

43: 15A-1

LEGISLATIVE HISTORY CHECKLIST
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(PERS--purchase of
service credit)

NJSA: 43:15A-1

LAWS OF: 1991 CHAPTER: 444

BILL NO: S2157

SPONSOR(S): Lipman

DATE INTRODUCED: Pre-filed

COMMITTEE: ASSEMBLY: Appropriations
SENATE: State Government

AMENDED DURING PASSAGE: No

DATE OF PASSAGE: ASSEMBLY: January 10, 1992
SENATE: December 12, 1991

DATE OF APPROVAL: January 18, 1992

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: ASSEMBLY: Yes
SENATE: Yes

FISCAL NOTE: No

VETO MESSAGE: No

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: No

KBG/pp

P.L.1991, CHAPTER 44, approved January 18, 1992
1990 Senate No. 2157

1 AN ACT concerning the purchase of service credit for public
2 employment with certain municipalities or counties in this
3 State by certain members of the Public Employees'
4 Retirement System and supplementing P.L.1954, c.84
5 (C.43:15A-1 et seq.).
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7 BE IT ENACTED by the Senate and General Assembly of the
8 State of New Jersey:

9 1. A member who had established service credit in a municipal
10 or county retirement system or pension fund in this State and who
11 is ineligible to transfer the service credit to the retirement
12 system may file a detailed statement of public employment with
13 the municipality or county rendered prior to becoming a member
14 for which the member desires credit and of such other facts as
15 the retirement system may require. The member may purchase
16 credit for all of the service evidenced in the statement up to the
17 nearest number of years and months. No application shall be
18 accepted for the purchase of credit for the service if, at the time
19 of the application, the member has a vested right to retirement
20 benefits in the municipal or county retirement system or pension
21 fund based in whole or in part upon that service.

22 The member may purchase credit for the service by paying into
23 the annuity savings fund the amount required by applying the
24 factor, supplied by the actuary as being applicable to the
25 member's age at the time of the purchase, to the member's
26 salary at that time, or to the highest annual compensation for
27 service in this State for which contributions were made during
28 any prior fiscal year of membership, whichever is greater. The
29 purchase may be made in lump sum or in regular installments,
30 equal to at least 1/2 of the full normal contribution to the
31 retirement system, over a maximum period of 10 years. A
32 member who applies to purchase credit for the service shall pay
33 the full cost attributable to the increased benefits to be derived
34 from the purchased credit in accordance with the actuarial
35 method used to determine the cost at the time of the purchase.
36 A member shall not be liable for any costs associated with the
37 financing of pension adjustment benefits and health care benefits
38 for retirees when purchasing credit.

39 Any member electing to purchase the service who retires prior
40 to completing payments as agreed with the retirement system
41 will receive pro rata credit for service purchased prior to the

1 date of retirement, but if the member so elects at the time of
2 retirement, the member may make the additional lump sum
3 payment required at that time to provide full credit.

4 2. This act shall take effect immediately.

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PUBLIC EMPLOYEE BENEFITS

8

9 Permits certain PERS members to purchase service credit for
10 public employment with a municipality or county which has its
11 own retirement system.

1 date of retirement, but if the member so elects at the time of
2 retirement, the member may make the additional lump sum
3 payment required at that time to provide full credit.

4 2. This act shall take effect immediately.

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STATEMENT

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9 This bill provides that a member of the Public Employees'
10 Retirement System (PERS) who had established service credit in
11 a municipal or county retirement system or pension fund and who
12 is ineligible to transfer the service credit to PERS may purchase
13 credit for all of the service with the municipality or county. In
14 order to purchase the credit, a member shall not have a vested
15 right to retirement benefits in the municipal or county
16 retirement system or pension fund. In addition, a member shall
17 pay the full cost attributable to the increased benefits to be
18 derived from the purchased credit but shall not be liable for any
19 costs associated with the financing of pension adjustment
20 benefits and health care benefits for retirees.

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PUBLIC EMPLOYEE BENEFITS

24

25 Permits certain PERS members to purchase service credit for
26 public employment with a municipality or county which has its
27 own retirement system.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 2157

STATE OF NEW JERSEY

DATED: JANUARY 8, 1992

The Assembly Appropriations Committee reports favorably Senate Bill No. 2157.

Senate Bill No. 2157 provides that a member of the Public Employees' Retirement System (PERS) who has established service credit in a municipal or county retirement system or pension fund and is ineligible to transfer the service credit to PERS may purchase credit for all of the service with the municipality or county. A member shall pay the full cost attributable to the increased benefits to be derived from the purchased credit but shall not be liable for any costs associated with the financing of pension adjustment benefits and health care benefits for retirees. A member who has a vested right to retirement benefits in the municipal or county retirement system or pension fund is ineligible for purchase of credit under the bill.

This bill is identical to Assembly Bill No. 3527.

FISCAL IMPACT

This bill was not certified as requiring a fiscal note.

SENATE STATE GOVERNMENT AND FEDERAL
AND INTERSTATE RELATIONS COMMITTEE

STATEMENT TO

SENATE, No. 2157

STATE OF NEW JERSEY

DATED: MARCH 12, 1990

The Senate State Government and Federal and Interstate Relations Committee reports favorably Senate Bill No. 2157.

This bill provides that a member of the Public Employees' Retirement System (PERS) who had established service credit in a municipal or county retirement system or pension fund and who is ineligible to transfer the service credit to PERS may purchase credit for all of the service with the municipality or county. In order to purchase the credit, a member shall not have a vested right to retirement benefits in the municipal or county retirement system or pension fund. In addition, a member shall pay the full cost attributable to the increased benefits to be derived from the purchased credit but shall not be liable for any costs associated with the financing of pension adjustment benefits and health care benefits for retirees.

This bill was pre-filed for introduction in the 1990 session pending technical review. As reported, the bill includes the changes required by technical review which has been performed.