for the additional
 30 retirement benefit attributable to such service, the difference may
 31 be assessed to the member, or a pro rata benefit may be granted
 32 based on the member's payment for such purchase prior to the date
 33 of retirement, at the election of the member.

34 If a member elects to purchase such military service and retires
 35 prior to completing payment therefor, he shall receive pro rata
 36 credit for such service purchased prior to the date of retirement,
 37 but if he elects at the time of retirement, he may make an additional
 38 lump sum payment at that time as will be necessary to provide full
 39 credit.

1 2. This act shall take effect immediately.

STATEMENT

The purpose of this bill is to allow for the purchase of credit in the Police and Firemen's Retirement System of New Jersey for time spent in active military service up to five years, whether during periods of war or peace prior to enrollment in the retirement system, after a member has qualified as a veteran under section 1 of P. L. 1983, c. 391.

PENSION — PFRS AND STATE POLICE

PFRS—credit for cert. mil. service

Allows members of Police and Firemen's Retirement System to purchase credit for up to five years' active military service.

ASSEMBLY STATE GOVERNMENT COMMITTEE

STATEMENT TO

SENATE, No. 1459

STATE OF NEW JERSEY

DATED: SEPTEMBER 8, 1986

The Assembly State Government Committee reports favorably Senate Bill No. 1459.

This bill allows a member of the Police and Firemen's Retirement System who meets that system's definition of "veteran" to purchase PFRS pension credit for all or a portion of the time spent in active military service, whether or not that service occurred during time of war or other military emergency. The terms of and limits upon such a purchase would be the same as those currently applicable to the purchase of military service rendered in time of war; in particular, the member would be required to bear the full actuarial cost of the service.

SENATE STATE GOVERNMENT, FEDERAL AND
INTERSTATE RELATIONS AND VETERANS AFFAIRS
COMMITTEE

STATEMENT TO

SENATE, No. 1459

STATE OF NEW JERSEY

DATED: FEBRUARY 24, 1986

The Senate State Government Committee reports Senate Bill No. 1459 favorably.

This bill allows certain veteran members of the Police and Firemen's Retirement System to purchase up to five years service credit for non-wartime active military service performed prior to enrollment in the retirement system.

The member shall be liable for payment to the retirement system of the entire amount of the contributions required to pay the cost of the purchase of the service.

FISCAL NOTE TO
SENATE, No. 1459

STATE OF NEW JERSEY

DATED: AUGUST 4, 1986

Senate Bill No. 1459 of 1986 permits a member of the Police and Firemen's Retirement System to purchase up to five years' credit for active military service, whether during periods of war or peace, rendered prior to enrollment in the system.

The Division of Pensions states that the bill specifies that the member purchasing credit for military service must pay both the employer and employee's share of the cost. However, there will be additional costs to the Pension Adjustment Program to the extent that the purchase of credit increases retirement benefits and allows for retirement at an earlier age.

The division further states that the pension adjustment represents a 20% increase in benefits over the life of the pensioner and any survivor.

The Office of Legislative Services concurs.

This fiscal note has been prepared pursuant to P. L. 1980, c. 67.