

43:16A-4

LEGISLATIVE HISTORY CHECKLIST

NJSA 43:16A-4

Laws of 1975 Chapter 388

Bill No. A3342

Sponsor(s) Gallo & 36 others

Date Introduced April 24, 1975

Committee: Assembly Municipal Government

Senate County & Municipal Government

Amended during passage Yes ~~NO~~

Date of passage: Assembly August 1, 1975

Senate December 15, 1975

Date of approval March 3, 1976

Following statements are attached if available:

Sponsor statement Yes ~~NO~~

Committee Statement: Assembly Yes ~~NO~~

Senate Yes ~~NO~~

Fiscal Note Yes ~~NO~~

Veto message Yes ~~NO~~

Message on signing Yes ~~NO~~

Following were printed:

Reports Yes ~~NO~~

Hearings Yes ~~NO~~

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388
APPROVED 3-3-76

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ASSEMBLY, No. 3342

STATE OF NEW JERSEY

INTRODUCED APRIL 24, 1975

By Assemblymen GALLO, LEFANTE, FROUDE, JACKMAN, CALI, OWENS, BROWN, MARINO, ESPOSITO, ORECHIO, CODEY, KEEGAN, BORNHEIMER, DOYLE, RUANE, KARCHER, DEVERIN, McMANIMON, HYNES, BURSTEIN, CONTILLO, GARRUBBO, NERI, McCARTHY, MARTIN, HERMAN, SCHUCK, Assemblywoman CROCE, Assemblyman GALLAGHER, GLADSTONE, VISOTCKY, HOLLENBECK, BAER, Assemblywoman WILSON, Assemblymen ADUBATO, GEWERTZ and GORMAN

Referred to Committee on Municipal Government

AN ACT to amend "An act for the establishment of a police and firemen's retirement system for the police and firemen of a municipality, county or political subdivision thereof," approved May 23, 1944 (P. L. 1944, c. 255).

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

1 1. Section 4 of P. L. 1944, c. 255 (C. 43:16A-4) is amended to
2 read as follows:

3 4. Only service as a policeman or fireman paid for by an em-
4 ployer, which was rendered by a member since he became a member,
5 or, since he last became a member in case of a break in service,
6 plus service, if any, covered by a prior service liability, shall be
7 considered as creditable service for the purposes of this act, except
8 that temporary service as a policeman or fireman may also be
9 considered as creditable service if it results, without interruption,
10 in a valid permanent or probational appointment as a policeman
11 or fireman and the member agrees during his first year of member-
12 ship in the retirement system, or within 1 year after the effective
13 date of this **[1970]** 1975 amendatory act, to make contributions
14 covering such temporary service on the basis of rates established
15 by the actuary.

1 2. This act shall take effect immediately.

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

A3342 (1975)

2

STATEMENT

It is the purpose of this bill to give members of the Police and Firemen's Retirement System who are ineligible to purchase credit for prior temporary service the opportunity to purchase such credit for a period of 1 year after the effective date hereof.

SENATE COUNTY AND MUNICIPAL
GOVERNMENT COMMITTEE

STATEMENT TO
ASSEMBLY, No. 3342

STATE OF NEW JERSEY

DATED: DECEMBER 1, 1975

Assembly Bill 3342 concerns the right of a policeman or fireman to purchase service credit in the Police and Firemen's System for certain temporary service rendered in such capacity.

Under existing law, a policeman or fireman may purchase pension credit for temporary service as a policeman or fireman that resulted, without interruption, in a valid permanent or probationary appointment as a policeman or fireman. Originally, a policeman or fireman seeking to purchase such service credits had to agree to do so during his first year of membership in the retirement system (see P. L. 1962, c. 58). Section 4 of P. L. 1944, c. 255 was further amended by P. L. 1971, c. 25 so as to afford eligible policemen and firemen, who had previously failed to agree to purchase credit for past temporary service, a further opportunity to do so provided that such purchase was agreed to within one year of the effective date of said act. This bill allows eligible policemen and firemen one additional year, from the effective date of this amendatory act, to purchase back such service credits.

FISCAL NOTE TO
ASSEMBLY, No. 3342

STATE OF NEW JERSEY

DATED: AUGUST 27, 1975

Assembly Bill No. 3342 amends the act governing the Police and Firemen's Retirement System and specifically the section permitting the purchase of temporary service during the first year of membership, to provide for the opportunity for all members to purchase temporary service just prior to their permanent appointment on the basis of contributions and salaries earned at the time the temporary service was rendered.

The Division of Pension states—

“The cost of a year of service in the Police and Firemen's Retirement System is currently about \$2,000.00 (actually \$2,028.16). Since the average age at enrollment in this system is 27, the rate of contribution generally paid is 7.5% of salary. At the time of enrollment the present member is making \$8,000.00 so that the cost would be about \$600.00. The difference, or approximately \$1,400.00, would be required of the State or participating local governmental employer. Actually the salary earned by most present members at the time of enrollment was quite less—about one-half as much, or about \$4,000.00, so that the actual cost to most members who might take advantage of this legislation would be only \$300.00 with the public employer assuming the remaining cost of \$1,700.00. While most other purchase factors would divide the cost equally between the employee electing to make the purchase and the public, the use of this section for the terms of the purchase results in a windfall and hence a substantial cost to the public for the same purchase.

“We estimate that we are likely to receive about 3,000 requests for estimates of the cost of making these purchases and it is likely that about half of the individuals would make the purchase, thus the cost to the State and to local government employers for 1,500 members making this purchase would be \$2,550,000.00.

“In addition there would be an administrative expense involving the calculation and review of approximately 3,000 such requests and we estimate the cost at about \$25,000.00. Of the total cost to the public

the State's share would be about one-tenth since State employees represent about 10% of the population of the system."

The fiscal note is based on an estimate of costs rather than actual cost information.

In compliance with written request received, there is hereby submitted a fiscal estimate for the above bill, pursuant to P. L. 1962, c. 27.