

18A:66-33

LEGISLATIVE HISTORY CHECKLIST
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NJSA: 18A:66-33

(Higher
education--employees
under TPAF)

LAWS OF: 1991

CHAPTER: 246

Bill No: S3163

Sponsor(s): Lesniak

Date Introduced: December 10, 1990

Committee: Assembly: Education

Senate: State Operations

Amended during passage: Yes Amendments denoted by asterisks.

Date of Passage: Assembly: June 24, 1991

Senate: March 14, 1991

Date of Approval: August 7, 1991

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/SLJ

[FIRST REPRINT]

SENATE, No. 3163

STATE OF NEW JERSEY

INTRODUCED DECEMBER 10, 1990

By Senator LESNIAK

1 AN ACT concerning the funding of the contingent reserve fund
2 for certain TPAF members and amending ¹[P.L.1990, c.52]
3 N.J.S. 18A:66-33 and N.J.S. 18A:66-66¹.
4

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

7 1. N.J.S.18A:66-33 is amended to read as follows:

8 18A:66-33. Regular interest charges payable, the creation and
9 maintenance of reserves in the contingent reserve fund and the
10 maintenance of retirement allowances and other benefits granted
11 by the board of trustees under the provisions of this article are
12 hereby made obligations of each employer, except in the case of
13 employers that are institutions of higher education. Obligations
14 of employers that are institutions of higher education shall be
15 obligations of the State, and the employer shall be deemed to be
16 the State for the purposes of this section. Except as provided in
17 N.J.S.18A:66-27, all income, interest, and dividends derived from
18 deposits and investments authorized by this article shall be used
19 for payment of these obligations.

20 Upon the basis of each actuarial determination and appraisal
21 provided for in this article, the board of trustees shall annually
22 certify, on or before the date of the Governor's annual budget
23 message, to the Commissioner of Education, the State Treasurer,
24 and to each employer, including the State, the contributions due
25 on behalf of its employees for the ensuing fiscal year and payable
26 by the employer to the contingent reserve fund. The amounts
27 payable into the contingent reserve fund for each employer,
28 including the State, shall be paid by the State Treasurer, upon the
29 certification of the commissioner and the warrant of the Director
30 of the Division of Budget and Accounting, to the contingent
31 reserve fund not later than July 1 of the ensuing fiscal year. The
32 commissioner shall deduct the amount so certified from any State
33 aid payable to the employer. In the event that no State aid is
34 payable to the employer or in the event that the amount deducted
35 is less than the amount certified as due, the commissioner shall
36 certify the net amount due on behalf of the members to the chief
37 fiscal officer of the employer. Each employer shall pay the net
38 amount due, if any, to the State pursuant to a payment schedule
39 established by the commissioner. The payment schedule shall
40 provide for interest penalties for late payments.

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:
¹ Senate SED committee amendments adopted January 31, 1991.

SENATE, No. 3163

STATE OF NEW JERSEY

INTRODUCED DECEMBER 10, 1990

By Senator LESNIAK

1 AN ACT concerning the funding of the contingent reserve fund
2 for certain TPAF members and amending P.L.1990, c.52.

3

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

6 1. N.J.S.18A:66-33 is amended to read as follows:

7 18A:66-33. Regular interest charges payable, the creation and
8 maintenance of reserves in the contingent reserve fund and the
9 maintenance of retirement allowances and other benefits granted
10 by the board of trustees under the provisions of this article are
11 hereby made obligations of each employer, except in the case of
12 employers that are institutions of higher education. Obligations
13 of employers that are institutions of higher education shall be
14 obligations of the State, and the employer shall be deemed to be
15 the State for the purposes of this section. Except as provided in
16 N.J.S.18A:66-27, all income, interest, and dividends derived from
17 deposits and investments authorized by this article shall be used
18 for payment of these obligations.

19 Upon the basis of each actuarial determination and appraisal
20 provided for in this article, the board of trustees shall annually
21 certify, on or before the date of the Governor's annual budget
22 message, to the Commissioner of Education, the State Treasurer,
23 and to each employer, including the State, the contributions due
24 on behalf of its employees for the ensuing fiscal year and payable
25 by the employer to the contingent reserve fund. The amounts
26 payable into the contingent reserve fund for each employer,
27 including the State, shall be paid by the State Treasurer, upon the
28 certification of the commissioner and the warrant of the Director
29 of the Division of Budget and Accounting, to the contingent
30 reserve fund not later than July 1 of the ensuing fiscal year. The
31 commissioner shall deduct the amount so certified from any State
32 aid payable to the employer. In the event that no State aid is
33 payable to the employer or in the event that the amount deducted
34 is less than the amount certified as due, the commissioner shall
35 certify the net amount due on behalf of the members to the chief
36 fiscal officer of the employer. Each employer shall pay the net
37 amount due, if any, to the State pursuant to a payment schedule
38 established by the commissioner. The payment schedule shall
39 provide for interest penalties for late payments.

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.

1 Nothing in this section shall cause the State aid of an
2 institution of higher education to be offset, nor shall an
3 institution of higher education incur a debt or be required to
4 make payments pursuant to this section.

5 (cf: P.L.1990, c.52,s.78)

6 2. N.J.S.18A:66-66 is amended to read as follows:

7 18A:66-66. The employer shall pay the employer's share of
8 social security contribution upon all wages. In the case of
9 employers that are institutions of higher education, the employer
10 shall be deemed to be the State for the purposes of this section.

11 (cf: P.L.1990, c.52, s.79)

12 3. This act shall take effect immediately.

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SPONSOR'S STATEMENT

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17 This bill would amend the "Quality Education Act of 1990,"
18 P.L.1990, c.52, which provides that employers of members in
19 TPAF pay the employers' share of pension and social security
20 costs. Under prior law, the State paid these costs. This bill
21 would clarify the State's continuing responsibility to pay the
22 pension and social security contributions for members who are
23 employees of institutions of higher education. The changes made
24 by the "Quality Education Act" were intended to affect local
25 school district funding, and not the funding of institutions of
26 higher education.

27 Without the clarification provided by this bill, county colleges
28 will be the most impacted by the law as changed by the "Quality
29 Education Act" since they have many more faculty members
30 belonging to TPAF than the State colleges or other institutions of
31 higher education.

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HIGHER EDUCATION

35

36 Clarifies the State's continuing responsibility for making pension
37 and social security contributions for TPAF members who are
38 employed by institutions of higher education.

ASSEMBLY STATE OPERATIONS AND
PERSONNEL COMMITTEE

STATEMENT TO

[FIRST REPRINT]

SENATE, No. 3163

STATE OF NEW JERSEY

DATED: JUNE 17, 1991

The Assembly State Operations and Personnel Committee reports favorably Senate, No. 3163 (1R).

This bill amends the statutes of the Teachers' Pension and Annuity Fund (TPAF) to make clear that the State has a continuing responsibility to pay the pension and social security contributions for members of the pension fund who are employees of institutions of higher education. Under the "Quality Education Act of 1990" (P.L.1990, c.52), provision was made for employers of TPAF members to pay the employers' share of pension and social security costs which had previously been paid by the State. The revisions made by the "Quality Education Act" were intended to affect only local school district funding, however, and not the funding of institutions of higher education.

SENATE EDUCATION COMMITTEE

STATEMENT TO

SENATE, No. 3163

with Senate committee amendments

STATE OF NEW JERSEY

DATED: JANUARY 31, 1991

The Senate Education Committee favorably reports this bill with committee amendments.

This bill amends the statutes of the Teachers' Pension and Annuity Fund (TPAF) to make clear that the State has a continuing responsibility to pay the pension and social security contributions for members of the pension fund who are employees of institutions of higher education. Under the "Quality Education Act of 1990" (P.L.1990, c.52), provision was made for employers of TPAF members to pay the employers' share of pension and social security costs which had previously been paid by the State. The revisions made by the "Quality Education Act" were intended to affect only local school district funding, however, and not the funding of institutions of higher education.

The committee adopted technical amendments in order to correct the citation in the title of the bill.