

43:15A-57.2

LEGISLATIVE HISTORY CHECKLIST

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LAWS OF: 2001 **CHAPTER:** 253
NJSA: 43:15A-57.2 (Allows PERS retiree to resume employment)
BILL NO: A988 (Substituted for S2249)

SPONSOR(S): Coleman and Lance

DATE INTRODUCED: Pre-filed

COMMITTEE: **ASSEMBLY:** State Government

SENATE: State Government

AMENDED DURING PASSAGE: No

DATE OF PASSAGE: **ASSEMBLY:** January 29, 2001

SENATE: October 3, 2001

DATE OF APPROVAL: November 15, 2001

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL (Original version of bill enacted)

A988

SPONSORS STATEMENT: (Begins on page 3 of original bill) Yes

COMMITTEE STATEMENT: **ASSEMBLY:** Yes

SENATE: Yes

FLOOR AMENDMENT STATEMENTS: No

LEGISLATIVE FISCAL ESTIMATE: Yes

S2249

SPONSORS STATEMENT: (Begins on page 3 of original bill) Yes

COMMITTEE STATEMENT: **ASSEMBLY:** No

SENATE: No

FLOOR AMENDMENT STATEMENTS: No

LEGISLATIVE FISCAL ESTIMATE: Yes

Identical to Fiscal Estimate for A988

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: No

FOLLOWING WERE PRINTED:

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REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: No

ASSEMBLY, No. 988

STATE OF NEW JERSEY 209th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2000 SESSION

Sponsored by:

Assemblywoman BONNIE WATSON COLEMAN

District 15 (Mercer)

Assemblyman LEONARD LANCE

District 23 (Warren, Hunterdon and Mercer)

Co-Sponsored by:

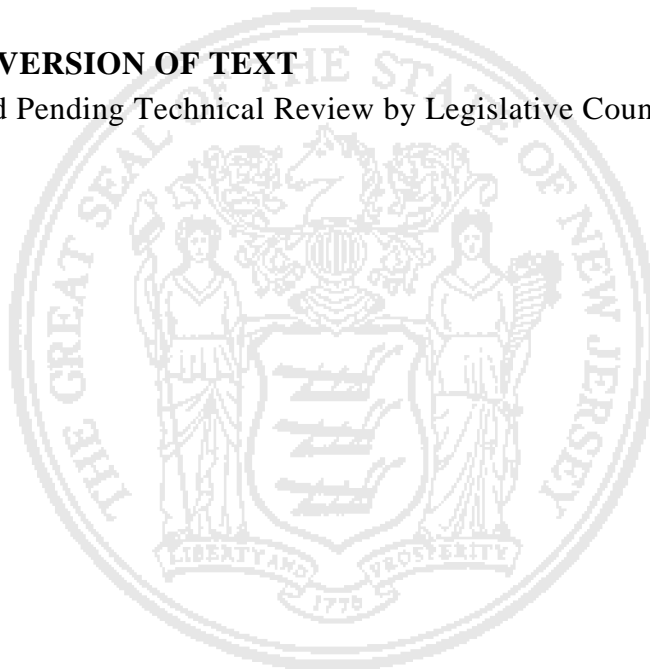
**Assemblymen Gusciora, Cohen, Caraballo, Green, Charles and
Assemblywoman Greenstein**

SYNOPSIS

Allows PERS retiree to resume employment covered by PERS as teacher with higher education institution without suspension of benefits.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



(Sponsorship Updated As Of: 5/9/2000)

1 AN ACT concerning certain retired members of the Public Employees'
2 Retirement System of New Jersey and amending P.L.1966, c.217.

3
4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6
7 1. Section 27 of P.L.1966, c.217 (C.43:15A-57.2) is amended to
8 read as follows:

9 27. a. Except as provided in subsection b. of this section, if a
10 former member of the State Employees' Retirement System or the
11 retirement system, who has been granted a retirement allowance for
12 any cause other than disability, becomes employed again in a position
13 which makes him eligible to be a member of the retirement system, his
14 retirement allowance and the right to any death benefit as a result of
15 his former membership, shall be canceled until he again retires.

16 Such person shall be re-enrolled in the retirement system and shall
17 contribute thereto at a rate based on his age at the time of
18 re-enrollment. Such person shall be treated as an active member for
19 determining disability or death benefits while in service and no benefits
20 pursuant to an optional selection with respect to his former
21 membership shall be paid if his death shall occur during the period of
22 such re-enrollment.

23 Upon subsequent retirement of such member, his former retirement
24 allowance shall be reinstated together with any optional selection,
25 based on his former membership. In addition, he shall receive an
26 additional retirement allowance based on his subsequent service as a
27 member computed in accordance with applicable provisions of chapter
28 84 of the laws of 1954; provided, however, that his total retirement
29 allowance upon such subsequent retirement shall not be a greater
30 proportion of his final compensation than the proportion to which he
31 would have been entitled had he remained in service during the period
32 of his prior retirement. Any death benefit to which such member shall
33 be eligible shall be based on his latest retirement, but shall not be less
34 than the death benefit that was applicable to his former retirement.

35 b. The cancellation, re-enrollment, and additional retirement
36 allowance provisions of subsection a. of this section shall not apply to
37 a former member of the retirement system who, after having been
38 granted a retirement allowance, becomes employed again by: (1) an
39 employer in a position for which the compensation does not exceed
40 \$10,000 per year; or (2) if the compensation exceeds \$10,000 per
41 year, by an employer that is a public institution of higher education as
42 defined in N.J.S.18A:62-1 in a teaching staff position. The Director
43 of the Division of Pensions and Benefits may from time to time adjust

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

1 ~~[this] the amount in paragraph (1) of this subsection.~~ This adjustment
2 shall be $\frac{3}{5}$ of the percentage of change in the index, as defined in
3 section 1 of P.L.1958, c.143 (C.43:3B-1), over a period of time as
4 determined by the director.

5 (cf: P.L.1997, c.23, s.2)

6

7 2. This act shall take effect immediately.

8

9

10 STATEMENT

11

12 This bill would allow a retired member of the Public Employees'
13 Retirement System (PERS) to accept employment with an institution
14 of higher education in a teaching position covered by the retirement
15 system, if the compensation is in excess of \$10,000 per year, without
16 being subject to the cancellation of retirement benefits and re-
17 enrollment in the system. Under current law, the retired member may
18 already accept such employment if the compensation does not exceed
19 \$10,000 per year. Neither the individual nor the employer would be
20 required to contribute to the retirement system with respect to the new
21 employment. The bill defines public institutions of higher education
22 to include the University of Medicine and Dentistry of New Jersey, the
23 New Jersey Institute of Technology, Rutgers - The State University,
24 any State or county college, and any other college or university that
25 may be established at some future time.

26 This bill addresses only PERS retirees because the benefits of
27 retirees from other retirement systems or pension funds established
28 pursuant to State law are not affected if the retiree returns to
29 employment in a teaching position with an institution of higher
30 education.

31 The purpose of this bill is to encourage PERS retirees to reenter
32 public service as teaching staff members in public institutions of higher
33 education in this State. There is a wealth of expertise among these
34 retirees and they could provide significant contributions to higher
35 education if they were assured that their retirement benefits would not
36 be affected.

ASSEMBLY STATE GOVERNMENT COMMITTEE

STATEMENT TO

ASSEMBLY, No. 988

STATE OF NEW JERSEY

DATED: MAY 8, 2000

The Assembly State Government Committee reports favorably Assembly, No. 988.

This bill allows a retired member of the Public Employees' Retirement System (PERS) to accept employment with an institution of higher education in a teaching position covered by the retirement system without being subject to the cancellation of retirement benefits and reenrollment in the system even if the compensation for the teaching position is in excess of \$10,000 per year. Under current law, a PERS retiree may be employed in any PERS-covered position without mandatory reenrollment, if the compensation does not exceed \$10,000 per year. The bill defines public institutions of higher education to include the University of Medicine and Dentistry of New Jersey, the New Jersey Institute of Technology, Rutgers - The State University, any State or county college, and any other college or university that may be established at some future time.

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.

SENATE STATE GOVERNMENT COMMITTEE

STATEMENT TO

ASSEMBLY, No. 988

STATE OF NEW JERSEY

DATED: FEBRUARY 26, 2001

The Senate State Government Committee reports favorably Assembly, No. 988.

This bill allows a retired member of the Public Employees' Retirement System (PERS) to accept employment with an institution of higher education in a teaching position covered by the retirement system without being subject to the cancellation of retirement benefits and reenrollment in the system even if the compensation for the teaching position is in excess of \$10,000 per year. Under current law, a PERS retiree may be employed in any PERS-covered position without mandatory reenrollment, if the compensation does not exceed \$10,000 per year. The bill defines public institutions of higher education to include the University of Medicine and Dentistry of New Jersey, the New Jersey Institute of Technology, Rutgers - The State University, any State or county college, and any other college or university that may be established at some future time.

ASSEMBLY, No. 988

STATE OF NEW JERSEY 209th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2000 SESSION

Sponsored by:

Assemblywoman BONNIE WATSON COLEMAN

District 15 (Mercer)

Assemblyman LEONARD LANCE

District 23 (Warren, Hunterdon and Mercer)

Co-Sponsored by:

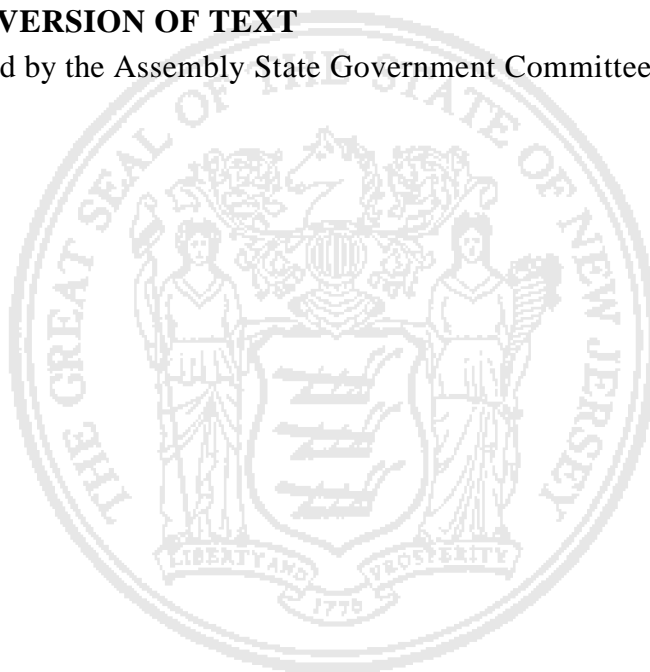
**Assemblymen Gusciora, Cohen, Caraballo, Green, Charles,
Assemblywomen Greenstein, Previte and Senator Turner**

SYNOPSIS

Allows PERS retiree to resume employment covered by PERS as teacher with higher education institution without suspension of benefits.

CURRENT VERSION OF TEXT

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



(Sponsorship Updated As Of: 10/4/2001)

1 AN ACT concerning certain retired members of the Public Employees'
2 Retirement System of New Jersey and amending P.L.1966, c.217.

3
4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6
7 1. Section 27 of P.L.1966, c.217 (C.43:15A-57.2) is amended to
8 read as follows:

9 27. a. Except as provided in subsection b. of this section, if a
10 former member of the State Employees' Retirement System or the
11 retirement system, who has been granted a retirement allowance for
12 any cause other than disability, becomes employed again in a position
13 which makes him eligible to be a member of the retirement system, his
14 retirement allowance and the right to any death benefit as a result of
15 his former membership, shall be canceled until he again retires.

16 Such person shall be re-enrolled in the retirement system and shall
17 contribute thereto at a rate based on his age at the time of
18 re-enrollment. Such person shall be treated as an active member for
19 determining disability or death benefits while in service and no benefits
20 pursuant to an optional selection with respect to his former
21 membership shall be paid if his death shall occur during the period of
22 such re-enrollment.

23 Upon subsequent retirement of such member, his former retirement
24 allowance shall be reinstated together with any optional selection,
25 based on his former membership. In addition, he shall receive an
26 additional retirement allowance based on his subsequent service as a
27 member computed in accordance with applicable provisions of chapter
28 84 of the laws of 1954; provided, however, that his total retirement
29 allowance upon such subsequent retirement shall not be a greater
30 proportion of his final compensation than the proportion to which he
31 would have been entitled had he remained in service during the period
32 of his prior retirement. Any death benefit to which such member shall
33 be eligible shall be based on his latest retirement, but shall not be less
34 than the death benefit that was applicable to his former retirement.

35 b. The cancellation, re-enrollment, and additional retirement
36 allowance provisions of subsection a. of this section shall not apply to
37 a former member of the retirement system who, after having been
38 granted a retirement allowance, becomes employed again by: (1) an
39 employer in a position for which the compensation does not exceed
40 \$10,000 per year; or (2) if the compensation exceeds \$10,000 per
41 year, by an employer that is a public institution of higher education as
42 defined in N.J.S.18A:62-1 in a teaching staff position. The Director
43 of the Division of Pensions and Benefits may from time to time adjust

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

- 1 **[this]** the amount in paragraph (1) of this subsection. This adjustment
2 shall be $\frac{3}{5}$ of the percentage of change in the index, as defined in
3 section 1 of P.L.1958, c.143 (C.43:3B-1), over a period of time as
4 determined by the director.
5 (cf: P.L.1997, c.23, s.2)
6
7 2. This act shall take effect immediately.

LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 988
STATE OF NEW JERSEY
209th LEGISLATURE

DATED: APRIL 4, 2001

SUMMARY

Synopsis: Allows PERS retiree to resume employment covered by PERS as teacher with higher education institution without suspension of benefits.

Type of Impact: Potential Savings to State and County Institutions of Higher Education

Agencies Affected: State and County Institutions of Higher Education

Office of Legislative Services Estimate

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

- ! Bill allows a Public Employees' Retirement System (PERS) retiree to be reemployed by an institution of higher education in a PERS-covered teaching position, at any salary level, without cancellation of retirement benefits and reenrollment in the PERS.
- ! Institutions of higher education include the University of Medicine and Dentistry of New Jersey, the New Jersey Institute of Technology, Rutgers - The State University, and other State or county colleges.
- ! No information is available to indicate the number of PERS retirees who would qualify for this reenrollment exemption, however, the number is expected to be small.
- ! Because each qualified retiree is not reenrolled and, thus, does not receive an increase in retirement benefits for service with a higher education institution, the PERS does not incur additional cost. Consequently, the higher education institution as an employer does not have to make contributions to the PERS, which it otherwise would have to make for an employee in a PERS-covered teaching position.
- ! The higher education institution may realize health benefits cost savings if a qualified retiree is receiving paid post-retirement health benefits (based on former employment).

BILL DESCRIPTION

Assembly Bill No. 988 of 2000 allows a retired member of the Public Employees' Retirement System (PERS) to accept employment with an institution of higher education in a teaching position covered by the retirement system without being subject to cancellation of retirement benefits and reenrollment in the retirement system, even if the compensation from the teaching position is in excess of \$10,000 per year. Under current law, a retired member may accept employment without reenrollment in the retirement system if the compensation does not exceed \$10,000 per year.

Under the bill, public institutions of higher education include the University of Medicine and Dentistry of New Jersey, the New Jersey Institute of Technology, Rutgers - The State University, any State or county college, and any other college or university that may be established at some future time.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services (OLS) notes that there is no information available to indicate the number of PERS retirees who would qualify for this reenrollment exemption by accepting reemployment with a higher education institution in a PERS-covered teaching position. However, there will be no additional pension cost to the retirement system for these qualified retirees because, as a result of the bill, they will not be eligible to receive an increased retirement benefit based upon their service during reemployment with the higher education institution. Thus, the higher education institution as an employer will realize savings on pension contributions that it would otherwise have to make for employees in PERS-covered positions. It is also possible that the higher education institution may realize savings on health benefits costs if a qualified retiree is receiving paid post-retirement health benefits from the former employer.

The OLS believes that the number of retirees who will qualify for this reenrollment exemption will be small and the savings impact, to individual institutions and in the aggregate for all the institutions, will be minimal.

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.

SENATE, No. 2249

STATE OF NEW JERSEY
209th LEGISLATURE

INTRODUCED MARCH 26, 2001

Sponsored by:

Senator SHIRLEY K. TURNER

District 15 (Mercer)

SYNOPSIS

Allows PERS retiree to resume employment covered by PERS as teacher with higher education institution without suspension of benefits.

CURRENT VERSION OF TEXT

As introduced.



S2249 TURNER

2

1 AN ACT concerning certain retired members of the Public Employees'
2 Retirement System of New Jersey and amending P.L.1966, c.217.

3
4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6
7 1. Section 27 of P.L.1966, c.217 (C.43:15A-57.2) is amended to
8 read as follows:

9 27. a. Except as provided in subsection b. of this section, if a
10 former member of the State Employees' Retirement System or the
11 retirement system, who has been granted a retirement allowance for
12 any cause other than disability, becomes employed again in a position
13 which makes him eligible to be a member of the retirement system, his
14 retirement allowance and the right to any death benefit as a result of
15 his former membership, shall be canceled until he again retires.

16 Such person shall be re-enrolled in the retirement system and shall
17 contribute thereto at a rate based on his age at the time of
18 re-enrollment. Such person shall be treated as an active member for
19 determining disability or death benefits while in service and no benefits
20 pursuant to an optional selection with respect to his former
21 membership shall be paid if his death shall occur during the period of
22 such re-enrollment.

23 Upon subsequent retirement of such member, his former retirement
24 allowance shall be reinstated together with any optional selection,
25 based on his former membership. In addition, he shall receive an
26 additional retirement allowance based on his subsequent service as a
27 member computed in accordance with applicable provisions of chapter
28 84 of the laws of 1954; provided, however, that his total retirement
29 allowance upon such subsequent retirement shall not be a greater
30 proportion of his final compensation than the proportion to which he
31 would have been entitled had he remained in service during the period
32 of his prior retirement. Any death benefit to which such member shall
33 be eligible shall be based on his latest retirement, but shall not be less
34 than the death benefit that was applicable to his former retirement.

35 b. The cancellation, re-enrollment, and additional retirement
36 allowance provisions of subsection a. of this section shall not apply to
37 a former member of the retirement system who, after having been
38 granted a retirement allowance, becomes employed again by: (1) an
39 employer in a position for which the compensation does not exceed
40 \$10,000 per year; or (2) if the compensation exceeds \$10,000 per
41 year, by an employer that is a public institution of higher education as
42 defined in N.J.S.18A:62-1 in a teaching staff position. The Director
43 of the Division of Pensions and Benefits may from time to time adjust

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

1 ~~[this] the amount in paragraph (1) of this subsection.~~ This adjustment
2 shall be $\frac{3}{5}$ of the percentage of change in the index, as defined in
3 section 1 of P.L.1958, c.143 (C.43:3B-1), over a period of time as
4 determined by the director.

5 (cf: P.L.1997, c.23, s.2)

6

7 2. This act shall take effect immediately.

8

9

10 STATEMENT

11

12 This bill allows a retired member of the Public Employees'
13 Retirement System (PERS) to accept employment with an institution
14 of higher education in a teaching position covered by the retirement
15 system without being subject to the cancellation of retirement benefits
16 and reenrollment in the system even if the compensation for the
17 teaching position is in excess of \$10,000 per year. Under current law,
18 a PERS retiree may be employed in any PERS-covered position
19 without mandatory reenrollment, if the compensation does not exceed
20 \$10,000 per year. The bill defines public institutions of higher
21 education to include the University of Medicine and Dentistry of New
22 Jersey, the New Jersey Institute of Technology, Rutgers - The State
23 University, any State or county college, and any other college or
24 university that may be established at some future time.

LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 2249
STATE OF NEW JERSEY
209th LEGISLATURE

DATED: MAY 18, 2001

SUMMARY

Synopsis: Allows PERS retiree to resume employment covered by PERS as teacher with higher education institution without suspension of benefits.

Type of Impact: Potential Savings to State and County Institutions of Higher Education

Agencies Affected: State and County Institutions of Higher Education

Office of Legislative Services Estimate

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

- ! Bill allows a Public Employees' Retirement System (PERS) retiree to be reemployed by an institution of higher education in a PERS-covered teaching position, at any salary level, without cancellation of retirement benefits and reenrollment in the PERS.
- ! Institutions of higher education include the University of Medicine and Dentistry of New Jersey, the New Jersey Institute of Technology, Rutgers - The State University, and other State or county colleges.
- ! No information is available to indicate the number of PERS retirees who would qualify for this reenrollment exemption, however, the number is expected to be small.
- ! Because each qualified retiree is not reenrolled and, thus, does not receive an increase in retirement benefits for service with a higher education institution, the PERS does not incur additional cost. Consequently, the higher education institution as an employer does not have to make contributions to the PERS, which it otherwise would have to make for an employee in a PERS-covered teaching position.
- ! The higher education institution may realize health benefits cost savings if a qualified retiree is receiving paid post-retirement health benefits (based on former employment).

BILL DESCRIPTION

Senate Bill No. 2249 of 2001 allows a retired member of the Public Employees' Retirement System (PERS) to accept employment with an institution of higher education in a teaching position covered by the retirement system without being subject to cancellation of retirement benefits and reenrollment in the retirement system, even if the compensation from the teaching position is in excess of \$10,000 per year. Under current law, a retired member may accept employment without reenrollment in the retirement system if the compensation does not exceed \$10,000 per year.

Under the bill, public institutions of higher education include the University of Medicine and Dentistry of New Jersey, the New Jersey Institute of Technology, Rutgers - The State University, any State or county college, and any other college or university that may be established at some future time.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services (OLS) notes that there is no information available to indicate the number of PERS retirees who would qualify for this reenrollment exemption by accepting reemployment with a higher education institution in a PERS-covered teaching position. However, there will be no additional pension cost to the retirement system for these qualified retirees because, as a result of the bill, they will not be eligible to receive an increased retirement benefit based upon their service during reemployment with the higher education institution. Thus, the higher education institution as an employer will realize savings on pension contributions that it would otherwise have to make for employees in PERS-covered positions. It is also possible that the higher education institution may realize savings on health benefits costs if a qualified retiree is receiving paid post-retirement health benefits from the former employer.

The OLS believes that the number of retirees who will qualify for this reenrollment exemption will be small and the savings impact, to individual institutions and in the aggregate for all the institutions, will be minimal.

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 253, *approved November 15, 2001*

Assembly Bill No. 988

1 **AN ACT** concerning certain retired members of the Public Employees'
2 Retirement System of New Jersey and amending P.L.1966, c.217.

3

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

6

7 1. Section 27 of P.L.1966, c.217 (C.43:15A-57.2) is amended to
8 read as follows:

9 27. a. Except as provided in subsection b. of this section, if a
10 former member of the State Employees' Retirement System or the
11 retirement system, who has been granted a retirement allowance for
12 any cause other than disability, becomes employed again in a position
13 which makes him eligible to be a member of the retirement system, his
14 retirement allowance and the right to any death benefit as a result of
15 his former membership, shall be canceled until he again retires.

16 Such person shall be re-enrolled in the retirement system and shall
17 contribute thereto at a rate based on his age at the time of
18 re-enrollment. Such person shall be treated as an active member for
19 determining disability or death benefits while in service and no benefits
20 pursuant to an optional selection with respect to his former
21 membership shall be paid if his death shall occur during the period of
22 such re-enrollment.

23 Upon subsequent retirement of such member, his former retirement
24 allowance shall be reinstated together with any optional selection,
25 based on his former membership. In addition, he shall receive an
26 additional retirement allowance based on his subsequent service as a
27 member computed in accordance with applicable provisions of chapter
28 84 of the laws of 1954; provided, however, that his total retirement
29 allowance upon such subsequent retirement shall not be a greater
30 proportion of his final compensation than the proportion to which he
31 would have been entitled had he remained in service during the period
32 of his prior retirement. Any death benefit to which such member shall
33 be eligible shall be based on his latest retirement, but shall not be less
34 than the death benefit that was applicable to his former retirement.

35 b. The cancellation, re-enrollment, and additional retirement
36 allowance provisions of subsection a. of this section shall not apply to
37 a former member of the retirement system who, after having been
38 granted a retirement allowance, becomes employed again by: (1) an
39 employer in a position for which the compensation does not exceed
40 \$10,000 per year; or (2) if the compensation exceeds \$10,000 per
41 year, by an employer that is a public institution of higher education as

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

1 defined in N.J.S.18A:62-1 in a teaching staff position. The Director
2 of the Division of Pensions and Benefits may from time to time adjust
3 **[this] the amount in paragraph (1) of this subsection.** This adjustment
4 shall be $\frac{3}{5}$ of the percentage of change in the index, as defined in
5 section 1 of P.L.1958, c.143 (C.43:3B-1), over a period of time as
6 determined by the director.
7 (cf: P.L.1997, c.23, s.2)

8

9 2. This act shall take effect immediately.

10

11

12

13

14 _____
15 Allows PERS retiree to resume employment covered by PERS as
16 teacher with higher education institution without suspension of
benefits.

CHAPTER 253

AN ACT concerning certain retired members of the Public Employees' Retirement System of New Jersey and amending P.L.1966, c.217.

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

1. Section 27 of P.L.1966, c.217 (C.43:15A-57.2) is amended to read as follows:

C.43:15A-57.2 Reemployment of retired former member.

27. a. Except as provided in subsection b. of this section, if a former member of the State Employees' Retirement System or the retirement system, who has been granted a retirement allowance for any cause other than disability, becomes employed again in a position which makes him eligible to be a member of the retirement system, his retirement allowance and the right to any death benefit as a result of his former membership, shall be canceled until he again retires.

Such person shall be re-enrolled in the retirement system and shall contribute thereto at a rate based on his age at the time of re-enrollment. Such person shall be treated as an active member for determining disability or death benefits while in service and no benefits pursuant to an optional selection with respect to his former membership shall be paid if his death shall occur during the period of such re-enrollment.

Upon subsequent retirement of such member, his former retirement allowance shall be reinstated together with any optional selection, based on his former membership. In addition, he shall receive an additional retirement allowance based on his subsequent service as a member computed in accordance with applicable provisions of chapter 84 of the laws of 1954; provided, however, that his total retirement allowance upon such subsequent retirement shall not be a greater proportion of his final compensation than the proportion to which he would have been entitled had he remained in service during the period of his prior retirement. Any death benefit to which such member shall be eligible shall be based on his latest retirement, but shall not be less than the death benefit that was applicable to his former retirement.

b. The cancellation, re-enrollment, and additional retirement allowance provisions of subsection a. of this section shall not apply to a former member of the retirement system who, after having been granted a retirement allowance, becomes employed again by: (1) an employer in a position for which the compensation does not exceed \$10,000 per year; or (2) if the compensation exceeds \$10,000 per year, by an employer that is a public institution of higher education as defined in N.J.S.18A:62-1 in a teaching staff position. The Director of the Division of Pensions and Benefits may from time to time adjust the amount in paragraph (1) of this subsection. This adjustment shall be $\frac{3}{5}$ of the percentage of change in the index, as defined in section 1 of P.L.1958, c.143 (C.43:3B-1), over a period of time as determined by the director.

2. This act shall take effect immediately.

Approved November 15, 2001.