

43:15A-73.2

LEGISLATIVE HISTORY CHECKLIST
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NJSA: 43:15A-73.2 et al

(Authorities &
other autonomous
agencies--certain-place
employees under
PERS)

LAWS OF: 1990

CHAPTER: 25

Bill No: S2162

Sponsor(s): Lipman

Date Introduced: Pre-filed

Committee: Assembly: -----

Senate: State Government

Amended during passage: No

Date of Passage: Assembly: May 14, 1990

Senate: April 5, 1990

Date of Approval: May 21, 1990

Following statements are attached if available:

Sponsor statement: Yes

Committee Statement: Assembly: No

Senate: Yes

Fiscal Note: No

Veto Message: No

Message on signing: ~~No~~ Yes

Following were printed:

Reports: No

Hearings: No

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P.L.1990, CHAPTER 25, approved May 21, 1990

1990 Senate No. 2162

1 AN ACT concerning retirement benefits for employees of State
2 autonomous authorities, amending and supplementing P.L.1954,
3 c.84, and supplementing Title 43 of the Revised Statutes.

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

7 1. Section 73 of P.L.1954, c.84 (C.43:15A-73) is amended to
8 read as follows:

9 73. a. The Public Employees' Retirement System is hereby
10 authorized and directed to enroll eligible employees of the New
11 Jersey Turnpike Authority, the New Jersey Highway Authority,
12 Palisades Interstate Park Commission, Interstate Sanitation
13 Commission, the Delaware River Basin Commission and the
14 Delaware River Joint Toll Bridge Commission.

15 In the case of the Delaware River Joint Toll Bridge
16 Commission, the eligible employees shall be only those who are
17 employed on the free bridges across the Delaware river, under
18 the control of said commission, or who are members of the
19 retirement system at the time they begin employment with the
20 commission.

21 The said employees shall be subject to the same membership,
22 contribution and benefit provisions of the retirement system as
23 State employees.

24 b. The State University of New Jersey, as an instrumentality
25 of the State, shall, for all purposes of this act, be deemed an
26 employer and its eligible employees, both veterans and
27 nonveterans, shall be subject to the same membership,
28 contribution and benefit provisions of the retirement system and
29 to the provisions of chapter 3 of Title 43 of the Revised Statutes
30 as are applicable to State employees and for all purposes of this
31 act employment by the State University of New Jersey after
32 April 16, 1945, and for the purposes of chapter 3 of Title 43 of
33 the Revised Statutes any new employment after January 1, 1955,
34 shall be deemed to be and shall be construed as service to and
35 employment by the State of New Jersey.

36 c. The Compensation Rating and Inspection Bureau, created
37 and established pursuant to the provisions of R.S.34:15-89, shall,
38 for all purposes of this act, be deemed an employer and its

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 ~~eligible employees, both veterans and nonveterans, shall be~~
2 ~~subject to the same membership, contribution and benefit~~
3 ~~provisions of the retirement system and to the provisions of~~
4 ~~chapter 3 of Title 43 of the Revised Statutes as both are~~
5 ~~applicable to State employees.~~

6 The retirement system shall certify to the Commissioner of
7 Insurance and the Commissioner of Insurance shall direct the
8 Compensation Rating and Inspection Bureau to provide the
9 necessary payments to the retirement system in accordance with
10 procedures established by the retirement system. Such payments
11 shall include (1) the contributions and charges, similar to those
12 paid by other public agency employers, to be paid by the
13 Compensation Rating and Inspection Bureau to the retirement
14 system on behalf of its employee members, and (2) the
15 contributions to be paid by the Compensation Rating and
16 Inspection Bureau to provide the past service credits up to June
17 30, 1965 for these members, both veterans and nonveterans, who
18 enroll before July 1, 1966.

19 d. The New Jersey Sports and Exposition Authority, created
20 and established pursuant to the "New Jersey Sports and
21 Exposition Authority Law," P.L.1971, c.137 (C.5:10-1 et seq.)
22 shall for all purposes of this act, be deemed an employer and its
23 eligible employees both veterans and nonveterans, shall be
24 subject to the same membership, contribution and benefit
25 provisions of the retirement system and to the provisions of
26 chapter 3 of Title 43 of the Revised Statutes as are applicable to
27 State employees.

28 (1) Eligible employees as used herein shall not include persons
29 who are not classified as salaried, or who are compensated on an
30 hourly or per diem basis, or whose employment is normally
31 covered by other retirement systems to which the authority
32 makes contributions.

33 (2) Eligible employees previously permitted to enroll in the
34 retirement system shall redeposit the contributions previously
35 made by them and all service credit shall then be restored and
36 future contributions made at the date of contribution as
37 originally assigned. The authority shall redeposit the employer
38 payments it had made, with interest to the date of redeposit.

39 e. The New Jersey Transit Corporation created and established
40 pursuant to the "New Jersey Public Transportation Act of 1979,"
41 P.L.1979, c.150 (C.27:25-1 et seq.) shall for all purposes of this
42 act, be deemed an employer and its eligible employees both
43 veterans and nonveterans, shall be subject to the same
44 membership, contribution and benefit provisions of the
45 retirement system and to the provisions of chapter 3 of Title 43
46 of the Revised Statutes as are applicable to State employees.
47 Eligible employees as used herein means only those individuals
48 who are members of the Public Employees' Retirement System

1 or any other State-administered retirement system immediately
2 prior to their initial employment by the corporation.

3 f. (1) The Casino Reinvestment Development Authority,
4 created and established pursuant to P.L.1984, c.218 (C.5:12-153
5 et seq.), the New Jersey Urban Development Corporation,
6 created and established pursuant to P.L.1985, c.227 (C.55:19-1 et
7 seq.), the South Jersey Food Distribution Authority, created and
8 established pursuant to P.L.1985, c.383 (C.4:26-1 et seq.), the
9 New Jersey Development Authority for Small Businesses,
10 Minorities and Women's Enterprises, created and established
11 pursuant to P.L.1985, c.386 (C.34:1B-47 et seq.), and the
12 Catastrophic Illness in Children Relief Fund Commission, created
13 and established pursuant to P.L.1987, c.370 (C.26:2-148 et seq.)
14 shall each, for all purposes of this act, be deemed an employer
15 and eligible authority, corporation, or commission employees,
16 both veterans and non-veterans, shall be subject to the same
17 membership, contribution and benefit provisions of the
18 retirement system and to the provisions of chapter 3 of Title 43
19 of the Revised Statutes as are applicable to State employees.

20 (2) The current or former employees of the authorities, the
21 corporation, and the commission may purchase credit for all
22 service with the authority, corporation, or commission rendered
23 prior to the effective date of this amendatory and supplementary
24 act, P.L. , c. , if that service would otherwise be eligible for
25 credit in the retirement system. This purchase shall be made in
26 the same manner and shall be subject to the same terms and
27 conditions provided for the purchase of previous membership
28 service by section 8 of P.L.1954, c.84 (C.43:15A-8). The
29 authority, corporation, or commission shall pay the unfunded
30 liability as determined by the actuary for prior service purchased
31 by its employees in accordance with a schedule approved by the
32 actuary. This obligation of the authority, corporation, or
33 commission shall be known as the accrued liability for prior
34 service credit.

35 (3) For any employee of the authorities or of the corporation
36 or commission who is in service with the authority, corporation,
37 or commission on the effective date of this amendatory and
38 supplementary act, P.L. , c. , the age of enrollment for the
39 purposes of the member contribution rate under section 25 of
40 P.L.1954, c.84 (C.43:15A-25) shall be the age of the employee on
41 the date the continuous service with the authority began. Any
42 employee who was a member of the retirement system on the
43 date continuous service with the authority, corporation, or
44 commission began but whose membership expired before the
45 effective date of participation by the authority, corporation, or
46 commission in the retirement system, and who has not withdrawn
47 the employee contributions from the system, shall participate in
48 the retirement system under the former membership and shall

1 contribute to the system at the rate applicable to the former
2 membership.
3 (cf: P.L.1988, c.186, s.1)

4 2. (New section) a. For the purposes of sections 2 through 4 of
5 this amendatory and supplementary act, P.L. , c. , "State
6 autonomous authority" means a public authority, board,
7 commission, corporation or other agency or instrumentality of
8 this State allocated in but not of a principal department of State
9 government pursuant to Article V, Section IV, paragraph 1 of the
10 New Jersey Constitution.

11 b. If there is no provision in a law creating a State autonomous
12 authority subsequent to the effective date of this amendatory and
13 supplementary act permitting employees of the authority to join
14 the Public Employees' Retirement System, or specifically
15 providing an alternative retirement plan, the authority shall apply
16 to the State Treasurer for approval to participate in the Public
17 Employees' Retirement System. If there is no provision
18 permitting the employees of a State autonomous authority
19 created prior to the effective date of this amendatory and
20 supplementary act to join the retirement system, the authority
21 may apply to the State Treasurer for approval to participate in
22 the Public Employees' Retirement System. The State Treasurer
23 shall approve participation by an authority in the retirement
24 system unless it is determined that participation is inconsistent
25 with the policies inherent in the law governing the retirement
26 system and is not in the public interest. The State Treasurer
27 shall have 60 days from the date the application is received from
28 the authority to make a determination on participation. The
29 State Treasurer shall notify the Director of the Division of
30 Pensions of any determination on participation. After the 60
31 days, if no determination is made, the authority shall participate
32 in the retirement system. A State autonomous authority
33 participating in the retirement system as provided in this
34 amendatory and supplementary act is an employer under the
35 Public Employees' Retirement System Act, P.L.1954, c.84
36 (C.43:15A-1 et seq.), as amended and supplemented, for all of the
37 purposes of that act, and its employees shall be subject to that
38 act as if they were State employees, on the first day of the first
39 calendar month occurring not less than 60 days after receipt of
40 notice of approval by the Director of the Division of Pensions
41 from the State Treasurer, or after the time period for a
42 determination on participation by the State Treasurer has expired.

43 3. (New section) a. The employees of a State autonomous
44 authority approved for participation in the retirement system
45 pursuant to subsection b. of section 2 of this amendatory and
46 supplementary act may purchase credit for all service with the
47 authority prior to the date of the authority's participation in the
48 retirement system if that service would otherwise be eligible for

1 credit in the retirement system. This purchase shall be made in
2 the same manner and shall be subject to the same terms and
3 conditions provided for the purchase of previous membership
4 service by section 8 of P.L.1954, c.84 (C.43:15A-8). The
5 authority shall pay the unfunded liability as determined by the
6 actuary for prior service purchased by its employees in
7 accordance with a schedule approved by the actuary. The
8 obligation of the authority shall be known as the accrued liability
9 for prior service credit. The actuary shall determine and adjust
10 the accrued liability for prior service credit and determine the
11 annual contribution of the authority for this liability in a manner
12 similar to that provided for the State accrued liability
13 contribution. The accrued liability for prior service credit shall
14 be paid by the authority over a period not to exceed 25 years
15 following the initial valuation of this liability by the actuary.

16 b. For any employee of a State autonomous authority who is in
17 service with the authority on the date its participation in the
18 retirement system becomes effective, the age of enrollment for
19 the purposes of the member contribution rate under section 25 of
20 P.L.1954, c.84 (C.43:15A-25) shall be the age of the employee on
21 the date the continuous service with the authority began.

22 4. (New section) A State autonomous authority may not
23 establish or change a retirement or deferred compensation plan
24 which provides for the payment of funds of the authority to that
25 plan without the approval of the State Treasurer. The State
26 Treasurer shall not approve the establishment or change of a
27 retirement or deferred compensation plan unless it is determined
28 that the plan or change is consistent with the policies inherent in
29 State laws concerning retirement benefits for public employees
30 and is in the public interest. This section is applicable to all
31 State autonomous authorities regardless of whether they
32 participate in a State-administered retirement system or
33 deferred compensation program.

34 5. This act shall take effect immediately.

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37

PUBLIC EMPLOYEE BENEFITS

38

39 Places employees of certain authorities and other autonomous
40 agencies in PERS and provides for participation in PERS by
41 future autonomous authorities.

1 credit in the retirement system. This purchase shall be made in
2 the same manner and shall be subject to the same terms and
3 conditions provided for the purchase of previous membership
4 service by section 8 of P.L.1954, c.84 (C.43:15A-8). The
5 authority shall pay the unfunded liability as determined by the
6 actuary for prior service purchased by its employees in
7 accordance with a schedule approved by the actuary. The
8 obligation of the authority shall be known as the accrued liability
9 for prior service credit. The actuary shall determine and adjust
10 the accrued liability for prior service credit and determine the
11 annual contribution of the authority for this liability in a manner
12 similar to that provided for the State accrued liability
13 contribution. The accrued liability for prior service credit shall
14 be paid by the authority over a period not to exceed 25 years
15 following the initial valuation of this liability by the actuary.

16 b. For any employee of a State autonomous authority who is in
17 service with the authority on the date its participation in the
18 retirement system becomes effective, the age of enrollment for
19 the purposes of the member contribution rate under section 25 of
20 P.L.1954, c.84 (C.43:15A-25) shall be the age of the employee on
21 the date the continuous service with the authority began.

22 4. (New section) A State autonomous authority may not
23 establish or change a retirement or deferred compensation plan
24 which provides for the payment of funds of the authority to that
25 plan without the approval of the State Treasurer. The State
26 Treasurer shall not approve the establishment or change of a
27 retirement or deferred compensation plan unless it is determined
28 that the plan or change is consistent with the policies inherent in
29 State laws concerning retirement benefits for public employees
30 and is in the public interest. This section is applicable to all
31 State autonomous authorities regardless of whether they
32 participate in a State-administered retirement system or
33 deferred compensation program.

34 5. This act shall take effect immediately.

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STATEMENT

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39 This bill provides that the Casino Reinvestment Development
40 Authority, the New Jersey Urban Development Corporation, the
41 South Jersey Food Distribution Authority, the New Jersey
42 Development Authority for Small Businesses, Minorities and
43 Women's Enterprise, and the Catastrophic Illness in Children
44 Relief Fund Commission are employers under the Public
45 Employees' Retirement System Act, and they and their
46 employees are subject to the law governing the Public
47 Employees' Retirement System (PERS) as if they were State
48 agencies and State employees.

S2162(1990)

1 In addition, the purpose of this bill is to provide a general
2 solution to a problem which sometimes arises when new State
3 autonomous authorities are established. Periodically, no
4 provision is made in the laws establishing State autonomous
5 authorities for retirement benefits for its employees. Since they
6 are usually established with a separate corporate identity and
7 have the authority to sue and be sued in their own names, the
8 employees of the authorities are not considered State employees,
9 nor do the authorities fall within the definition of "public agency
10 or organization" under the PERS Act. Accordingly, they are not
11 eligible to participate in the system.

12 This bill would establish a general solution to the problem by
13 providing that if no provision has been made for PERS
14 participation benefits for employees of a State autonomous
15 authority, the authority shall apply to the State Treasurer for
16 approval to participate in PERS. The State Treasurer would
17 approve participation of an authority in PERS unless it is
18 determined that participation is inconsistent with the policies
19 inherent in the laws governing the retirement system and is not in
20 the public interest.

21 Since in the past virtually every authority has become a
22 member of the PERS, there is no reason to believe that future
23 authorities should not also become eligible. In the event,
24 however, that a future authority is different from currently
25 established authorities, the State Treasurer will be given 60 days
26 to determine if there is good cause not to allow the authority
27 entrance into the PERS.

28 Employees of a State autonomous authority approved for
29 participation in PERS would be able to purchase for credit all
30 their prior eligible service with the authority. The authority
31 would be liable for the accrued liability for the service
32 purchased. An employee in service with an authority on the
33 effective date of participation would receive a member
34 contribution rate for the age when the continuous service began.

35 Finally, this bill also provides for control over retirement
36 benefits to employees by State autonomous authorities regardless
37 of whether they participate in State-administered retirement
38 systems. The bill authorizes the State Treasurer to approve the
39 establishment or change of a retirement or deferred
40 compensation plan of a State autonomous authority which
41 involves the payment of funds of the authority to the plan.

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44

PUBLIC EMPLOYEE BENEFITS

45

46 Places employees of certain authorities and other autonomous
47 agencies in PERS and provides for participation in PERS by
48 future autonomous authorities.

SENATE STATE GOVERNMENT AND FEDERAL
AND INTERSTATE RELATIONS COMMITTEE

STATEMENT TO

SENATE, No. 2162

STATE OF NEW JERSEY

DATED: FEBRUARY 8, 1990

The Senate State Government and Federal and Interstate Relations Committee reports favorably Senate, No. 2162.

This bill provides that the Casino Reinvestment Development Authority, the New Jersey Urban Development Corporation, the South Jersey Food Distribution Authority, the New Jersey Development Authority for Small Businesses, Minorities and Women's Enterprises, and the Catastrophic Illness in Children Relief Fund Commission are employers under the Public Employees' Retirement System (PERS). Their employees shall be subject to the same membership, contribution and benefit provisions of the retirement system as are applicable to State employees.

The bill also remedies a problem which has arisen when a State autonomous authority (defined as a public authority, board, commission, corporation or other agency or instrumentality of the State allocated in but not of a principal department of State government) is established. On occasion, no provision has been made in the law for retirement benefits for its employees. Since an authority is usually established with a separate corporate identity and has the ability to sue and be sued in its own name, the employees of the authority are not considered State employees, nor does the authority fall within the definition of "public agency or organization" under PERS. Accordingly, the employees are not eligible to participate in the retirement system.

This bill provides that a State autonomous authority created prior to the effective date of this act with no provision for its employees to join PERS may apply to the State Treasurer for approval to participate in the retirement system. A State autonomous authority created after the effective date of this act with no provision for its employees to join PERS or an alternative retirement plan shall apply to the State Treasurer for approval to participate in the retirement system. The State Treasurer shall approve participation by an authority unless it is determined that participation is inconsistent with the policies inherent in the laws governing the retirement system and is not in the public interest. The State Treasurer shall have 60 days from the date an application is received from the authority to make a determination on participation. After the 60 days, if no determination is made, the authority shall participate in the retirement system. Employees of a State autonomous authority approved for participation in PERS may purchase credit for service with the authority prior to the authority's participation in the retirement system. This purchase shall be made in the same manner and be subject to the same terms and conditions as the purchase of previous membership service.

The bill provides that a State autonomous authority may not establish or change a retirement or deferred compensation plan which provides for the payment of funds of the authority to that plan without the approval of the State Treasurer. This provision is applicable to all State autonomous authorities regardless of whether they participate in a State-administered retirement system or deferred compensation program.

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.



OFFICE OF THE GOVERNOR

NEWS RELEASE

CN-001

Contact: EMMA BYRNE
609/292-8956

TRENTON, N.J. 08625

Release: MON. 5/21/90

A D V I S O R Y

Governor Jim Florio today signed the following three bills:

A-1181/S-2079 sponsored by Assemblywoman Barbara Kalik, Assemblyman Thomas Shusted and Senator Wynona Lipman.

The purpose of this bill is to ensure that minor children have frequent and continuing contact with both parents following a separation or divorce. The rights of each parent shall be equal. This law does not create a presumption or a preference for joint custody; rather, a joint custody arrangement is one of several custodial options which the court may order. The overriding test and primary concern is always the best interest of the child or children.

S-2162/A-2882 sponsored by Senator Wynona Lipman and Assemblywoman Dolores Cooper and Assemblyman Anthony J. Cimino.

The bill provides that employees of the following authorities and/or autonomous agencies are eligible for membership under the Public Employees Retirement System (PERS): Casino Reinvestment Development Authority, the New Jersey Urban Development Corporation, the South Jersey Food Distribution Authority, the New Jersey Development Authority for Small Businesses, Minorities' and Women's Enterprises, and the Catastrophic Illness in Children Relief Fund Commission.

The bill also provides that if no provision has been made for PERS participation for employees of any new State autonomous authority or for an alternate pension system, the authority shall apply to the State Treasurer for approval to participate in PERS. Further, employees of a State autonomous authority approved for participation in PERS would be able to purchase for credit all their prior eligible service with the authority.

Finally, it also provides that a State autonomous authority may not establish or change a retirement or deferred compensation plan without the approval of the State Treasurer.

A-2895 Sca/S-2312 Sca sponsored by Assemblymen Thomas Foy and Joseph Patero. and Senator Thomas Paterniti.

Currently, the Prevailing Wage Law requires payment of prevailing wages on every contract in excess of \$2,000 for any public work to which any public body is a party. This amended bill expands the

definition of "public work" under the law to include work on property if 55% or more of that property is leased or will be leased by the State. The legislation applies only when the leased property measures more than 20,000 square feet. The bill applies to all contracts over \$2,000 whether or not the work is paid from public funds.