

43:15A-7

LEGISLATIVE HISTORY CHECKLIST

NJSA: 43:15A-7 (PERS--exempt certain temporary employees--effective enrollment)

LAWS OF: 1986

CHAPTER 109

BILL NO: S1471

Sponsor(s): Dalton

Date Introduced: January 21, 1986

Committee: Assembly: Labor

Senate: State Government, Federal & Interstate Relations and Veterans' Affairs

Amended during passage: Yes according to Governor's recommendations Amendments denoted by asterisks.

Date of Passage: Assembly: Feb. 20, 1986 Re-enacted 9-15-86

Senate: Feb. 3, 1986 Re-enacted 6-26-86

Date of Approval: Sept. 19, 1986

Following statements are attached if available:

Sponsor statement: Yes Attached: Assembly amendments, adopted 2-13-86 (with statement)

Committee statement: Assembly Yes

Senate Yes

Fiscal Note: No

Veto Message: Yes

Message on Signing: No

Following were printed:

Reports: No

Hearings: No

109 86
APPROVED 9-19-86

[THIRD OFFICIAL COPY REPRINT]

SENATE, No. 1471

STATE OF NEW JERSEY

INTRODUCED JANUARY 21, 1986

By Senator DALTON

Referred to Committee on State Government, Federal and Interstate Relations and Veterans Affairs

AN ACT concerning the membership of certain temporary employees in the Public Employees' Retirement System and *****[supplementing]*** **** amending****** P. L. 1954, c. 84 *****[(C. 43:15A-1 et seq.)]***.**

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

1 *****[1. Notwithstanding any other law to the contrary, a tem-**
2 **porary employee who is employed under the federal Job Training**
3 **Partnership Act, Pub. L. 97-300 (29 U. S. C. § 1501) **[in a county***
4 ***of the second class]** may elect not to enroll in the retirement sys-**
5 **tem. The employee shall provide written notice of this election to**
6 **the board of trustees of the retirement system within 90 days of**
7 **the effective date of this act or within 90 days of the date of the**
8 **employee's eligibility for membership, whichever date is later.]*****

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

3 7. There is hereby established the Public Employees' Retirement
4 System of New Jersey in the Division of Pensions of the Depart-
5 ment of the Treasury. The membership of the retirement system
6 shall include:

7 a. The members of the former "State Employees' Retirement
8 System of New Jersey" enrolled as such as of December 30, 1954
9 who shall not have claimed for refund their accumulated deduc-
10 tions in said system as provided in this section;

11 b. Any person becoming an employee of the State or other

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 printed in italics thus is new matter.

Matter enclosed in asterisks or stars has been adopted as follows:

***—Senate committee amendment adopted January 20, 1986.**

****—Assembly amendment adopted February 13, 1986.**

*****—Senate amendments adopted in accordance with Governor's recommendations April 21, 1986.**

12 employer after January 2, 1955 and every veteran, other than
13 those whose appointments are seasonal, becoming an employee
14 of the State or other employer after such date including a tempo-
15 rary employee with at least one year's continuous service; [and]

16 c. Every employee veteran in the employ of the State or other
17 employer on January 2, 1955 who is not a member of any retire-
18 ment system supported wholly or partly by the State.

19 d. Membership in the retirement system shall be optional for
20 elected officials other than veterans, and for school crossing
21 guards, who having become eligible for benefits under other
22 pension systems are so employed on a part-time basis. Any such
23 part-time school crossing guard who is eligible for benefits under
24 any other pension system and who was hired as a part-time school
25 crossing guard prior to March 4, 1976, may at any time terminate
26 his membership in the retirement system by making an application
27 in writing to the board of trustees of the retirement system.
28 Upon receiving such application, the board of trustees shall termi-
29 nate his enrollment in the system and direct the employer to cease
30 accepting contributions from the member or deducting from the
31 compensation paid to the member. State employees who become
32 members of any other retirement system supported wholly or
33 partly by the State as a condition of employment shall not be
34 eligible to membership in this retirement system. Notwithstanding
35 any other law to the contrary all other persons accepting employ-
36 ment in the service of the State shall be required to enroll in the
37 retirement system as a condition of their employment, regardless
38 of age. No person in employment, office or position, for which the
39 annual salary or remuneration is fixed at less than \$500.00 shall be
40 eligible to become a member of the retirement system.

41 e. Membership of any person in the retirement system shall
42 cease if he shall discontinue his service for more than two consecu-
43 tive years.

44 f. The accumulated deductions of the members of the former
45 "State Employees' Retirement System" which have been set aside
46 in a trust fund designated as Fund A as provided in section 5 of
47 this act and which have not been claimed for refund prior to
48 February 1, 1955 shall be transferred from said Fund A to the
49 Annuity Savings Fund of the Retirement System, provided for in
50 section 25 of this act. Each member whose accumulated deductions
51 are so transferred shall receive the same prior service credit,
52 pension credit, and membership credit in the retirement system
53 as he previously had in the former "State Employees' Retirement

54 System'' and shall have such accumulated deductions credited to
 55 his individual account in the Annuity Savings Fund. Any out-
 56 standing obligations of such member shall be continued.

57 g. Any school crossing guard electing to terminate his member-
 58 ship in the retirement system pursuant to subsection d. of this
 59 section shall, upon his request, receive a refund of his accumulated
 60 deductions as of the date of his appointment to the position of
 61 school crossing guard. Such refund of contributions shall serve as
 62 a waiver of all benefits payable to the employee, to his dependent
 63 or dependents, or to any of his beneficiaries under the retirement
 64 system.

65 h. *A temporary employee who is employed under the federal*
 66 *Job Training Partnership Act, Pub. L. 97-300 (29 U. S. C. § 1501)*
 67 *shall not be eligible for membership in the system. Membership*
 68 *for temporary employees employed under the federal Job Training*
 69 *Partnership Act, Pub. L. 97-300 (29 U.S.C. § 1501) who are in the*
 70 *system on the effective date of this 1986 amendatory act shall be*
 71 *terminated, and affected employees shall receive a refund of their*
 72 *accumulated deductions as of the date of commencement of employ-*
 73 *ment in a federal Job Training Partnership Act program. Such*
 74 *refund of contributions shall serve as a waiver of all benefits*
 75 *payable to the employee, to his dependent or dependents, or to any*
 76 *any of his beneficiaries under the retirement system.****

1 2. This act shall take effect immediately *****[****and shall apply
 2 to temporary employees employed under the federal Job Training
 3 Partnership Act who have not enrolled in the Public Employees'
 4 Retirement System prior to the effective date of this act****]*****.

PENSIONS AND RETIREMENT—PERS, TPAF, OTHER
 PERS temp.—Options
 Permits certain temporary employees to elect not to enroll in PERS

SENATE, No. 1471

STATE OF NEW JERSEY

INTRODUCED JANUARY 21, 1986

By Senator DALTON

Referred to Committee on State Government, Federal and Interstate
Relations and Veterans Affairs

AN ACT concerning the membership of certain temporary employees
in the Public Employees' Retirement System and supplementing
P. L. 1954, c. 84 (C. 43:15A-1 et seq.).

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

1 1. Notwithstanding any other law to the contrary, a temporary
2 employee who is employed under the federal Job Training Part-
3 nership Act, Pub. L. 97-300 (29 U. S. C. § 1501) in a county of the
4 second class may elect not to enroll in the retirement system. The
5 employee shall provide written notice of this election to the board
6 of trustees of the retirement system within 90 days of the effective
7 date of this act or within 90 days of the date of the employee's
8 eligibility for membership, whichever date is later.

1 2. This act shall take effect immediately.

STATEMENT

This bill permits a temporary employee who is employed under the federal Job Training Partnership Act in a county of the second class to elect not to enroll in the Public Employees' Retirement System. The employee shall provide written notice of this election to the board of trustees of the retirement system within 90 days of the effective date of the act or within 90 days of the date of the employee's eligibility for membership, whichever date is later.

PENSIONS AND RETIREMENT—PERS, TPAF, OTHER
PERS temp.—Options
Permits certain temporary employees to elect not to enroll in PERS

ASSEMBLY LABOR COMMITTEE

STATEMENT TO

SENATE, No. 1471

with Senate committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 10, 1986

This bill would allow temporary employees of the Job Training Partnership program to elect not to enroll in the Public Employees' Retirement System (PERS). Employees of this program who are currently enrolled in PERS would remain in the system. New employees, however, would be given the choice of joining or not joining PERS. An employee choosing not to join PERS would be required to notify the PERS board of trustees of his choice not to enroll within 90 days of the effective date of this act or within 90 days of the employee's eligibility for membership, whichever is later.

The workers who would be affected by this bill serve as administrators, job placement officers, and secretaries within the Job Training Partnership program (the successor program to C.E.T.A.). They are non-classified county employees who are paid with federal funds channeled through the State. The counties classify these employees as "temporary."

The bill is identical with Assembly Bill No. 1907, as amended.

SENATE STATE GOVERNMENT, FEDERAL AND
INTERSTATE RELATIONS AND VETERANS AFFAIRS
COMMITTEE

STATEMENT TO

SENATE, No. 1471

with Senate committee amendments

STATE OF NEW JERSEY

DATED: JANUARY 30, 1986

The Senate State Government Committee reports Senate Bill No. 1471 with amendments.

This bill permits a temporary employee who is employed under the federal Job Training Partnership Act in any county to elect not to enroll in the Public Employees' Retirement System. The employee shall provide written notice of this election to the board of trustees of the retirement system within 90 days of the effective date of the act or within 90 days of the date of the employee's eligibility for membership, whichever date is later. Under existing law, such membership is mandatory.

The committee amended the bill to make it applicable to all counties.

OK

RECEIVED
MAY 13 1986

Assembly Amendments
Sponsored by Assemblyman Rocco
to

Senate 1471 Sca
Bill No. (typed copy)

Sponsored by Senator Dalton

Amend:

Page	Sec.	Line
1	2	1

After "immediately" insert "and shall apply to temporary employees employed under the federal Job Training Partnership Act who have not enrolled in the Public Employees' Retirement System prior to the effective date of this act"

STATEMENT

The purpose of this amendment is to clarify that this bill will apply only to federal Job Training Partnership Act employees not enrolled in the Public Employees' Retirement System prior to the effective date of this act.

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

April 21, 1986

SENATE BILL NO. 1471 (2nd OCR)

To the Senate:

Pursuant to Article V, Section 1, Paragraph 14 of the Constitution, I herewith return Senate Bill No. 1471 (2nd OCR) with my recommendations for reconsideration.

Senate Bill No. 1471 (2nd OCR) would supplement the law governing the Public Employees' Retirement System (PERS) to make membership in the pension system optional for employees working in a federal Job Training Partnership Act (JTPA) program in any of the 19 service delivery areas of the State. An affected employee must provide written notice of a decision not to enroll in the PERS within 90 days of the effective date of this act, or within 90 days of eligibility for membership, whichever date is later. The provisions of this act would apply only to JTPA employees not enrolled in the PERS as of the effective date of this act.

I support the purpose for which Senate Bill No. 1471 (2nd OCR) was introduced. This bill is designed to ensure that JTPA employees will not be terminated because employers must use their limited financial resources for pension contributions, rather than for salaries.

Job Training Partnership Act programs have limited financial resources for two reasons. The programs are limited in the amount that they may spend on administration. Administrative expenses include pension contributions and salaries. Additionally, JTPA programs are being affected by budget reductions in domestic programs at the federal level. The combination of a limitation on administrative expenses and a decline in federal funding means that if administrators of JTPA programs must spend administrative dollars on pension contributions, less will remain for employee salaries. The result will be immediate layoffs.

While I support the purpose for which Senate Bill No. 1471 (2nd OCR) was introduced, I must return the bill so that it may be amended in two areas.

Senate Bill No. 1471 (2nd OCR) must be amended to broaden its scope. In its current form, Senate Bill No. 1471 (2nd OCR) would apply only to

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EXECUTIVE DEPARTMENT

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JTPA employees not currently enrolled in the PERS. I am advised that this will not assist the majority of service delivery areas in the State because many of their employees are already in the system. Accordingly, I recommend that Senate Bill No. 1471 (2nd OCR) be amended to make its provisions apply to all JTPA employees, regardless of whether they are currently enrolled in the PERS.

I also recommend that Senate Bill No. 1471 (2nd OCR) be amended to delete the provision making membership in the PERS optional for JTPA employees. The Division of Pensions advises that making pension membership optional for any group of public employees would set an undesirable precedent that could affect the actuarial stability of the State-administered pension systems.

The effect of these amendments will be to exempt all JTPA employees in this State from membership in the PERS. This is a necessary step if we wish to keep JTPA employment at current levels.

Accordingly, I herewith return Senate Bill No. 1471 (2nd OCR) and recommend that it be amended as follows:

Page 1, Title, Line 2: Omit "supplementing" insert "amending"

Page 1, Title, Line 3: Omit "(C.43:15A-1 et seq.)"

Page 1, Section 1, Lines 1-8: Omit in its entirety and insert new Section 1 as follows:

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

7. There is hereby established the Public Employees' Retirement System of New Jersey in the Division of Pensions of the Department of the Treasury. The membership of the retirement system shall include:

a. The members of the former "State Employees' Retirement System of New Jersey" enrolled as such as of December 30, 1954 who shall not have claimed for refund their accumulated deductions in said system as provided in this section;

b. Any person becoming an employee of the State or other employer after January 2, 1955 and every veteran, other than those whose appointments are seasonal, becoming an employee of the State or other employer after such date including a temporary employee with at least one year's continuous service;

{and}

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c. Every employee veteran in the employ of the State or other employer on January 2, 1955 who is not a member of any retirement system supported wholly or partly by the State.

d. Membership in the retirement system shall be optional for elected officials other than veterans, and for school crossing guards, who having become eligible for benefits under other pension systems are so employed on a part-time basis. Any such part-time school crossing guard who is eligible for benefits under any other pension system and who was hired as a part-time school crossing guard prior to March 4, 1976, may at any time terminate his membership in the retirement system by making an application in writing to the board of trustees of the retirement system. Upon receiving such application, the board of trustees shall terminate his enrollment in the system and direct the employer to cease accepting contributions from the member or deducting from the compensation paid to the member. State employees who become members of any other retirement system supported wholly or partly by the State as a condition of employment shall not be eligible to membership in this retirement system. Notwithstanding any other law to the contrary all other persons accepting employment in the service of the State shall be required to enroll in the retirement system as a condition of their employment, regardless of age. No person in employment, office or position, for which the annual salary or remuneration is fixed at less than \$500.00 shall be eligible to become a member of the retirement system.

e. Membership of any person in the retirement system shall cease if he shall discontinue his service for more than two consecutive years.

f. The accumulated deductions of the members of the former "State Employees' Retirement System" which have been set aside in a trust fund designated as Fund A as provided in section 5 of this act and which have not been claimed for refund prior to February 1, 1955 shall be transferred from said Fund A to the Annuity Savings Fund of the Retirement System, provided for in section 25 of this act. Each member whose accumulated deductions are so transferred shall receive the same prior service credit, pension credit, and membership credit in the retirement system as he previously had in the former

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

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"State Employees' Retirement System" and shall have such accumulated deductions credited to his individual account in the Annuity Savings Fund. Any outstanding obligations of such member shall be continued.

g. Any school crossing guard electing to terminate his membership in the retirement system pursuant to subsection d. of this section shall, upon his request, receive a refund of his accumulated deductions as of the date of his appointment to the position of school crossing guard. Such refund of contributions shall serve as a waiver of all benefits payable to the employee, to his dependent or dependents, or to any of his beneficiaries under the retirement system.

h. A temporary employee who is employed under the federal Job Training Partnership Act, Pub.L. 97-300 (29 U.S.C. §1501) shall not be eligible for membership in the system. Membership for temporary employees employed under the federal Job Training Partnership Act, Pub. L. 97-300 (29 U.S.C. §1501) who are in the system on the effective date of this 1986 amendatory act shall be terminated, and affected employees shall receive a refund of their accumulated deductions as of the date of commencement of employment in a federal Job Training Partnership Act program. Such refund of contributions shall serve as a waiver of all benefits payable to the employee, to his dependent or dependents, or to any of his beneficiaries under the retirement system."

Page 1, Section 2, Lines 1-4: Omit "and shall apply to" on line 1, omit lines 2-3 entirely and "Retirement System prior to the effective date of this act" on line 4

Respectfully,

/s/ Thomas H. Kean

GOVERNOR

[seal]

Attest:

/s/ Michael R. Cole

Chief Counsel