

18A:66-15.1

LEGISLATIVE HISTORY CHECKLIST

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LAWS OF: 2001 **CHAPTER:** 341
NJSA: 18A:66-15.1 (Dual membership—PERS and TPAF)
BILL NO: A3372 (Substituted for S2391)
SPONSOR(S): Chatzidakis and Bodine
DATE INTRODUCED: March 29, 2001
COMMITTEE: **ASSEMBLY:** State Government
SENATE: ----
AMENDED DURING PASSAGE: No
DATE OF PASSAGE: **ASSEMBLY:** December 17, 2001
SENATE: December 17, 2001
DATE OF APPROVAL: January 5, 2002

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL (Original version of bill enacted)

A3372

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

COMMITTEE STATEMENT: **ASSEMBLY:** Yes

SENATE: No

FLOOR AMENDMENT STATEMENTS: No

LEGISLATIVE FISCAL ESTIMATE: Yes

S2391

SPONSORS STATEMENT: (Begins on page 4 of original bill) Yes

Bill and Sponsors Statement identical to A3372

COMMITTEE STATEMENT: **ASSEMBLY:** No

SENATE: Yes

FLOOR AMENDMENT STATEMENTS: No

LEGISLATIVE FISCAL ESTIMATE: Yes

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. 3372

STATE OF NEW JERSEY 209th LEGISLATURE

INTRODUCED MARCH 29, 2001

Sponsored by:

Assemblyman LARRY CHATZIDAKIS
District 8 (Atlantic, Burlington and Camden)
Assemblyman FRANCIS L. BODINE
District 8 (Atlantic, Burlington and Camden)

Co-Sponsored by:

Senator Bark

SYNOPSIS

Increases permissible time period of dual membership in transfer of service credit between PERS and TPAF.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 12/18/2001)

1 AN ACT concerning the transfer of service credit between the
2 Teachers' Pension and Annuity Fund and the Public Employees'
3 Retirement System of New Jersey and amending chapter 66 of Title
4 18A of the New Jersey Statutes and P.L.1954, c.84.

5

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

8

9 1. N.J.S.18A:66-15.1 is amended to read as follows:

10 18A:66-15.1. a. A member who is a member of another
11 State-administered retirement system or pension fund at the time of
12 enrollment in the Teachers' Pension and Annuity Fund and who does
13 not contribute to the other system or fund after that time may transfer
14 the service credit in the other system or fund to the Teachers' Pension
15 and Annuity Fund upon application and transfer of the member's
16 contributions from the other system or fund to the fund. If the
17 member has withdrawn the contributions to the other retirement
18 system or pension fund, the member may purchase credit for the
19 service in the other system or fund. The purchase shall be made in the
20 same manner and be subject to the same terms and conditions provided
21 for the purchase of previous membership service by N.J.S.18A:66-9.

22 b. A member of the retirement system who had established service
23 credit in a municipal or county retirement system or pension fund, and
24 who was ineligible to transfer the service credit to the retirement
25 system and withdrew contributions from the municipal or county
26 retirement system or pension fund, may purchase credit for all of the
27 member's service in that retirement system or pension fund by paying
28 into the annuity savings fund the amount required by applying the
29 factor, supplied by the actuary, as being applicable to the member's age
30 at the time of the purchase, to the member's salary at that time, or to
31 the highest annual compensation for service in this State for which
32 contributions were made during any prior fiscal year of membership,
33 whichever is greater. The terms of the purchase and the credit granted
34 shall be identical, except as otherwise herein provided, to those
35 stipulated for the purchase of previous membership service by
36 members of the retirement system as provided by N.J.S.18A:66-9.

37 c. A member who is a member of the Public Employees' Retirement
38 System, established pursuant to P.L.1954, c.84 (C.43:15A-1 et seq.),
39 at the time of enrollment in the Teachers' Pension and Annuity Fund
40 and who within **[two]** three years of the date of that enrollment ceases
41 to be an active contributing member of the Public Employees'
42 Retirement System may transfer all service credit in the Public
43 Employees' Retirement System to the Teachers' Pension and Annuity
44 Fund upon application and transfer of the member's contributions from

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 the Public Employees' Retirement System to the Teachers' Pension
2 and Annuity Fund. If the member has withdrawn the contributions to
3 the Public Employees' Retirement System, the member may purchase
4 credit for the service. The purchase shall be made in the same manner
5 and be subject to the same terms and conditions provided for the
6 purchase of previous membership service by N.J.S.18A:66-9.

7 (cf: P.L.2001, c.6, s.1)

8

9 2. Section 14 of P.L.1954, c.84 (C.43:15A-14) is amended to read
10 as follows:

11 14. a. A member who is a member of another State-administered
12 retirement system or pension fund at the time of enrollment in the
13 Public Employees' Retirement System and does not contribute to the
14 other system or fund after that time may transfer the service credit in
15 the other system or fund to the Public Employees' Retirement System
16 upon application and transfer of the member's contributions from the
17 other system or fund to the system. If the member has withdrawn the
18 contributions to the other retirement system or pension fund, the
19 member may purchase credit for the service in the other system or
20 fund. The purchase shall be made in the same manner and be subject
21 to the same terms and conditions provided for the purchase of
22 previous membership service by section 8 of P.L.1954, c.84
23 (C.43:15A-8).

24 b. A member who is a member of the Teachers' Pension and
25 Annuity Fund, established pursuant to N.J.S.18A:66-1 et seq., at the
26 time of enrollment in the Public Employees' Retirement System and
27 who within [two] three years of the date of that enrollment ceases to
28 be an active contributing member of the Teachers' Pension and
29 Annuity Fund may transfer all service credit in the Teachers' Pension
30 and Annuity Fund to the Public Employees' Retirement System upon
31 application and transfer of the member's contributions from the
32 Teachers' Pension and Annuity Fund to the Public Employees'
33 Retirement System. If the member has withdrawn the contributions to
34 the Teachers' Pension and Annuity Fund, the member may purchase
35 credit for the service. The purchase shall be made in the same manner
36 and be subject to the same terms and conditions provided for the
37 purchase of previous membership service by section 8 of P.L.1954,
38 c.84 (C.43:15A-8).

39 (cf: P.L.2001, c.6, s.2)

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41 3. This act shall take effect immediately.

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STATEMENT

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46 P.L.2001, c.6 provided that a member of the Public Employees'
47 Retirement System (PERS) or a member of the Teachers' Pension and

A3372 CHATZIDAKIS, BODINE

4

1 Annuity Fund (TPAF) could transfer service credit between the two
2 retirement systems even though there was a two year period of dual
3 membership (concurrent membership in both retirement systems). This
4 bill increases the permissible time period of dual membership from two
5 to three years when transferring service credit between the two
6 retirement systems.

ASSEMBLY STATE GOVERNMENT COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3372

STATE OF NEW JERSEY

DATED: DECEMBER 6, 2001

The Assembly State Government Committee reports favorably Assembly Bill No. 3372.

P.L.2001, c.6 provides that a member of the Public Employees' Retirement System (PERS) or a member of the Teachers' Pension and Annuity Fund (TPAF) can transfer service credit between the two retirement systems even though there was a two year period of concurrent membership in both retirement systems. This bill increases from two to three the number of years of dual membership allowed when transferring service credit between PERS and TPAF.

This bill is the same as Senate Bill No. 2391 of 2001.

LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 3372
STATE OF NEW JERSEY
209th LEGISLATURE

DATED: JANUARY 10, 2002

SUMMARY

Synopsis: Increases permissible time period of dual membership in transfer of service credit between PERS and TPAF.

Type of Impact: Potential increase in General Fund expenditures; potential local government expenditure increase.

Agencies Affected: Department of Treasury

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Cost	Minimal-See Comments Below		
Local Cost	Minimal-See Comments Below		

- ! Bill allows Public Employees' Retirement System (PERS) member or Teachers' Pension and Annuity Fund (TPAF) member with up to three years of dual membership to transfer service credit from one retirement system to the other.
- ! Current law permits such transfer of the service credit when there is up to a two year period of dual membership.
- ! The Office of Legislative Services (OLS) cannot estimate the potential cost of this bill because it is not known how many persons would be eligible to request such transfers. However, the OLS believes that the cost will be minimal.

BILL DESCRIPTION

Assembly Bill No. 3372 of 2001 allows a Public Employees' Retirement System (PERS) member or Teachers' Pension and Annuity Fund (TPAF) member with up to three years of dual membership to transfer service credit from one retirement system to the other. P.L.2001, c.6, enacted on January 16, 2001, provided that a member of the Public Employees' Retirement System (PERS) or a member of the Teachers' Pension and Annuity Fund (TPAF) could transfer service credit between the two retirement systems if there was up to a two year period of dual membership (concurrent membership in both retirement systems).

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services (OLS) cannot estimate the impact of this bill because it is not known how many persons may be in a position to take advantage of its provisions. The OLS believes the cost to be minimal.

The bill will allow a person to aggregate service credit in the retirement system (PERS or TPAF) in which the person is an active contributing member. (It is noted that aggregation of service credit in one system also could be achieved by a person by withdrawal from the first system and the purchase of service credit in the second system.) The transfer permitted by this bill is achieved by an interfund transfer of employer reserves and employee contributions in order to provide the second system with the wherewithal to establish the transferring members service credits. However, the transfer will not result in a member receiving double service credit for the period of dual membership; under current law, a retirement system member cannot receive more than 12 months of service credit for any 12 months of work.

If a transfer results in the aggregation of 25 or more years of service credit in one system, the member will be eligible for early retirement before age 60 (at age 55, or at less than age 55 with a reduced retirement allowance). It should be noted that the retirement benefits in the PERS and TPAF are substantially identical and such early retirement is available in both PERS and TPAF. In addition, the compensation earned by a member of PERS and of TPAF during the period of dual membership will be aggregated and, potentially in some cases, may be high enough to be used to determine the average salary of the three most highly compensated years for the purpose of calculating a member's retirement allowance in either PERS or TPAF. Consequently, this aggregation of compensation may serve potentially to increase a member's retirement allowance.

Finally, if a transfer results in the aggregation of 25 or more years of service credit in one retirement system, the member may be eligible for post-retirement health care benefits paid in whole or in part by the employer, which the individual may not otherwise be eligible for without the aggregation (the cost of this benefit is paid by the State or a local government as an employer for PERS retirees, or the State for all TPAF retirees).

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. 2391

STATE OF NEW JERSEY
209th LEGISLATURE

INTRODUCED MAY 24, 2001

Sponsored by:

Senator MARTHA W. BARK

District 8 (Atlantic, Burlington and Camden)

SYNOPSIS

Increases permissible time period of dual membership in transfer of service credit between PERS and TPAF.

CURRENT VERSION OF TEXT

As introduced.



S2391 BARK

2

1 AN ACT concerning the transfer of service credit between the
2 Teachers' Pension and Annuity Fund and the Public Employees'
3 Retirement System of New Jersey and amending chapter 66 of Title
4 18A of the New Jersey Statutes and P.L.1954, c.84.

5

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

8

9 1. N.J.S.18A:66-15.1 is amended to read as follows:

10 18A:66-15.1. a. A member who is a member of another
11 State-administered retirement system or pension fund at the time of
12 enrollment in the Teachers' Pension and Annuity Fund and who does
13 not contribute to the other system or fund after that time may transfer
14 the service credit in the other system or fund to the Teachers' Pension
15 and Annuity Fund upon application and transfer of the member's
16 contributions from the other system or fund to the fund. If the
17 member has withdrawn the contributions to the other retirement
18 system or pension fund, the member may purchase credit for the
19 service in the other system or fund. The purchase shall be made in the
20 same manner and be subject to the same terms and conditions provided
21 for the purchase of previous membership service by N.J.S.18A:66-9.

22 b. A member of the retirement system who had established service
23 credit in a municipal or county retirement system or pension fund, and
24 who was ineligible to transfer the service credit to the retirement
25 system and withdrew contributions from the municipal or county
26 retirement system or pension fund, may purchase credit for all of the
27 member's service in that retirement system or pension fund by paying
28 into the annuity savings fund the amount required by applying the
29 factor, supplied by the actuary, as being applicable to the member's age
30 at the time of the purchase, to the member's salary at that time, or to
31 the highest annual compensation for service in this State for which
32 contributions were made during any prior fiscal year of membership,
33 whichever is greater. The terms of the purchase and the credit granted
34 shall be identical, except as otherwise herein provided, to those
35 stipulated for the purchase of previous membership service by
36 members of the retirement system as provided by N.J.S.18A:66-9.

37 c. A member who is a member of the Public Employees' Retirement
38 System, established pursuant to P.L.1954, c.84 (C.43:15A-1 et seq.),
39 at the time of enrollment in the Teachers' Pension and Annuity Fund
40 and who within [two] three years of the date of that enrollment ceases
41 to be an active contributing member of the Public Employees'
42 Retirement System may transfer all service credit in the Public
43 Employees' Retirement System to the Teachers' Pension and Annuity

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.

S2391 BARK

1 Fund upon application and transfer of the member's contributions from
2 the Public Employees' Retirement System to the Teachers' Pension
3 and Annuity Fund. If the member has withdrawn the contributions to
4 the Public Employees' Retirement System, the member may purchase
5 credit for the service. The purchase shall be made in the same manner
6 and be subject to the same terms and conditions provided for the
7 purchase of previous membership service by N.J.S.18A:66-9.

8 (cf: P.L.2001, c.6, s.1)

9

10 2. Section 14 of P.L.1954, c.84 (C.43:15A-14) is amended to read
11 as follows:

12 14. a. A member who is a member of another State-administered
13 retirement system or pension fund at the time of enrollment in the
14 Public Employees' Retirement System and does not contribute to the
15 other system or fund after that time may transfer the service credit in
16 the other system or fund to the Public Employees' Retirement System
17 upon application and transfer of the member's contributions from the
18 other system or fund to the system. If the member has withdrawn the
19 contributions to the other retirement system or pension fund, the
20 member may purchase credit for the service in the other system or
21 fund. The purchase shall be made in the same manner and be subject
22 to the same terms and conditions provided for the purchase of
23 previous membership service by section 8 of P.L.1954, c.84
24 (C.43:15A-8).

25 b. A member who is a member of the Teachers' Pension and
26 Annuity Fund, established pursuant to N.J.S.18A:66-1 et seq., at the
27 time of enrollment in the Public Employees' Retirement System and
28 who within [two] three years of the date of that enrollment ceases to
29 be an active contributing member of the Teachers' Pension and
30 Annuity Fund may transfer all service credit in the Teachers' Pension
31 and Annuity Fund to the Public Employees' Retirement System upon
32 application and transfer of the member's contributions from the
33 Teachers' Pension and Annuity Fund to the Public Employees'
34 Retirement System. If the member has withdrawn the contributions to
35 the Teachers' Pension and Annuity Fund, the member may purchase
36 credit for the service. The purchase shall be made in the same manner
37 and be subject to the same terms and conditions provided for the
38 purchase of previous membership service by section 8 of P.L.1954,
39 c.84 (C.43:15A-8).

40 (cf: P.L.2001, c.6, s.2)

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42 3. This act shall take effect immediately.

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STATEMENT

P.L.2001, c.6 provided that a member of the Public Employees' Retirement System (PERS) or a member of the Teachers' Pension and Annuity Fund (TPAF) could transfer service credit between the two retirement systems even though there was a two year period of dual membership (concurrent membership in both retirement systems). This bill increases the permissible time period of dual membership from two to three years when transferring service credit between the two retirement systems.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 2391

STATE OF NEW JERSEY

DATED: DECEMBER 13, 2001

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 2391.

This bill relaxes a restriction on eligibility for certain interfund transfers of service credit between the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS).

Traditionally, someone enrolled in either system who took a position entitling the person to enrollment in another State-administered retirement system (e.g., a person, enrolled in PERS by virtue of membership on a local governing body, becoming a teacher) could transfer service credit and member contributions from the first to the second system only if the person ceased membership in the first system before enrolling in the second. Concurrent enrollment in two systems was permitted (provided, of course, the person was concurrently eligible for membership in each), but the person lost any right to transfer the service credit from one system to the other, even after terminating enrollment in one of them.

Recent law established an exception to this "no overlap of membership" restriction on interfund transfers. Under P.L.2001, c.6, a member of PERS or TPAF who had previously been concurrently enrolled in the other system was allowed to transfer service credit from the prior to the current system, provided that the period of concurrent enrollment did not exceed two years. This bill increases from two to three years the maximum period of time during which the person could have held concurrent membership and still be allowed to transfer service credit between the two retirement systems.

FISCAL IMPACT

Transfers of credit between two retirement systems generally increase the systems' collective liability by an amount equal to the excess of the value of the credit in the transferee system over its value in the transferor system. (If there were no such excess, there would typically be no incentive for the individual to elect to make the transfer.) In the case of the funds addressed by this bill, the difference in value does not result from a difference in benefit structure (benefit formulas and benefit qualifications under PERS and TPAF are basically the same), but from the opportunity, when the retirement benefit is calculated, to have service years that were rendered at a

lower salary under the transferor system counted with service years rendered at a higher salary under the transferee system.

While it is unknown how many people would be affected by the bill's expansion of the permissible overlap period, that number is not believed to be substantial.

LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 2391
STATE OF NEW JERSEY
209th LEGISLATURE

DATED: JANUARY 10, 2002

SUMMARY

Synopsis: Increases permissible time period of dual membership in transfer of service credit between PERS and TPAF.

Type of Impact: Potential increase in General Fund expenditures; potential local government expenditure increase.

Agencies Affected: Department of Treasury

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Cost	Minimal-See Comments Below		
Local Cost	Minimal-See Comments Below		

- ! Bill allows Public Employees' Retirement System (PERS) member or Teachers' Pension and Annuity Fund (TPAF) member with up to three years of dual membership to transfer service credit from one retirement system to the other.
- ! Current law permits such transfer of the service credit when there is up to a two year period of dual membership.
- ! The Office of Legislative Services (OLS) cannot estimate the potential cost of this bill because it is not known how many persons would be eligible to request such transfers. However, the OLS believes that the cost will be minimal.

BILL DESCRIPTION

Senate Bill No. 2391 of 2001 allows a Public Employees' Retirement System (PERS) member or Teachers' Pension and Annuity Fund (TPAF) member with up to three years of dual membership to transfer service credit from one retirement system to the other. P.L.2001, c.6, enacted on January 16, 2001, provided that a member of the Public Employees' Retirement System (PERS) or a member of the Teachers' Pension and Annuity Fund (TPAF) could transfer service credit between the two retirement systems if there was up to a two year period of dual membership (concurrent membership in both retirement systems).

FISCAL ANALYSIS***EXECUTIVE BRANCH***

None received.

OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services (OLS) cannot estimate the impact of this bill because it is not known how many persons may be in a position to take advantage of its provisions. The OLS believes the cost to be minimal.

The bill will allow a person to aggregate service credit in the retirement system (PERS or TPAF) in which the person is an active contributing member. (It is noted that aggregation of service credit in one system also could be achieved by a person by withdrawal from the first system and the purchase of service credit in the second system.) The transfer permitted by this bill is achieved by an interfund transfer of employer reserves and employee contributions in order to provide the second system with the wherewithal to establish the transferring members service credits. However, the transfer will not result in a member receiving double service credit for the period of dual membership; under current law, a retirement system member cannot receive more than 12 months of service credit for any 12 months of work.

If a transfer results in the aggregation of 25 or more years of service credit in one system, the member will be eligible for early retirement before age 60 (at age 55, or at less than age 55 with a reduced retirement allowance). It should be noted that the retirement benefits in the PERS and TPAF are substantially identical and such early retirement is available in both PERS and TPAF. In addition, the compensation earned by a member of PERS and of TPAF during the period of dual membership will be aggregated and, potentially in some cases, may be high enough to be used to determine the average salary of the three most highly compensated years for the purpose of calculating a member's retirement allowance in either PERS or TPAF. Consequently, this aggregation of compensation may serve potentially to increase a member's retirement allowance.

Finally, if a transfer results in the aggregation of 25 or more years of service credit in one retirement system, the member may be eligible for post-retirement health care benefits paid in whole or in part by the employer, which the individual may not otherwise be eligible for without the aggregation (the cost of this benefit is paid by the State or a local government as an employer for PERS retirees, or the State for all TPAF retirees).

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 341, *approved January 5, 2002*
Assembly, No. 3372

1 AN ACT concerning the transfer of service credit between the
2 Teachers' Pension and Annuity Fund and the Public Employees'
3 Retirement System of New Jersey and amending chapter 66 of Title
4 18A of the New Jersey Statutes and P.L.1954, c.84.

5

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

8

9 1. N.J.S.18A:66-15.1 is amended to read as follows:

10 18A:66-15.1. a. A member who is a member of another
11 State-administered retirement system or pension fund at the time of
12 enrollment in the Teachers' Pension and Annuity Fund and who does
13 not contribute to the other system or fund after that time may transfer
14 the service credit in the other system or fund to the Teachers' Pension
15 and Annuity Fund upon application and transfer of the member's
16 contributions from the other system or fund to the fund. If the
17 member has withdrawn the contributions to the other retirement
18 system or pension fund, the member may purchase credit for the
19 service in the other system or fund. The purchase shall be made in the
20 same manner and be subject to the same terms and conditions provided
21 for the purchase of previous membership service by N.J.S.18A:66-9.

22 b. A member of the retirement system who had established service
23 credit in a municipal or county retirement system or pension fund, and
24 who was ineligible to transfer the service credit to the retirement
25 system and withdrew contributions from the municipal or county
26 retirement system or pension fund, may purchase credit for all of the
27 member's service in that retirement system or pension fund by paying
28 into the annuity savings fund the amount required by applying the
29 factor, supplied by the actuary, as being applicable to the member's age
30 at the time of the purchase, to the member's salary at that time, or to
31 the highest annual compensation for service in this State for which
32 contributions were made during any prior fiscal year of membership,
33 whichever is greater. The terms of the purchase and the credit granted
34 shall be identical, except as otherwise herein provided, to those
35 stipulated for the purchase of previous membership service by
36 members of the retirement system as provided by N.J.S.18A:66-9.

37 c. A member who is a member of the Public Employees' Retirement
38 System, established pursuant to P.L.1954, c.84 (C.43:15A-1 et seq.),
39 at the time of enrollment in the Teachers' Pension and Annuity Fund
40 and who within [two] three years of the date of that enrollment ceases
41 to be an active contributing member of the Public Employees'
42 Retirement System may transfer all service credit in the Public

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 Employees' Retirement System to the Teachers' Pension and Annuity
2 Fund upon application and transfer of the member's contributions from
3 the Public Employees' Retirement System to the Teachers' Pension
4 and Annuity Fund. If the member has withdrawn the contributions to
5 the Public Employees' Retirement System, the member may purchase
6 credit for the service. The purchase shall be made in the same manner
7 and be subject to the same terms and conditions provided for the
8 purchase of previous membership service by N.J.S.18A:66-9.

9 (cf: P.L.2001, c.6, s.1)

10

11 2. Section 14 of P.L.1954, c.84 (C.43:15A-14) is amended to read
12 as follows:

13 14. a. A member who is a member of another State-administered
14 retirement system or pension fund at the time of enrollment in the
15 Public Employees' Retirement System and does not contribute to the
16 other system or fund after that time may transfer the service credit in
17 the other system or fund to the Public Employees' Retirement System
18 upon application and transfer of the member's contributions from the
19 other system or fund to the system. If the member has withdrawn the
20 contributions to the other retirement system or pension fund, the
21 member may purchase credit for the service in the other system or
22 fund. The purchase shall be made in the same manner and be subject
23 to the same terms and conditions provided for the purchase of
24 previous membership service by section 8 of P.L.1954, c.84
25 (C.43:15A-8).

26 b. A member who is a member of the Teachers' Pension and
27 Annuity Fund, established pursuant to N.J.S.18A:66-1 et seq., at the
28 time of enrollment in the Public Employees' Retirement System and
29 who within ~~two~~ three years of the date of that enrollment ceases to
30 be an active contributing member of the Teachers' Pension and
31 Annuity Fund may transfer all service credit in the Teachers' Pension
32 and Annuity Fund to the Public Employees' Retirement System upon
33 application and transfer of the member's contributions from the
34 Teachers' Pension and Annuity Fund to the Public Employees'
35 Retirement System. If the member has withdrawn the contributions to
36 the Teachers' Pension and Annuity Fund, the member may purchase
37 credit for the service. The purchase shall be made in the same manner
38 and be subject to the same terms and conditions provided for the
39 purchase of previous membership service by section 8 of P.L.1954,
40 c.84 (C.43:15A-8).

41 (cf: P.L.2001, c.6, s.2)

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43 3. This act shall take effect immediately.

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STATEMENT

P.L.2001, c.6 provided that a member of the Public Employees' Retirement System (PERS) or a member of the Teachers' Pension and Annuity Fund (TPAF) could transfer service credit between the two retirement systems even though there was a two year period of dual membership (concurrent membership in both retirement systems). This bill increases the permissible time period of dual membership from two to three years when transferring service credit between the two retirement systems.

Increases permissible time period of dual membership in transfer of service credit between PERS and TPAF.

CHAPTER 341

AN ACT concerning the transfer of service credit between the Teachers' Pension and Annuity Fund and the Public Employees' Retirement System of New Jersey and amending chapter 66 of Title 18A of the New Jersey Statutes and P.L.1954, c.84.

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

1. N.J.S.18A:66-15.1 is amended to read as follows:

Transfer or purchase of credit for service in other systems.

18A:66-15.1. a. A member who is a member of another State-administered retirement system or pension fund at the time of enrollment in the Teachers' Pension and Annuity Fund and who does not contribute to the other system or fund after that time may transfer the service credit in the other system or fund to the Teachers' Pension and Annuity Fund upon application and transfer of the member's contributions from the other system or fund to the fund. If the member has withdrawn the contributions to the other retirement system or pension fund, the member may purchase credit for the service in the other system or fund. The purchase shall be made in the same manner and be subject to the same terms and conditions provided for the purchase of previous membership service by N.J.S.18A:66-9.

b. A member of the retirement system who had established service credit in a municipal or county retirement system or pension fund, and who was ineligible to transfer the service credit to the retirement system and withdrew contributions from the municipal or county retirement system or pension fund, may purchase credit for all of the member's service in that retirement system or pension fund by paying into the annuity savings fund the amount required by applying the factor, supplied by the actuary, as being applicable to the member's age at the time of the purchase, to the member's salary at that time, or to the highest annual compensation for service in this State for which contributions were made during any prior fiscal year of membership, whichever is greater. The terms of the purchase and the credit granted shall be identical, except as otherwise herein provided, to those stipulated for the purchase of previous membership service by members of the retirement system as provided by N.J.S.18A:66-9.

c. A member who is a member of the Public Employees' Retirement System, established pursuant to P.L.1954, c.84 (C.43:15A-1 et seq.), at the time of enrollment in the Teachers' Pension and Annuity Fund and who within three years of the date of that enrollment ceases to be an active contributing member of the Public Employees' Retirement System may transfer all service credit in the Public Employees' Retirement System to the Teachers' Pension and Annuity Fund upon application and transfer of the member's contributions from the Public Employees' Retirement System to the Teachers' Pension and Annuity Fund. If the member has withdrawn the contributions to the Public Employees' Retirement System, the member may purchase credit for the service. The purchase shall be made in the same manner and be subject to the same terms and conditions provided for the purchase of previous membership service by N.J.S.18A:66-9.

2. Section 14 of P.L.1954, c.84 (C.43:15A-14) is amended to read as follows:

C.43:15A-14 Transfer or purchase of credit for service in other systems.

14. a. A member who is a member of another State-administered retirement system or pension fund at the time of enrollment in the Public Employees' Retirement System and does not contribute to the other system or fund after that time may transfer the service credit in the other system or fund to the Public Employees' Retirement System upon application and transfer of the member's contributions from the other system or fund to the system. If the member has withdrawn the contributions to the other retirement system or pension fund, the member may purchase credit for the service in the other system or fund. The purchase shall be made in the same manner and be subject to the same terms and conditions provided for the purchase of previous membership service by section 8 of P.L.1954, c.84 (C.43:15A-8).

b. A member who is a member of the Teachers' Pension and Annuity Fund, established pursuant to N.J.S.18A:66-1 et seq., at the time of enrollment in the Public Employees' Retirement System and who within three years of the date of that enrollment ceases to be an active contributing member of the Teachers' Pension and Annuity Fund may transfer all service credit in the Teachers' Pension and Annuity Fund to the Public Employees' Retirement System

upon application and transfer of the member's contributions from the Teachers' Pension and Annuity Fund to the Public Employees' Retirement System. If the member has withdrawn the contributions to the Teachers' Pension and Annuity Fund, the member may purchase credit for the service. The purchase shall be made in the same manner and be subject to the same terms and conditions provided for the purchase of previous membership service by section 8 of P.L.1954, c.84 (C.43:15A-8).

3. This act shall take effect immediately.

Approved January 5, 2002.