

# 43:16A-11.14

## LEGISLATIVE HISTORY CHECKLIST

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**LAWS OF:** 2001                    **CHAPTER:** 228

**NJSA:** 43:16A-11.4 (Permits rehired firefighters to purchase PFRS credit)

**BILL NO:** S932 (Substituted for A818)

**SPONSOR(S):** Robertson and Allen

**DATE INTRODUCED:** February 10, 2000

**COMMITTEE:**                    **ASSEMBLY:** State Government; Appropriations

**SENATE:** State Government

**AMENDED DURING PASSAGE:** No

**DATE OF PASSAGE:**                    **ASSEMBLY:** June 21, 2001

**SENATE:** March 27, 2000

**DATE OF APPROVAL:** August 27, 2001

### FOLLOWING ARE ATTACHED IF AVAILABLE:

**FINAL TEXT OF BILL** (Original version of bill enacted)

**S932**

**SPONSORS STATEMENT:** (Begins on page 2 of original bill) Yes

**COMMITTEE STATEMENT:**                    **ASSEMBLY:** Yes 2-15-2001(St.

Govt.)

5-3-2001(Appropr.)

**SENATE:** Yes

**FLOOR AMENDMENT STATEMENTS:** No

**LEGISLATIVE FISCAL ESTIMATE:** Yes

**A818**

**SPONSORS STATEMENT:** (Begins on page 2 of original bill) Yes

Bill and Sponsors Statement identical to S932

**COMMITTEE STATEMENT:**  
2001(St.Govt.)

**ASSEMBLY:** Yes 2-15-

5-3-2001(Appopr.)

Identical to Senate Statement to S932

**SENATE:** No

**FLOOR AMENDMENT STATEMENTS:** No

**LEGISLATIVE FISCAL ESTIMATE:** Yes

Identical to fiscal estimate for S932

**VETO MESSAGE:** No

**GOVERNOR'S PRESS RELEASE ON SIGNING:** No

**FOLLOWING WERE PRINTED:**

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**REPORTS:** No

**HEARINGS:** No

**NEWSPAPER ARTICLES:** No

# SENATE, No. 932

## STATE OF NEW JERSEY 209th LEGISLATURE

INTRODUCED FEBRUARY 10, 2000

**Sponsored by:**

**Senator NORMAN M. ROBERTSON**

**District 34 (Essex and Passaic)**

**Senator DIANE ALLEN**

**District 7 (Burlington and Camden)**

**Co-Sponsored by:**

**Senator Bucco, Assemblywoman Crecco and Assemblyman Kelly**

**SYNOPSIS**

Permits rehired firefighter to purchase PFRS credit for 3 years of layoff period.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 6/22/2001)**

1 AN ACT concerning the Police and Firemen's Retirement System of  
2 New Jersey and supplementing P.L.1944, c.255 (C.43:16A-1 et  
3 seq.).

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

7  
8 1. Notwithstanding the provisions of section 4 of P.L.1944, c.255  
9 (C.43:16A-4), any member who is separated involuntarily from  
10 firefighting service covered by the retirement system, and not by  
11 removal for cause or charges of misconduct or delinquency, and who  
12 subsequently becomes a fireman in a position covered by the  
13 retirement system may, upon filing an application with the board of  
14 trustees of the retirement system, purchase credit in the retirement  
15 system for all or a portion of the time of the hiatus in creditable  
16 service, but not exceeding three years, as provided in this section.

17 The member may purchase credit for the service by paying into the  
18 annuity savings fund the amount determined by applying the factor,  
19 supplied by the actuary, applicable to the member's age at the time of  
20 the purchase, to the member's creditable salary in the last 12 months  
21 of creditable service in the position covered by the retirement system  
22 immediately preceding the involuntary separation from service. The  
23 purchase may be made in regular monthly installments or in a lump  
24 sum as the member may elect and pursuant to rules and regulations as  
25 may be promulgated by the Division of Pensions and Benefits. The  
26 member shall bear the entire cost for the additional retirement benefit  
27 attributable to the purchased credit. If, upon retirement, the member's  
28 payment for purchase of the credit is insufficient to provide for the  
29 additional retirement benefit attributable to the service, the difference  
30 may be assessed to the member, or a pro rata credit may be granted  
31 based on service purchased prior to the date of retirement, at the  
32 election of the member.

33 If the member retires prior to completing the purchase, the member  
34 shall receive pro rata credit for service purchased prior to the date of  
35 retirement, unless the member makes an additional lump sum payment  
36 at that time as shall be necessary to provide full credit.

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38 2. This act shall take effect immediately.

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STATEMENT

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43 This bill permits a member of the Police and Firemen's Retirement  
44 System (PFRS) who is laid off from employment as a firefighter and  
45 subsequently rehired as a firefighter in a position covered by PFRS  
46 to purchase up to three years of service credit for the time between

**S932 ROBERTSON, ALLEN**

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1 layoff and rehire. The cost of the purchase is to be borne fully by the  
2 member and is based on the member's salary for the last 12 months of  
3 creditable service immediately preceding the involuntary separation  
4 from service.

SENATE STATE GOVERNMENT COMMITTEE

STATEMENT TO

**SENATE, No. 932**

**STATE OF NEW JERSEY**

DATED: MARCH 20, 2000

The Senate State Government Committee reports favorably Senate Bill No. 932.

This bill permits a member of the Police and Firemen's Retirement System (PFRS) who is laid off from employment as a firefighter and subsequently rehired as a firefighter in a position covered by PFRS to purchase up to three years of service credit for the time between layoff and rehire. The cost of the purchase is to be borne fully by the member and is based on the member's salary for the last 12 months of creditable service immediately preceding the involuntary separation from service.

This bill is the same as Assembly Bill No. 818.

ASSEMBLY STATE GOVERNMENT COMMITTEE

STATEMENT TO

**SENATE, No. 932**

**STATE OF NEW JERSEY**

DATED: FEBRUARY 15, 2001

The Assembly State Government Committee reports favorably Senate Bill No. 932.

This bill permits a member of the Police and Firemen's Retirement System (PFRS) who is laid off from employment as a firefighter and subsequently rehired as a firefighter in a position covered by PFRS to purchase up to three years of service credit for the time between layoff and rehire. The cost of the purchase is to be borne fully by the member and is based on the member's salary for the last 12 months of creditable service immediately preceding the involuntary separation from service.

This bill is the same as Assembly Bill No. 818.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

**SENATE, No. 932**

**STATE OF NEW JERSEY**

DATED: MAY 3, 2001

The Assembly Appropriations Committee reports favorably Senate Bill No. 932.

Senate Bill No. 932 permits a member of the Police and Firemen's Retirement System (PFRS) who is laid off from employment as a firefighter and subsequently rehired as a firefighter in a position covered by PFRS to purchase up to three years of service credit for the time between layoff and rehire. The cost of the purchase is to be borne fully by the member and is based on the member's salary for the last 12 months of creditable service immediately preceding the involuntary separation from service.

As reported, this bill is identical to Assembly Bill No. 818 as also reported by the committee.

FISCAL IMPACT:

The Office of Legislative Services (OLS) cannot estimate the cost of this bill due to the lack of detailed information on how many firefighters have been, or will be, laid off and rehired, nor how many will purchase service credit. The OLS notes that the State and local governments as employers may experience increased cost-of-living adjustments because of a purchase of service credit increases a member's retirement allowance.

Additionally, purchase of service credits may qualify a PFRS member for employer-paid post retirement medical coverage.



**LEGISLATIVE FISCAL ESTIMATE**  
**SENATE, No. 932**  
**STATE OF NEW JERSEY**  
**209th LEGISLATURE**

DATED: MAY 14, 2001

**SUMMARY**

**Synopsis:** Permits rehired firefighter to purchase PFRS credit for 3 years of layoff period.

**Type of Impact:** Potential State and Local Government Expenditure Increase

**Agencies Affected:** Department of Treasury, Division of Pensions and Benefits

**Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	<u><b>Year 1</b></u>	<u><b>Year 2</b></u>	<u><b>Year 3</b></u>
<b>State Cost</b>		Indeterminate - Minimal	
<b>Local Cost</b>		Indeterminate - Minimal	

- ! This bill permits a Police and Firemen's Retirement System (PFRS) firefighter who is laid off and subsequently rehired as a PFRS firefighter to purchase up to three years of service credit for the time between layoff and rehire.
- ! The purchase cost is to be borne fully by the firefighter and will be based on the member's salary for the last 12 months of creditable service immediately preceding the lay-off.
- ! The Office of Legislative Services (OLS) cannot estimate the cost of this bill because it is not known how many firefighters have been, or will be, laid off and rehired, nor how many upon rehire will purchase service credit. However, the OLS notes that State and local governments as employers may experience increased cost-of-living adjustments because a purchase of service credit increases a member's retirement allowance, and a purchase may qualify a PFRS member for employer-paid post retirement medical benefits.

**BILL DESCRIPTION**

Senate Bill No. 932 of 2000 permits a member of the Police and Firemen's Retirement System (PFRS) who is laid off from employment as a firefighter and subsequently rehired as a firefighter in a position covered by PFRS to purchase up to three years of service credit for the time between layoff and rehire. The cost of the purchase is to be borne fully by the member and will be based on the member's salary for the last 12 months of creditable service immediately preceding the involuntary separation from service.

## FISCAL ANALYSIS

### *EXECUTIVE BRANCH*

None received.

### *OFFICE OF LEGISLATIVE SERVICES*

The Office of Legislative Services (OLS) cannot estimate the cost of this bill because it is not known how many firefighters have been, or will be, laid off and rehired, nor how many upon rehire will purchase service credit. The purchase of service credit enhances a member's retirement benefit. However, the OLS notes that although the bill requires the full cost of the additional retirement benefit to be paid by the member, State and local governments as employers will have to finance, as a result of the enactment of this bill, greater cost-of-living adjustments to the member's retirement allowance than the member would have been eligible for without the purchase. In addition, the purchase may also qualify a member for employer-paid post retirement medical benefits. The additional cost for post retirement medical benefits would not be included in the member's purchase cost. According to the Division of Pensions and Benefits, the annual cost for 2001 of providing Traditional indemnity coverage for a retiree and spouse (non-Medicare) in the State Health Benefits Program is \$9,192; the cost for NJPLUS coverage is \$7,212. This cost would increase annually until the member reached age 65 and became eligible for the Medicare program.

Finally, the OLS notes that providing the opportunity for PFRS members to purchase service credit for time during which service was not actually performed in the public sector is unusual, but has been provided for police officers who have been laid off and rehired in PFRS positions.

Section: *State Government*

Analyst: *Aggie Szilagyi*  
*Section Chief*

Approved: *Alan R. Kooney*  
*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.

# ASSEMBLY, No. 818

## STATE OF NEW JERSEY 209th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2000 SESSION

**Sponsored by:**

**Assemblywoman MARION CRECCO**

**District 34 (Essex and Passaic)**

**Assemblyman JOHN V. KELLY**

**District 36 (Bergen, Essex and Passaic)**

**SYNOPSIS**

Permits rehired firefighter to purchase PFRS credit for 3 years of layoff period.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT concerning the Police and Firemen's Retirement System of  
2 New Jersey and supplementing P.L.1944, c.255 (C.43:16A-1 et  
3 seq.).

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

7  
8 1. Notwithstanding the provisions of section 4 of P.L.1944, c.255  
9 (C.43:16A-4), any member who is separated involuntarily from  
10 firefighting service covered by the retirement system, and not by  
11 removal for cause or charges of misconduct or delinquency, and who  
12 subsequently becomes a fireman in a position covered by the  
13 retirement system may, upon filing an application with the board of  
14 trustees of the retirement system, purchase credit in the retirement  
15 system for all or a portion of the time of the hiatus in creditable  
16 service, but not exceeding three years, as provided in this section.

17 The member may purchase credit for the service by paying into the  
18 annuity savings fund the amount determined by applying the factor,  
19 supplied by the actuary, applicable to the member's age at the time of  
20 the purchase, to the member's creditable salary in the last 12 months  
21 of creditable service in the position covered by the retirement system  
22 immediately preceding the involuntary separation from service. The  
23 purchase may be made in regular monthly installments or in a lump  
24 sum as the member may elect and pursuant to rules and regulations as  
25 may be promulgated by the Division of Pensions and Benefits. The  
26 member shall bear the entire cost for the additional retirement benefit  
27 attributable to the purchased credit. If, upon retirement, the member's  
28 payment for purchase of the credit is insufficient to provide for the  
29 additional retirement benefit attributable to the service, the difference  
30 may be assessed to the member, or a pro rata credit may be granted  
31 based on service purchased prior to the date of retirement, at the  
32 election of the member.

33 If the member retires prior to completing the purchase, the member  
34 shall receive pro rata credit for service purchased prior to the date of  
35 retirement, unless the member makes an additional lump sum payment  
36 at that time as shall be necessary to provide full credit.

37  
38 2. This act shall take effect immediately.  
39  
40

41 STATEMENT

42  
43 This bill permits a member of the Police and Firemen's Retirement  
44 System (PFRS) who is laid off from employment as a firefighter and  
45 subsequently rehired as a firefighter in a position covered by PFRS to  
46 purchase up to three years of service credit for the time between layoff

**A818 CRECCO, KELLY**

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1 and rehire. The cost of the purchase is to be borne fully by the  
2 member and is based on the member's salary for the last 12 months of  
3 creditable service immediately preceding the involuntary separation  
4 from service.

ASSEMBLY STATE GOVERNMENT COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 818**

**STATE OF NEW JERSEY**

DATED: FEBRUARY 15, 2001

The Assembly State Government Committee reports favorably Assembly , No. 818.

This bill permits a member of the Police and Firemen's Retirement System (PFRS) who is laid off from employment as a firefighter and subsequently rehired as a firefighter in a position covered by PFRS to purchase up to three years of service credit for the time between layoff and rehire. The cost of the purchase is to be borne fully by the member and is based on the member's salary for the last 12 months of creditable service immediately preceding the involuntary separation from service.

Assembly Bill No. 818 is the same as Senate Bill No. 932.

This bill was prefiled for introduction in the 2000-2001 session pending technical review. As reported, the bill includes the changes required by technical review which has been performed.

# ASSEMBLY, No. 818

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## STATE OF NEW JERSEY

### 209th LEGISLATURE

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PRE-FILED FOR INTRODUCTION IN THE 2000 SESSION

**Sponsored by:**

**Assemblywoman MARION CRECCO**

**District 34 (Essex and Passaic)**

**Assemblyman JOHN V. KELLY**

**District 36 (Bergen, Essex and Passaic)**

**SYNOPSIS**

Permits rehired firefighter to purchase PFRS credit for 3 years of layoff period.

**CURRENT VERSION OF TEXT**

As reported by the Assembly State Government Committee with technical review.



1 AN ACT concerning the Police and Firemen's Retirement System of  
2 New Jersey and supplementing P.L.1944, c.255 (C.43:16A-1 et  
3 seq.).

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

7  
8 1. Notwithstanding the provisions of section 4 of P.L.1944, c.255  
9 (C.43:16A-4), any member who is separated involuntarily from  
10 firefighting service covered by the retirement system, and not by  
11 removal for cause or charges of misconduct or delinquency, and who  
12 subsequently becomes a fireman in a position covered by the  
13 retirement system may, upon filing an application with the board of  
14 trustees of the retirement system, purchase credit in the retirement  
15 system for all or a portion of the time of the hiatus in creditable  
16 service, but not exceeding three years, as provided in this section.

17 The member may purchase credit for the service by paying into the  
18 annuity savings fund the amount determined by applying the factor,  
19 supplied by the actuary, applicable to the member's age at the time of  
20 the purchase, to the member's creditable salary in the last 12 months  
21 of creditable service in the position covered by the retirement system  
22 immediately preceding the involuntary separation from service. The  
23 purchase may be made in regular monthly installments or in a lump  
24 sum as the member may elect and pursuant to rules and regulations as  
25 may be promulgated by the Division of Pensions and Benefits. The  
26 member shall bear the entire cost for the additional retirement benefit  
27 attributable to the purchased credit. If, upon retirement, the member's  
28 payment for purchase of the credit is insufficient to provide for the  
29 additional retirement benefit attributable to the service, the difference  
30 may be assessed to the member, or a pro rata credit may be granted  
31 based on service purchased prior to the date of retirement, at the  
32 election of the member.

33 If the member retires prior to completing the purchase, the member  
34 shall receive pro rata credit for service purchased prior to the date of  
35 retirement, unless the member makes an additional lump sum payment  
36 at that time as shall be necessary to provide full credit.

37  
38 2. This act shall take effect immediately.



ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 818**

**STATE OF NEW JERSEY**

DATED: MAY 3, 2001

The Assembly Appropriations Committee reports favorably Assembly Bill No. 818.

Assembly Bill No. 818 permits a member of the Police and Firemen's Retirement System (PFRS) who is laid off from employment as a firefighter and subsequently rehired as a firefighter in a position covered by PFRS to purchase up to three years of service credit for the time between layoff and rehire. The cost of the purchase is to be borne fully by the member and is based on the member's salary for the last 12 months of creditable service immediately preceding the involuntary separation from service.

As reported, this bill is identical to Senate Bill No. 932 as also reported by the committee.

FISCAL IMPACT:

The Office of Legislative Services (OLS) cannot estimate the cost of this bill due to the lack of detailed information on how many firefighters have been, or will be, laid off and rehired, nor how many will purchase service credit. The OLS notes that the State and local governments as employers may experience increased cost-of-living adjustments because of a purchase of service credit increases a member's retirement allowance.

Additionally, purchase of service credits may qualify a PFRS member for employer-paid post retirement medical coverage.

**LEGISLATIVE FISCAL ESTIMATE**  
**ASSEMBLY, No. 818**  
**STATE OF NEW JERSEY**  
**209th LEGISLATURE**

DATED: MAY 14, 2001

**SUMMARY**

**Synopsis:** Permits rehired firefighter to purchase PFRS credit for 3 years of layoff period.

**Type of Impact:** Potential State and Local Government Expenditure Increase

**Agencies Affected:** Department of Treasury, Division of Pensions and Benefits

**Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	<u><b>Year 1</b></u>	<u><b>Year 2</b></u>	<u><b>Year 3</b></u>
<b>State Cost</b>		Indeterminate - Minimal	
<b>Local Cost</b>		Indeterminate - Minimal	

- ! This bill permits a Police and Firemen's Retirement System (PFRS) firefighter who is laid off and subsequently rehired as a PFRS firefighter to purchase up to three years of service credit for the time between layoff and rehire.
- ! The purchase cost is to be borne fully by the firefighter and will be based on the member's salary for the last 12 months of creditable service immediately preceding the lay-off.
- ! The Office of Legislative Services (OLS) cannot estimate the cost of this bill because it is not known how many firefighters have been, or will be, laid off and rehired, nor how many upon rehire will purchase service credit. However, the OLS notes that State and local governments as employers may experience increased cost-of-living adjustments because a purchase of service credit increases a member's retirement allowance, and a purchase may qualify a PFRS member for employer-paid post retirement medical benefits.

**BILL DESCRIPTION**

Assembly Bill No. 818 of 2000 permits a member of the Police and Firemen's Retirement System (PFRS) who is laid off from employment as a firefighter and subsequently rehired as a firefighter in a position covered by PFRS to purchase up to three years of service credit for the time between layoff and rehire. The cost of the purchase is to be borne fully by the member and will be based on the member's salary for the last 12 months of creditable service immediately preceding the involuntary separation from service.

## FISCAL ANALYSIS

### *EXECUTIVE BRANCH*

None received.

### *OFFICE OF LEGISLATIVE SERVICES*

The Office of Legislative Services (OLS) cannot estimate the cost of this bill because it is not known how many firefighters have been, or will be, laid off and rehired, nor how many upon rehire will purchase service credit. The purchase of service credit enhances a member's retirement benefit. However, the OLS notes that although the bill requires the full cost of the additional retirement benefit to be paid by the member, State and local governments as employers will have to finance, as a result of the enactment of this bill, greater cost-of-living adjustments to the member's retirement allowance than the member would have been eligible for without the purchase. In addition, the purchase may also qualify a member for employer-paid post retirement medical benefits. The additional cost for post retirement medical benefits would not be included in the member's purchase cost. According to the Division of Pensions and Benefits, the annual cost for 2001 of providing Traditional indemnity coverage for a retiree and spouse (non-Medicare) in the State Health Benefits Program is \$9,192; the cost for NJPLUS coverage is \$7,212. This cost would increase annually until the member reached age 65 and became eligible for the Medicare program.

Finally, the OLS notes that providing the opportunity for PFRS members to purchase service credit for time during which service was not actually performed in the public sector is unusual, but has been provided for police officers who have been laid off and rehired in PFRS positions.

Section: *State Government*

Analyst: *Aggie Szilagyi*  
*Section Chief*

Approved: *Alan R. Kooney*  
*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.

P.L. 2001, CHAPTER 228, *approved August 27, 2001*  
Senate, No. 932

1 **AN ACT** concerning the Police and Firemen's Retirement System of  
2 New Jersey and supplementing P.L.1944, c.255 (C.43:16A-1 et  
3 seq.).

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

7  
8 1. Notwithstanding the provisions of section 4 of P.L.1944, c.255  
9 (C.43:16A-4), any member who is separated involuntarily from  
10 firefighting service covered by the retirement system, and not by  
11 removal for cause or charges of misconduct or delinquency, and who  
12 subsequently becomes a fireman in a position covered by the  
13 retirement system may, upon filing an application with the board of  
14 trustees of the retirement system, purchase credit in the retirement  
15 system for all or a portion of the time of the hiatus in creditable  
16 service, but not exceeding three years, as provided in this section.

17 The member may purchase credit for the service by paying into the  
18 annuity savings fund the amount determined by applying the factor,  
19 supplied by the actuary, applicable to the member's age at the time of  
20 the purchase, to the member's creditable salary in the last 12 months  
21 of creditable service in the position covered by the retirement system  
22 immediately preceding the involuntary separation from service. The  
23 purchase may be made in regular monthly installments or in a lump  
24 sum as the member may elect and pursuant to rules and regulations as  
25 may be promulgated by the Division of Pensions and Benefits. The  
26 member shall bear the entire cost for the additional retirement benefit  
27 attributable to the purchased credit. If, upon retirement, the member's  
28 payment for purchase of the credit is insufficient to provide for the  
29 additional retirement benefit attributable to the service, the difference  
30 may be assessed to the member, or a pro rata credit may be granted  
31 based on service purchased prior to the date of retirement, at the  
32 election of the member.

33 If the member retires prior to completing the purchase, the member  
34 shall receive pro rata credit for service purchased prior to the date of  
35 retirement, unless the member makes an additional lump sum payment  
36 at that time as shall be necessary to provide full credit.

37

38 2. This act shall take effect immediately.

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STATEMENT

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43 This bill permits a member of the Police and Firemen's Retirement  
44 System (PFRS) who is laid off from employment as a firefighter and

1 subsequently rehired as a firefighter in a position covered by PFRS  
2 to purchase up to three years of service credit for the time between  
3 layoff and rehire. The cost of the purchase is to be borne fully by the  
4 member and is based on the member's salary for the last 12 months of  
5 creditable service immediately preceding the involuntary separation  
6 from service.

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11 Permits rehired firefighter to purchase PFRS credit for 3 years of  
12 layoff period.

## CHAPTER 228

AN ACT concerning the Police and Firemen's Retirement System of New Jersey and supplementing P.L.1944, c.255 (C.43:16A-1 et seq.).

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

C.43:16A-11.14 Purchase of credit in PFRS after member is laid off then rehired.

1. Notwithstanding the provisions of section 4 of P.L.1944, c.255 (C.43:16A-4), any member who is separated involuntarily from firefighting service covered by the retirement system, and not by removal for cause or charges of misconduct or delinquency, and who subsequently becomes a fireman in a position covered by the retirement system may, upon filing an application with the board of trustees of the retirement system, purchase credit in the retirement system for all or a portion of the time of the hiatus in creditable service, but not exceeding three years, as provided in this section.

The member may purchase credit for the service by paying into the annuity savings fund the amount determined by applying the factor, supplied by the actuary, applicable to the member's age at the time of the purchase, to the member's creditable salary in the last 12 months of creditable service in the position covered by the retirement system immediately preceding the involuntary separation from service. The purchase may be made in regular monthly installments or in a lump sum as the member may elect and pursuant to rules and regulations as may be promulgated by the Division of Pensions and Benefits. The member shall bear the entire cost for the additional retirement benefit attributable to the purchased credit. If, upon retirement, the member's payment for purchase of the credit is insufficient to provide for the additional retirement benefit attributable to the service, the difference may be assessed to the member, or a pro rata credit may be granted based on service purchased prior to the date of retirement, at the election of the member.

If the member retires prior to completing the purchase, the member shall receive pro rata credit for service purchased prior to the date of retirement, unless the member makes an additional lump sum payment at that time as shall be necessary to provide full credit.

2. This act shall take effect immediately.

Approved August 27, 2001.