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# ASSEMBLY, No. 2274

## STATE OF NEW JERSEY 209th LEGISLATURE

INTRODUCED MARCH 20, 2000

**Sponsored by:**

**Assemblyman JACK COLLINS**

**District 3 (Salem, Cumberland and Gloucester)**

**SYNOPSIS**

Allows transfer of certain service credit between PERS and TPAF.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT concerning the transfer of certain 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  
4 Title 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17 member has withdrawn the contributions to the other retirement  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 subsequently ceases to be an active contributing member of  
41 the Public Employees' Retirement System may transfer all service  
42 credit in the Public Employees' Retirement System to the Teachers'  
43 Pension and Annuity Fund upon application and transfer of the

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3 withdrawn the contributions to the Public Employees' Retirement  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

8 (cf: P.L.1991, c.138, s.5)

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 subsequently ceases to be an active contributing member of the  
29 Teachers' Pension and Annuity Fund may transfer all service credit in  
30 the Teachers' Pension and Annuity Fund to the Public Employees'  
31 Retirement System upon application and transfer of the member's  
32 contributions from the Teachers' Pension and Annuity Fund to the  
33 Public Employees' Retirement System. If the member has withdrawn  
34 the contributions to the Teachers' Pension and Annuity Fund, the  
35 member may purchase credit for the service. The purchase shall be  
36 made in the same manner and be subject to the same terms and  
37 conditions provided for the purchase of previous membership service  
38 by section 8 of P.L.1954, c.84 (C.43:15A-8).

39 (cf: P.L.1991, c.138, s.9)

40  
41 3. This act shall take effect immediately.

42  
43 STATEMENT

44  
45 This bill allows a member of the Public Employees' Retirement  
46 System (PERS) or a member of the Teachers' Pension and Annuity

**A2274 COLLINS**

4

1 Fund (TPAF) to transfer all service credit between the two retirement  
2 systems even though there was an overlapping period of dual  
3 membership which, under current law, would otherwise prohibit the  
4 transfer of the service credit.

ASSEMBLY STATE GOVERNMENT COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 2274**

**STATE OF NEW JERSEY**

DATED: JUNE 8, 2000

The Assembly State Government Committee reports favorably Assembly Bill No. 2274.

This bill allows a member of the Public Employees' Retirement System (PERS) or a member of the Teachers' Pension and Annuity Fund (TPAF) to transfer all service credit between, or purchase credit for service in either of, those two retirement systems despite the existence of a period of dual membership.

Current law allows a transfer of service credit between PERS and TPAF only if there is no period of overlapping membership.

# ASSEMBLY APPROPRIATIONS COMMITTEE

## STATEMENT TO

### **ASSEMBLY, No. 2274**

with Assembly committee amendments

# STATE OF NEW JERSEY

DATED: JUNE 19, 2000

The Assembly Appropriations Committee reports favorably Assembly Bill No. 2274, with committee amendments.

Assembly Bill No. 2274, as amended, allows a member of the Public Employees' Retirement System (PERS) or a member of the Teachers' Pension and Annuity Fund (TPAF) to transfer all service credit between the two retirement systems even though there was a period, not to exceed two years, of dual membership.

Current law only allows a transfer of service credit between PERS and TPAF if there is *no* period of overlapping membership; this bill allows a two year window in which to make the transfer.

It is the understanding of the committee that the overlap between systems allowed under the bill does not create any possibility of allowing service credit to two systems, or double service credit to any one system, for service during the same calendar period. N.J.S.A.18A:66-15 (concerning TPAF) and N.J.S.A.43:15A-39 (concerning PERS) each provide that not more than one year shall be credited for all service in a calendar year.

The Pension and Health Benefits Review Commission recommended on June 9, 2000 that the bill be enacted if the bill were amended to place a reasonable limit on the period of system overlap.

#### FISCAL IMPACT:

Information obtained from the discussion of the bill before the Pension and Health Benefits Review Commission indicates that the number of persons affected is not known but is not believed to be substantial.

#### COMMITTEE AMENDMENTS:

The amendments limit the period of system overlap to two years or less.



[First Reprint]

**ASSEMBLY, No. 2274**

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**STATE OF NEW JERSEY**  
**209th LEGISLATURE**

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INTRODUCED MARCH 20, 2000

**Sponsored by:**

**Assemblyman JACK COLLINS**

**District 3 (Salem, Cumberland and Gloucester)**

**SYNOPSIS**

Allows transfer of certain service credit between PERS and TPAF.

**CURRENT VERSION OF TEXT**

As reported by the Assembly Appropriations Committee on June 19, 2000,  
with amendments.



1 AN ACT concerning the transfer of certain 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  
 4 Title 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 <sup>1</sup>[subsequently] within two years of the date of that  
 41 enrollment<sup>1</sup> ceases to be an active contributing member of 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.**

**Matter enclosed in superscript numerals has been adopted as follows:**

<sup>1</sup> Assembly AAP committee amendments adopted June 19, 2000.

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

11 (cf: P.L.1991, c.138, s.5)

12

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

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

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

43 (cf: P.L.1991, c.138, s.9)

44

45 3. This act shall take effect immediately.

# LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY, No. 2274

STATE OF NEW JERSEY

209th LEGISLATURE

DATED: JULY 10, 2000

## SUMMARY

**Synopsis:** Allows transfer of certain 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

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

- ! Bill allows Public Employees' Retirement System (PERS) member or Teachers' Pension and Annuity Fund (TPAF) member with up to two years of dual membership to transfer service credit from one retirement system to the other.
- ! Current law prohibits such transfer of the service credit when there is period of dual membership. When there is no period of dual membership, the transfer is permitted.
- ! 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. 2274 (1R) of 2000 allows an active contributing member of the Public Employees' Retirement System (PERS) or the Teachers' Pension and Annuity Fund (TPAF) with up to two years of dual membership (concurrent service in both) to transfer service credit from one retirement system to the other in which the person is an active contributing member. The transfer must occur within two years of the start of the dual membership.

Under current law, a transfer is permitted only if there is no period of dual membership. If there is a period of dual membership, a member must withdraw from one system and purchase

in the system in which the person is an active contributing member the service credit from the other system if the member wants to aggregate service credit in one system.

## **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. Information received informally from the Division of Pensions and Benefits indicates that the potential cost will 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 Szilagy*  
*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 STATE GOVERNMENT COMMITTEE

STATEMENT TO

[First Reprint]

**ASSEMBLY, No. 2274**

**STATE OF NEW JERSEY**

DATED: SEPTEMBER 25, 2000

The Senate State Government Committee reports favorably Assembly Bill No. 2274 (1R).

This bill allows a member of the Public Employees' Retirement System (PERS) or a member of the Teachers' Pension and Annuity Fund (TPAF) to transfer all service credit between the two retirement systems even though there was a period, not to exceed two years, of dual membership (concurrent membership in both retirement systems). The transfer of service credit can occur at any time while a person is a member of PERS or TPAF and does not have to take place within two years of the start of dual membership.

Current law prohibits such a transfer of service credit when there is any period of dual membership. A transfer of service credit is permitted only if there is no period of overlapping membership.

The bill also provides for the purchase of service credit if the member has withdrawn pension contributions.

The Pension and Health Benefits Review Commission recommended at its June 9, 2000 meeting that the bill be enacted if it were amended to place a reasonable limit on the period of system overlap.

P.L. 2001, CHAPTER 6, *approved January 16, 2001*  
Assembly, No. 2274 (*First Reprint*)

1 **AN ACT** concerning the transfer of certain 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  
4 Title 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 <sup>1</sup>[subsequently] within two years of the date of that

**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.**

**Matter enclosed in superscript numerals has been adopted as follows:**

**<sup>1</sup> Assembly AAP committee amendments adopted June 19, 2000.**



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

12 (cf: P.L.1991, c.138, s.5)

13

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

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

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

44 (cf: P.L.1991, c.138, s.9)

45

46 3. This act shall take effect immediately.

1

\_\_\_\_\_

2

3 Allows transfer of certain service credit between PERS and TPAF.

## CHAPTER 6

**AN ACT** concerning the transfer of certain 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 two 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 two 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 16, 2001.

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TRENTON, NJ 08625

*Office of the Governor*  
**NEWS RELEASE**

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RELEASE: January 16, 2001

Gov. Christie Whitman today signed the following legislation:

**A-1438**, sponsored by Assemblymen Moran (R-Atlantic/Burlington/Ocean) and Connors (R-Atlantic/Burlington/Ocean) and Senators DiGaetano (R-Bergen/Essex/Passaic) and Crecco (R-Essex/Passaic), increases by 5 percent the pension allowance payable to certain previously retired members of the Consolidated Police and Fireman's Pension Fund (CPFPPF), the Police and Fireman's Retirement System (PFRS), and to certain past and prospective law enforcement officer (LEO) retirants under the Public Employee's Retirement System (PERS). To be eligible for the increase a retiree must have rendered at least 25 years of creditable service under the system.

**A-1484**, sponsored by Assembly Members Heck (R-Bergen) and O'Toole (R-Essex/Union) and Senators Bark (R-Atlantic/Burlington/Camden) and Adler (D-Camden), revises the administrative rule-making process.

**A-2274**, sponsored by Assembly Member Collins (R-Salem/Cumberland/Gloucester), allows the transfer of certain service credit between the Public Employees' Retirement System and the Teachers' Pension and Annuity Fund.

**A-733**, sponsored by Assembly Members Talarico (R-Bergen) and Chatzidakis (R-Atlantic/Burlington/Camden) and Senators Sinagra (R-Middlesex) and Matheussen (R-Camden/Gloucester), subjects health maintenance organizations to the law regulating insurance holding company systems and revises the calculation of health insurance policy reserves.

**A-764**, sponsored by Assembly Members Previte (D-Camden) and Holzapfel (R-Monmouth/Ocean) and Senators Allen (R-Burlington/Camden) and Bennett (R-Monmouth), disqualifies a person adjudicated delinquent as a juvenile from obtaining either a handgun purchase permit or a firearms purchaser identification card in certain cases.