

A2286 (1R)

INTRODUCED BILL: (Includes sponsor(s) statement)	Yes	
REPRINT(S):	Yes	ASL 9/19/24 1R
TECHNICAL REVIEW:	No	
COMMITTEE STATEMENT:		
ASSEMBLY:	Yes	
SENATE:	No	

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT:	No	
LEGISLATIVE FISCAL ESTIMATE:	Yes	10/30/2024
VETO MESSAGE:	No	
GOVERNOR'S PRESS RELEASE ON SIGNING:	Yes	

FOLLOWING WERE PRINTED:

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REPORTS:	No	
HEARINGS:	No	
NEWSPAPER ARTICLES:	No	

CL/MM

P.L. 2024, CHAPTER 97, *approved December 12, 2024*
Senate No. 871 (*Second Reprint*)

1 AN ACT establishing eligibility for enrollment in PERS and
2 subsequent retirement benefits for certain county fire instructors
3 under certain conditions, and supplementing P.L.1954, c.84
4 (C.43:15A-1 et seq.).
5

6 **BE IT ENACTED** by the Senate and General Assembly of the State
7 of New Jersey:
8

9 1. a. Notwithstanding any law, rule, or regulation to the contrary,
10 a fire instructor enrolled in the Public Employees' Retirement System
11 prior to November 1, 2008, and employed by a county on the effective
12 date of this act, P.L. , c. (C.) (pending before the
13 Legislature as this bill), who had continuous membership in the
14 retirement system, who performed service in the county as a fire
15 instructor in each calendar year of membership, who received a salary
16 for that position greater than \$1,500 annually, and who was a
17 permanent career service employee in the civil service, shall be
18 granted service credit for that period of enrollment and considered
19 eligible for membership and for benefits as a member of the retirement
20 system.

21 b. Any person ²**[**whose membership in the retirement system was
22 terminated ¹or partially terminated¹**]** who was enrolled in the Public
23 Employees' Retirement System prior to November 1, 2008 for service
24 in a county as a fire instructor and was notified² within ¹**[**three¹**]** five¹
25 years prior to the effective date of this act, P.L. , c. (C.)
26 (pending before the Legislature as this bill), ²**[**and who otherwise
27 qualifies for membership under subsection a. of this section but for the
28 termination shall be reenrolled in the retirement system ¹under the
29 same terms in which they were previously enrolled,¹ provided the
30 person repays any contributions and interest that were returned when
31 membership was terminated ¹, to reinstate their status prior to any such
32 action terminating or partially terminating the membership¹**]** that such
33 service as a fire instructor was determined ineligible for enrollment in
34 the retirement system shall be granted service credit for that period of
35 enrollment determined ineligible for membership in the retirement
36 system, provided the person repays any contributions and interest that
37 were returned when it was determined that the person was ineligible
38 for membership in the retirement system².

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SBA committee amendments adopted June 24, 2024.

²Assembly ASL committee amendments adopted September 19, 2024.

1 2. This act shall take effect immediately.

2

3

4

5

6 Establishes eligibility for enrollment in PERS and subsequent
7 retirement benefits for certain county fire instructors under certain
8 conditions.

CHAPTER 97

AN ACT establishing eligibility for enrollment in PERS and subsequent retirement benefits for certain county fire instructors under certain conditions, and supplementing P.L.1954, c.84 (C.43:15A-1 et seq.).

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

C.43:15A-7.6 Civil service credit, PERS-enrolled fire instructor, conditions.

1. a. Notwithstanding any law, rule, or regulation to the contrary, a fire instructor enrolled in the Public Employees' Retirement System prior to November 1, 2008, and employed by a county on the effective date of this act, P.L.2024, c.97 (C.43:15A-7.6), who had continuous membership in the retirement system, who performed service in the county as a fire instructor in each calendar year of membership, who received a salary for that position greater than \$1,500 annually, and who was a permanent career service employee in the civil service, shall be granted service credit for that period of enrollment and considered eligible for membership and for benefits as a member of the retirement system.

b. Any person who was enrolled in the Public Employees' Retirement System prior to November 1, 2008 for service in a county as a fire instructor and was notified within five years prior to the effective date of this act, P.L.2024, c.97 (C.43:15A-7.6), that such service as a fire instructor was determined ineligible for enrollment in the retirement system shall be granted service credit for that period of enrollment determined ineligible for membership in the retirement system, provided the person repays any contributions and interest that were returned when it was determined that the person was ineligible for membership in the retirement system.

2. This act shall take effect immediately.

Approved December 12, 2024.

SENATE, No. 871

STATE OF NEW JERSEY

221st LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

Sponsored by:

Senator ANTHONY M. BUCCO

District 25 (Morris and Passaic)

Senator PAUL A. SARLO

District 36 (Bergen and Passaic)

SYNOPSIS

Establishes eligibility for enrollment in PERS and subsequent retirement benefits for certain county fire instructors under certain conditions.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT establishing eligibility for enrollment in PERS and
2 subsequent retirement benefits for certain county fire instructors
3 under certain conditions, and supplementing P.L.1954, c.84
4 (C.43:15A-1 et seq.).

5

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

8

9 1. a. Notwithstanding any law, rule, or regulation to the
10 contrary, a fire instructor enrolled in the Public Employees'
11 Retirement System prior to November 1, 2008, and employed by a
12 county on the effective date of this act, P.L. , c. (C.)
13 (pending before the Legislature as this bill), who had continuous
14 membership in the retirement system, who performed service in the
15 county as a fire instructor in each calendar year of membership,
16 who received a salary for that position greater than \$1,500 annually,
17 and who was a permanent career service employee in the civil
18 service, shall be granted service credit for that period of enrollment
19 and considered eligible for membership and for benefits as a
20 member of the retirement system.

21 b. Any person whose membership in the retirement system was
22 terminated within three years prior to the effective date of this act,
23 P.L. , c. (C.)(pending before the Legislature as this bill), and
24 who otherwise qualifies for membership under subsection a. of this
25 section but for the termination shall be reenrolled in the retirement
26 system provided the person repays any contributions and interest
27 that were returned when membership was terminated.

28

29 2. This act shall take effect immediately.

30

31

32

STATEMENT

33

34 This bill establishes eligibility in the Public Employees'
35 Retirement System (PERS) for county fire instructors employed and
36 enrolled before November 1, 2008, who performed service as a
37 county fire instructor in each calendar year of membership, who
38 received a salary greater than \$1,500 annually, and who were
39 permanent career service employees in the civil service.

40 The bill provides for any person who had membership in the
41 retirement system terminated within three years prior to enactment
42 may be reenrolled as long as they repay any returned contributions
43 and interest.

44 This bill would address the situation of county fire instructors
45 who were enrolled in PERS, but subsequently were deemed not
46 eligible for membership due to the irregular and limited work
47 schedule of the position.

[First Reprint]

SENATE, No. 871

STATE OF NEW JERSEY
221st LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

Sponsored by:

Senator ANTHONY M. BUCCO

District 25 (Morris and Passaic)

Senator PAUL A. SARLO

District 36 (Bergen and Passaic)

SYNOPSIS

Establishes eligibility for enrollment in PERS and subsequent retirement benefits for certain county fire instructors under certain conditions.

CURRENT VERSION OF TEXT

As reported by the Senate Budget and Appropriations Committee on June 24, 2024, with amendments.



1 AN ACT establishing eligibility for enrollment in PERS and
2 subsequent retirement benefits for certain county fire instructors
3 under certain conditions, and supplementing P.L.1954, c.84
4 (C.43:15A-1 et seq.).

5

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

8

9 1. a. Notwithstanding any law, rule, or regulation to the contrary,
10 a fire instructor enrolled in the Public Employees' Retirement System
11 prior to November 1, 2008, and employed by a county on the effective
12 date of this act, P.L. , c. (C.) (pending before the
13 Legislature as this bill), who had continuous membership in the
14 retirement system, who performed service in the county as a fire
15 instructor in each calendar year of membership, who received a salary
16 for that position greater than \$1,500 annually, and who was a
17 permanent career service employee in the civil service, shall be
18 granted service credit for that period of enrollment and considered
19 eligible for membership and for benefits as a member of the retirement
20 system.

21 b. Any person whose membership in the retirement system was
22 terminated ¹or partially terminated¹ within ¹**[three]** ¹five¹ years prior
23 to the effective date of this act, P.L. , c. (C.)(pending before the
24 Legislature as this bill), and who otherwise qualifies for membership
25 under subsection a. of this section but for the termination shall be
26 reenrolled in the retirement system ¹under the same terms in which
27 they were previously enrolled,¹ provided the person repays any
28 contributions and interest that were returned when membership was
29 terminated¹, to reinstate their status prior to any such action
30 terminating or partially terminating the membership¹.

31

32 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.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SBA committee amendments adopted June 24, 2024.

[Second Reprint]

SENATE, No. 871

STATE OF NEW JERSEY
221st LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

Sponsored by:

Senator ANTHONY M. BUCCO

District 25 (Morris and Passaic)

Senator PAUL A. SARLO

District 36 (Bergen and Passaic)

Assemblywoman YVONNE LOPEZ

District 19 (Middlesex)

Assemblywoman AURA K. DUNN

District 25 (Morris and Passaic)

Co-Sponsored by:

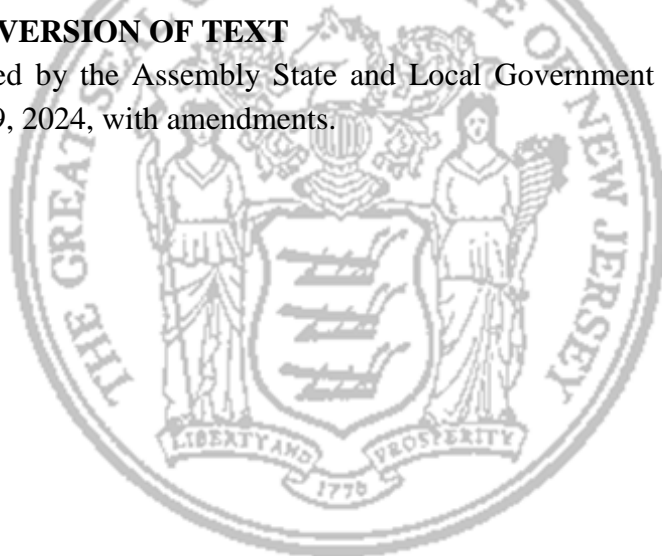
Assemblywoman Bagolie

SYNOPSIS

Establishes eligibility for enrollment in PERS and subsequent retirement benefits for certain county fire instructors under certain conditions.

CURRENT VERSION OF TEXT

As reported by the Assembly State and Local Government Committee on September 19, 2024, with amendments.



(Sponsorship Updated As Of: 10/28/2024)

1 AN ACT establishing eligibility for enrollment in PERS and
2 subsequent retirement benefits for certain county fire instructors
3 under certain conditions, and supplementing P.L.1954, c.84
4 (C.43:15A-1 et seq.).

5

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

8

9 1. a. Notwithstanding any law, rule, or regulation to the contrary,
10 a fire instructor enrolled in the Public Employees' Retirement System
11 prior to November 1, 2008, and employed by a county on the effective
12 date of this act, P.L. , c. (C.) (pending before the
13 Legislature as this bill), who had continuous membership in the
14 retirement system, who performed service in the county as a fire
15 instructor in each calendar year of membership, who received a salary
16 for that position greater than \$1,500 annually, and who was a
17 permanent career service employee in the civil service, shall be
18 granted service credit for that period of enrollment and considered
19 eligible for membership and for benefits as a member of the retirement
20 system.

21 b. Any person ²**【**whose membership in the retirement system was
22 terminated ¹**or partially terminated¹】** who was enrolled in the Public
23 Employees' Retirement System prior to November 1, 2008 for service
24 in a county as a fire instructor and was notified² within ¹**【**three¹ five¹
25 years prior to the effective date of this act, P.L. , c. (C.)
26 (pending before the Legislature as this bill), ²**【**and who otherwise
27 qualifies for membership under subsection a. of this section but for the
28 termination shall be reenrolled in the retirement system ¹under the
29 same terms in which they were previously enrolled,¹ provided the
30 person repays any contributions and interest that were returned when
31 membership was terminated ¹, to reinstate their status prior to any such
32 action terminating or partially terminating the membership¹】 that such
33 service as a fire instructor was determined ineligible for enrollment in
34 the retirement system shall be granted service credit for that period of
35 enrollment determined ineligible for membership in the retirement
36 system, provided the person repays any contributions and interest that
37 were returned when it was determined that the person was ineligible
38 for membership in the retirement system².

39

40 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.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SBA committee amendments adopted June 24, 2024.

²Assembly ASL committee amendments adopted September 19, 2024.

ASSEMBLY STATE AND LOCAL GOVERNMENT
COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 871

with committee amendments

STATE OF NEW JERSEY

DATED: SEPTEMBER 19, 2024

The Assembly State and Local Government Committee reports favorably and with committee amendments Senate Bill No. 871 (1R).

As amended, this bill establishes eligibility in the Public Employees' Retirement System (PERS) for county fire instructors employed and enrolled before November 1, 2008, who performed service as a county fire instructor in each calendar year of membership, who received a salary greater than \$1,500 annually, and who were permanent career service employees in the civil service.

The bill provides that any person who had membership in the retirement system terminated or partially terminated within five years prior to enactment may be reenrolled as long as they repay any returned contributions and interest, to reinstate their status prior to any such action terminating or partially terminating the membership. If a person was notified of membership ineligibility after service rendered under the assumption that the service qualified for membership, the person is permitted to continue their enrollment or reenroll in the retirement system and would not have pensionable credit reduced due to any notification or prior ineligibility.

This bill would address the situation of county fire instructors who were enrolled in PERS, but subsequently were deemed not eligible for membership due to the irregular and limited work schedule of the position.

As amended and reported by the committee, Senate Bill No. 871 (1R) is identical to Assembly Bill No. 2286, which was also amended and reported by the committee on this date.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

- replace reference to a person's membership in the retirement system being terminated with reference to a member's enrollment in the Public Employees' Retirement System prior to November 1, 2008 for service in a county as a fire instructor;

- delete language concerning a person being reenrolled in the retirement system on the condition that the person repay any contributions and interest that were returned when membership was terminated; and
- provide that that person who served as a fire instructor that was determined ineligible for enrollment in the retirement system is to be granted service credit for that period of enrollment, provided the person repays any contributions and interest that were returned when it was determined that the person was ineligible for membership in the retirement system.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 871

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 24, 2024

The Senate Budget and Appropriations Committee reports favorably and with committee amendments Senate Bill No. 871.

This bill establishes eligibility in the Public Employees' Retirement System (PERS) for county fire instructors employed and enrolled before November 1, 2008, who performed service as a county fire instructor in each calendar year of membership, who received a salary greater than \$1,500 annually, and who were permanent career service employees in the civil service.

As amended, the bill provides for any person who had membership in the retirement system terminated or partially terminated within five years prior to enactment may be reenrolled as long as they repay any returned contributions and interest.

This bill would address the situation of county fire instructors who were enrolled in PERS, but subsequently were deemed not eligible for membership due to the irregular and limited work schedule of the position.

This bill was pre-filed for introduction in the 2024-2025 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

COMMITTEE AMENDMENTS

The committee amended the bill to include persons whose membership in the pension system was partially terminated, changed the timeframe relating to termination and reinstatement from three years to five years, and clarified that reinstatement would be under the same terms as the previous enrollment.

FISCAL IMPACT:

Fiscal information for this bill is currently unavailable.

LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 871
STATE OF NEW JERSEY
221st LEGISLATURE

DATED: JUNE 28, 2024

SUMMARY

- Synopsis:** Establishes eligibility for enrollment in PERS and subsequent retirement benefits for certain county fire instructors under certain conditions.
- Type of Impact:** Annual State expenditure increases; annual local government expenditure increases.
- Agencies Affected:** Division of Pensions and Benefits in the Department of the Treasury; certain local governments.

Office of Legislative Services Estimate

Annual Fiscal Impact	
Public Employees' Retirement System Pension Fund - Increase in Retirement Allowances Paid	Indeterminate
State Cost Increase - Payment on Unfunded Liability	Indeterminate
State Cost Increase - Retiree Health Benefits	Indeterminate
Local Cost Increase - Retiree Health Benefits	Indeterminate

- The Office of Legislative Services (OLS) concludes that the additional years of service credit granted under the bill will increase the actuarially determined unfunded liability of the Public Employees' Retirement System by a marginal amount and result in an indeterminate, but marginal, increase in annual State or local government expenditures in order to retire the unfunded liability.
- Certain fire instructors, with other Public Employees' Retirement System eligible employment with the State or with a local government at salaries greater than those received from their prior employment as fire instructors only, would receive a higher pension benefit based on that higher salary and the additional service credit accrued from their service as fire instructors. The higher retirement allowances paid to these individuals represent an annual pension fund expenditure increase.

- The bill may also make certain fire instructors eligible for State-paid or local government-paid healthcare benefits in retirement for which they otherwise might not qualify absent this legislation. These healthcare benefits may represent an annual State or local cost increase.

BILL DESCRIPTION

This bill establishes eligibility in the Public Employees' Retirement System for county fire instructors employed and enrolled before November 1, 2008, who performed service as a county fire instructor in each calendar year of membership, who received a salary greater than \$1,500 annually, and who were permanent career service employees in the civil service. The bill provides that any person whose membership in the retirement system was terminated within three years prior to enactment of the bill may be reenrolled if they repay any contributions and interest returned to them by the retirement system.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that the additional years of service credit granted under the bill will increase the actuarially determined unfunded liability of the Public Employees' Retirement System by a marginal amount and result in an indeterminate, but marginal, annual State or local government expenditure increase in order to retire the unfunded liability. The unfunded liability would be created by an acceleration of benefits caused by the increase in pensionable salary that is used to determine the retirement allowances of certain fire instructors who were contributing to the retirement system over time at a lower amount than their final average compensation would require in order for the pension to be fully funded. The additional years of service credit that would be granted under the bill would also increase the benefit factor in the calculation of the retirement allowance and add to the unfunded liability. The bill may also make certain fire instructors eligible for State-paid or local government-paid healthcare benefits in retirement for which they otherwise might not qualify. These benefits may represent an annual State or local cost increase.

Under the bill, certain fire instructors would accrue service credit toward the retirement system and retirement healthcare benefits from their service as fire instructors that they would otherwise be ineligible to accrue absent this legislation. Data suggest that at least 40 individuals would likely meet the criteria of the bill and would maintain their membership in the retirement system or be re-enrolled in the system under the provisions of the bill. Any of these individuals with other Public Employees' Retirement System eligible employment at salaries greater than those received from their employment as fire instructors would receive a higher pension benefit upon retirement based on that higher salary and the additional service credit accrued from their service as fire instructors. This will result in an unfunded pension liability for the State or local governments that would need to be retired over the statutorily mandated 26-year amortization period. The OLS is

unable to discern the specifics of each fire instructor's employment history to establish what the annual payment would need to be to pay down this liability.

The service credit granted under the bill from their employment as fire instructors could also make some of these individuals eligible for State-paid or local government-paid healthcare benefits in retirement that they might not qualify for absent this legislation if the service credit allows them to retire with at least 25 years of service credit in the retirement system or with the number of years of service credit required by a local government to receive healthcare benefits in retirement.

Section: State Government

*Analyst: Anna Harris
Assistant Fiscal Analyst*

*Approved: Thomas Koenig
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 871

STATE OF NEW JERSEY 221st LEGISLATURE

DATED: JULY 3, 2024

SUMMARY

- Synopsis:** Establishes eligibility for enrollment in PERS and subsequent retirement benefits for certain county fire instructors under certain conditions.
- Type of Impact:** Annual State expenditure increases; annual local government expenditure increases.
- Agencies Affected:** Division of Pensions and Benefits in the Department of the Treasury; certain local governments.

Office of Legislative Services Estimate

Annual Fiscal Impact	
Public Employees' Retirement System Pension Fund - Increase in Retirement Allowances Paid	Indeterminate
State Cost Increase - Payment on Unfunded Liability	Indeterminate
State Cost Increase - Retiree Health Benefits	Indeterminate
Local Cost Increase - Retiree Health Benefits	Indeterminate

- The Office of Legislative Services (OLS) concludes that the additional years of service credit granted under the bill will increase the actuarially determined unfunded liability of the Public Employees' Retirement System by a marginal amount and result in an indeterminate, but marginal, increase in annual State or local government expenditures in order to retire the unfunded liability.
- Certain fire instructors, with other Public Employees' Retirement System eligible employment with the State or with a local government at salaries greater than those received from their prior employment as fire instructors only, would receive a higher pension benefit based on that higher salary and the additional service credit accrued from their service as fire instructors. The higher retirement allowances paid to these individuals represent an annual pension fund expenditure increase.

- The bill may also make certain fire instructors eligible for State-paid or local government-paid healthcare benefits in retirement for which they otherwise might not qualify absent this legislation. These healthcare benefits may represent an annual State or local cost increase.

BILL DESCRIPTION

This bill establishes eligibility in the Public Employees' Retirement System for county fire instructors employed and enrolled before November 1, 2008, who performed service as a county fire instructor in each calendar year of membership, who received a salary greater than \$1,500 annually, and who were permanent career service employees in the civil service. The bill provides that any person whose membership in the retirement system was terminated or partially terminated within five years prior to enactment of the bill may be reenrolled if they repay any contributions and interest returned to them by the retirement system.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that the additional years of service credit granted under the bill will increase the actuarially determined unfunded liability of the Public Employees' Retirement System by a marginal amount and result in an indeterminate, but marginal, annual State or local government expenditure increase in order to retire the unfunded liability. The unfunded liability would be created by an acceleration of benefits caused by the increase in pensionable salary that is used to determine the retirement allowances of certain fire instructors who were contributing to the retirement system over time at a lower amount than their final average compensation would require in order for the pension to be fully funded. The additional years of service credit that would be granted under the bill would also increase the benefit factor in the calculation of the retirement allowance and add to the unfunded liability. The bill may also make certain fire instructors eligible for State-paid or local government-paid healthcare benefits in retirement for which they otherwise might not qualify. These benefits may represent an annual State or local cost increase.

Under the bill, certain fire instructors would accrue service credit toward the retirement system and retirement healthcare benefits from their service as fire instructors that they would otherwise be ineligible to accrue absent this legislation. Data suggest that at least 40 individuals would likely meet the criteria of the bill and would maintain their membership in the retirement system or be re-enrolled in the system under the provisions of the bill. Any of these individuals with other Public Employees' Retirement System eligible employment at salaries greater than those received from their employment as fire instructors would receive a higher pension benefit upon retirement based on that higher salary and the additional service credit accrued from their service as fire instructors. This will result in an unfunded pension liability for the State or local governments that would need to be retired over the statutorily mandated 25-year amortization period. The OLS is

unable to discern the specifics of each fire instructor's employment history to establish what the annual payment would need to be to pay down this liability.

The service credit granted under the bill from their employment as fire instructors could also make some of these individuals eligible for State-paid or local government-paid healthcare benefits in retirement that they might not qualify for absent this legislation if the service credit allows them to retire with at least 25 years of service credit in the retirement system or with the number of years of service credit required by a local government to receive healthcare benefits in retirement.

Section: State Government

*Analyst: Anna Harris
Assistant Fiscal Analyst*

*Approved: Thomas Koenig
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

LEGISLATIVE FISCAL ESTIMATE

[Second Reprint]

SENATE, No. 871

STATE OF NEW JERSEY 221st LEGISLATURE

DATED: OCTOBER 30, 2024

SUMMARY

- Synopsis:** Establishes eligibility for enrollment in PERS and subsequent retirement benefits for certain county fire instructors under certain conditions.
- Type of Impact:** Annual State expenditure increases; annual local government expenditure increases.
- Agencies Affected:** Division of Pensions and Benefits in the Department of the Treasury; certain local governments.

Office of Legislative Services Estimate

Annual Fiscal Impact	
Public Employees' Retirement System Pension Fund - Increase in Retirement Allowances Paid	Indeterminate
State Cost Increase - Payment on Unfunded Liability	Indeterminate
State Cost Increase - Retiree Health Benefits	Indeterminate
Local Cost Increase - Retiree Health Benefits	Indeterminate

- The Office of Legislative Services (OLS) concludes that the additional years of service credit granted under the bill will increase the actuarially determined unfunded liability of the Public Employees' Retirement System by a marginal amount and result in an indeterminate, but marginal, increase in annual State or local government expenditures in order to retire the unfunded liability.
- Certain fire instructors, with other Public Employees' Retirement System eligible employment with the State or with a local government at salaries greater than those received from their prior employment as fire instructors only, would receive a higher pension benefit based on that higher salary and the additional service credit accrued from their service as fire instructors. The higher retirement allowances paid to these individuals represent an annual pension fund expenditure increase.

- The bill may also make certain fire instructors eligible for State-paid or local government-paid healthcare benefits in retirement for which they otherwise might not qualify absent this legislation. These healthcare benefits may represent an annual State or local cost increase.

BILL DESCRIPTION

This bill establishes eligibility in the Public Employees' Retirement System for county fire instructors employed and enrolled before November 1, 2008, who performed service as a county fire instructor in each calendar year of membership, who received a salary greater than \$1,500 annually, and who were permanent career service employees in the civil service. The bill provides that any person who was notified that such service as a county fire instructor was determined ineligible for enrollment in the retirement system within five years prior to the enactment of the bill may be reenrolled in the system if they repay any contributions and interest returned to them by the retirement system.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that the additional years of service credit granted under the bill will increase the actuarially determined unfunded liability of the Public Employees' Retirement System by a marginal amount and result in an indeterminate, but marginal, annual State or local government expenditure increase in order to retire the unfunded liability. The unfunded liability would be created by an acceleration of benefits caused by the increase in pensionable salary that is used to determine the retirement allowances of certain fire instructors who were contributing to the retirement system over time at a lower amount than their final average compensation would require in order for the pension to be fully funded. The additional years of service credit that would be granted under the bill would also increase the benefit factor in the calculation of the retirement allowance and add to the unfunded liability. The bill may also make certain fire instructors eligible for State-paid or local government-paid healthcare benefits in retirement for which they otherwise might not qualify. These benefits may represent an annual State or local cost increase.

Under the bill, certain fire instructors would accrue service credit toward the retirement system and retirement healthcare benefits from their service as fire instructors that they would otherwise be ineligible to accrue absent this legislation. Data from FY 2022 suggest that approximately 40 individuals may meet the criteria of the bill and would maintain their membership in the retirement system or be re-enrolled in the system under the provisions of the bill. Any of these individuals with other Public Employees' Retirement System eligible employment at salaries greater than those received from their employment as fire instructors would receive a higher pension benefit upon retirement based on that higher salary and the additional service credit accrued from their service as fire instructors. This will result in an unfunded pension liability for the State or local governments that would need to be retired over the statutorily mandated 25-year amortization

period. The OLS is unable to discern the specifics of each fire instructor's employment history to establish what the annual payment would need to be to pay down this liability.

The service credit granted under the bill from their employment as fire instructors could also make some of these individuals eligible for State-paid or local government-paid healthcare benefits in retirement that they might not qualify for absent this legislation if the service credit allows them to retire with at least 25 years of service credit in the retirement system or with the number of years of service credit required by a local government to receive healthcare benefits in retirement.

Section: State Government

*Analyst: Anna Harris
Assistant Fiscal Analyst*

*Approved: Thomas Koenig
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

ASSEMBLY, No. 2286

STATE OF NEW JERSEY 221st LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

Sponsored by:

Assemblywoman YVONNE LOPEZ

District 19 (Middlesex)

Assemblywoman AURA K. DUNN

District 25 (Morris and Passaic)

SYNOPSIS

Establishes eligibility for enrollment in PERS and subsequent retirement benefits for certain county fire instructors under certain conditions.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT establishing eligibility for enrollment in PERS and
2 subsequent retirement benefits for certain county fire instructors
3 under certain conditions, and supplementing P.L.1954, c.84
4 (C.43:15A-1 et seq.).

5

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

8

9 1. a. Notwithstanding any law, rule, or regulation to the
10 contrary, a fire instructor enrolled in the Public Employees'
11 Retirement System prior to November 1, 2008, and employed by a
12 county on the effective date of this act, P.L. , c. (C.)
13 (pending before the Legislature as this bill), who had continuous
14 membership in the retirement system, who performed service in the
15 county as a fire instructor in each calendar year of membership,
16 who received a salary for that position greater than \$1,500 annually,
17 and who was a permanent career service employee in the civil
18 service, shall be granted service credit for that period of enrollment
19 and considered eligible for membership and for benefits as a
20 member of the retirement system.

21 b. Any person whose membership in the retirement system was
22 terminated within three years prior to the effective date of this act,
23 P.L. , c. (C.)(pending before the Legislature as this bill), and
24 who otherwise qualifies for membership under subsection a. of this
25 section but for the termination shall be reenrolled in the retirement
26 system provided the person repays any contributions and interest
27 that were returned when membership was terminated.

28

29 2. This act shall take effect immediately.

30

31

32

STATEMENT

33

34 This bill establishes eligibility in the Public Employees'
35 Retirement System (PERS) for county fire instructors employed and
36 enrolled before November 1, 2008, who performed service as a
37 county fire instructor in each calendar year of membership, who
38 received a salary greater than \$1,500 annually, and who were
39 permanent career service employees in the civil service.

40 The bill provides for any person who had membership in the
41 retirement system terminated within three years prior to enactment
42 may be reenrolled as long as they repay any returned contributions
43 and interest.

44 This bill would address the situation of county fire instructors
45 who were enrolled in PERS, but subsequently were deemed not
46 eligible for membership due to the irregular and limited work
47 schedule of the position.

[First Reprint]

ASSEMBLY, No. 2286

STATE OF NEW JERSEY
221st LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

Sponsored by:

Assemblywoman YVONNE LOPEZ

District 19 (Middlesex)

Assemblywoman AURA K. DUNN

District 25 (Morris and Passaic)

SYNOPSIS

Establishes eligibility for enrollment in PERS and subsequent retirement benefits for certain county fire instructors under certain conditions.

CURRENT VERSION OF TEXT

As reported by the Assembly State and Local Government Committee on September 19, 2024, with amendments.



1 AN ACT establishing eligibility for enrollment in PERS and
2 subsequent retirement benefits for certain county fire instructors
3 under certain conditions, and supplementing P.L.1954, c.84
4 (C.43:15A-1 et seq.).

5

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

8

9 1. a. Notwithstanding any law, rule, or regulation to the contrary,
10 a fire instructor enrolled in the Public Employees' Retirement System
11 prior to November 1, 2008, and employed by a county on the effective
12 date of this act, P.L. , c. (C.) (pending before the
13 Legislature as this bill), who had continuous membership in the
14 retirement system, who performed service in the county as a fire
15 instructor in each calendar year of membership, who received a salary
16 for that position greater than \$1,500 annually, and who was a
17 permanent career service employee in the civil service, shall be
18 granted service credit for that period of enrollment and considered
19 eligible for membership and for benefits as a member of the retirement
20 system.

21 b. Any person ¹**【**whose membership in the retirement system was
22 terminated**】** who was enrolled in the Public Employees' Retirement
23 System prior to November 1, 2008 for service in a county as a fire
24 instructor and was notified¹ within ¹**【**three**】** five¹ years prior to the
25 effective date of this act, P.L. , c. (C.) (pending before the
26 Legislature as this bill), ¹**【**and who otherwise qualifies for membership
27 under subsection a. of this section but for the termination shall be
28 reenrolled in the retirement system provided the person repays any
29 contributions and interest that were returned when membership was
30 terminated**】** that such service as a fire instructor was determined
31 ineligible for enrollment in the retirement system shall be granted
32 service credit for that period of enrollment determined ineligible for
33 membership in the retirement system, provided the person repays any
34 contributions and interest that were returned when it was determined
35 that the person was ineligible for membership in the retirement
36 system¹.

37

38 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.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly ASL committee amendments adopted September 19, 2024.

ASSEMBLY STATE AND LOCAL GOVERNMENT
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2286

with committee amendments

STATE OF NEW JERSEY

DATED: SEPTEMBER 19, 2024

The Assembly State and Local Government Committee reports favorably and with committee amendments Assembly Bill No. 2286.

As amended, this bill establishes eligibility in the Public Employees' Retirement System (PERS) for county fire instructors employed and enrolled before November 1, 2008, who performed service as a county fire instructor in each calendar year of membership, who received a salary greater than \$1,500 annually, and who were permanent career service employees in the civil service.

The bill provides that any person who was enrolled in the Public Employees' Retirement System prior to November 1, 2008 for service in a county as a fire instructor and was notified within five years prior to the effective date of the bill that such service as a fire instructor was determined ineligible for enrollment in the retirement system is to be granted service credit for that period of enrollment determined ineligible for membership in the retirement system, provided the person repays any contributions and interest that were returned when it was determined that the person was ineligible for membership in the retirement system.

This bill would address the situation of county fire instructors who were enrolled in PERS, but subsequently were deemed not eligible for membership due to the irregular and limited work schedule of the position.

This bill was prefiled for introduction in the 2024-2025 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

As amended and reported by the committee, Assembly Bill No. 2286 is identical to Senate Bill No. 871 (1R), which was also amended and reported by the committee on this date.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

- replace reference to a person's membership in the retirement system being terminated with reference to a member's

enrollment in the Public Employees' Retirement System prior to November 1, 2008 for service in a county as a fire instructor;

- extend the notification period specified in the bill from three years prior to the effective date of the bill to five years;
- delete language concerning a person being reenrolled in the retirement system on the condition that the person repay any contributions and interest that were returned when membership was terminated; and
- provide that that person who served as a fire instructor that was determined ineligible for enrollment in the retirement system is to be granted service credit for that period of enrollment, provided the person repays any contributions and interest that were returned when it was determined that the person was ineligible for membership in the retirement system.

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY, No. 2286

STATE OF NEW JERSEY 221st LEGISLATURE

DATED: OCTOBER 30, 2024

SUMMARY

- Synopsis:** Establishes eligibility for enrollment in PERS and subsequent retirement benefits for certain county fire instructors under certain conditions.
- Type of Impact:** Annual State expenditure increases; annual local government expenditure increases.
- Agencies Affected:** Division of Pensions and Benefits in the Department of the Treasury; certain local governments.

Office of Legislative Services Estimate

Annual Fiscal Impact	
Public Employees' Retirement System Pension Fund - Increase in Retirement Allowances Paid	Indeterminate
State Cost Increase - Payment on Unfunded Liability	Indeterminate
State Cost Increase - Retiree Health Benefits	Indeterminate
Local Cost Increase - Retiree Health Benefits	Indeterminate

- The Office of Legislative Services (OLS) concludes that the additional years of service credit granted under the bill will increase the actuarially determined unfunded liability of the Public Employees' Retirement System by a marginal amount and result in an indeterminate, but marginal, increase in annual State or local government expenditures in order to retire the unfunded liability.
- Certain fire instructors, with other Public Employees' Retirement System eligible employment with the State or with a local government at salaries greater than those received from their prior employment as fire instructors only, would receive a higher pension benefit based on that higher salary and the additional service credit accrued from their service as fire instructors. The higher retirement allowances paid to these individuals represent an annual pension fund expenditure increase.

- The bill may also make certain fire instructors eligible for State-paid or local government-paid healthcare benefits in retirement for which they otherwise might not qualify absent this legislation. These healthcare benefits may represent an annual State or local cost increase.

BILL DESCRIPTION

This bill establishes eligibility in the Public Employees' Retirement System for county fire instructors employed and enrolled before November 1, 2008, who performed service as a county fire instructor in each calendar year of membership, who received a salary greater than \$1,500 annually, and who were permanent career service employees in the civil service. The bill provides that any person who was notified that such service as a county fire instructor was determined ineligible for enrollment in the retirement system within five years prior to the enactment of the bill may be reenrolled in the system if they repay any contributions and interest returned to them by the retirement system.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that the additional years of service credit granted under the bill will increase the actuarially determined unfunded liability of the Public Employees' Retirement System by a marginal amount and result in an indeterminate, but marginal, annual State or local government expenditure increase in order to retire the unfunded liability. The unfunded liability would be created by an acceleration of benefits caused by the increase in pensionable salary that is used to determine the retirement allowances of certain fire instructors who were contributing to the retirement system over time at a lower amount than their final average compensation would require in order for the pension to be fully funded. The additional years of service credit that would be granted under the bill would also increase the benefit factor in the calculation of the retirement allowance and add to the unfunded liability. The bill may also make certain fire instructors eligible for State-paid or local government-paid healthcare benefits in retirement for which they otherwise might not qualify. These benefits may represent an annual State or local cost increase.

Under the bill, certain fire instructors would accrue service credit toward the retirement system and retirement healthcare benefits from their service as fire instructors that they would otherwise be ineligible to accrue absent this legislation. Data from FY 2022 suggest that approximately 40 individuals may meet the criteria of the bill and would maintain their membership in the retirement system or be re-enrolled in the system under the provisions of the bill. Any of these individuals with other Public Employees' Retirement System eligible employment at salaries greater than those received from their employment as fire instructors would receive a higher pension benefit upon retirement based on that higher salary and the additional service credit accrued from their service as fire instructors. This will result in an unfunded pension liability for the State or local governments that would need to be retired over the statutorily mandated 25-year amortization

period. The OLS is unable to discern the specifics of each fire instructor's employment history to establish what the annual payment would need to be to pay down this liability.

The service credit granted under the bill from their employment as fire instructors could also make some of these individuals eligible for State-paid or local government-paid healthcare benefits in retirement that they might not qualify for absent this legislation if the service credit allows them to retire with at least 25 years of service credit in the retirement system or with the number of years of service credit required by a local government to receive healthcare benefits in retirement.

Section: State Government

*Analyst: Anna Harris
Assistant Fiscal Analyst*

*Approved: Thomas Koenig
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

Governor Murphy Takes Action on Legislation

12/12/2024

TRENTON – Today, Governor Murphy signed the following bills into law:

S-871/A-2286 (A.M. Bucco, Sarlo/Lopez, Dunn) - Establishes eligibility for enrollment in PERS and subsequent retirement benefits for certain county fire instructors under certain conditions

S-1430/A-586 (McKnight, Singleton/Stanley, Atkins, Reynolds-Jackson) - Provides for expanded use of affordable housing voucher program funding

S-1433/A-4433 (Singleton/Conaway) - Designates bridge over Crosswicks Creek on Interstate Highway Route 295 North as “Benjamin Moore and the 693rd Sapper Company Memorial Highway”

S-3611/A-4970 (Scutari, Vitale/Carter, Speight, Reynolds-Jackson) - Provides grant to study and map mental health care resources for children; makes appropriation

SJR-29/AJR-50 (Diegnan, Sarlo/Karabinchak, Stanley) - Designates August of each year as “Professional Engineers Month” in NJ and first Wednesday in August of each year as “Professional Engineering Day”

SJR-71/AJR-25 (Beach, Mukherji/DeAngelo, Danielsen, Venezia) - Designates first week of May of each year as Wounded Warrior Appreciation Week

SJR-103/AJR-60 (Diegnan, Corrado/Conaway, DeAngelo, Speight) - Declares NJ “Purple Heart State”

A-4043/S-3310 (Verrelli, Sampson, Sumter/Lagana, Turner) - Redirects portion of worker’s unemployment compensation trust fund contribution to unemployment compensation administration fund

A-4047/S-2949 (Sampson, Verrelli, Miller/Moriarty, Mukherji) - Revises unemployment compensation law

A-4148/S-3057 (Lampitt, Conaway, Speight/McKnight, Turner) - Requires DOH to develop informational materials on type 1 diabetes and DOE to distribute to parents and guardians of enrolled students

Governor Murphy conditionally vetoed the following bills:

S-2788/A-4569 (Cruz-Perez, Turner/Freiman, Katz, Simmons) – **CONDITIONAL** -Appropriates \$128.241 million from constitutionally dedicated CBT revenues to State Agriculture Development Committee for farmland preservation purposes

[Copy of Statement](#)