

LEGISLATIVE HISTORY CHECKLIST

NJSA: 43:16A-1, 43:16A-62.3

(P&FRS--include county welfare investigators in 1st class counties)

LAWS OF: 1985

CHAPTER: 221

Bill No: S1356

Sponsor(s): Caufield and Lipman

Date Introduced: February 27, 1984

Committee: Assembly: State Government, Federal and Interstate Relations and Veterans' Affairs.

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

Amended during passage: Yes according to Governor's recommendations

Substituted for A2116 (not attached since identical to S1356). Amendments denoted by asterisks.

Date of Passage:

Assembly: December 13, 1984 Re-enacted 6-27-85

Senate: July 30, 1984 Re-enacted 6-24-85

Date of Approval: July 2, 1985

Following statements are attached if available:

Sponsor statement: Yes

Committee statement: Assembly No

Senate Yes

Fiscal Note: Yes

Veto Message: Yes

Message on Signing: No

Following were printed:

Reports: No

Hearings: No

221 80
1182

[SECOND OFFICIAL COPY REPRINT]

SENATE, No. 1356

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 27, 1984

By Senators CAUFIELD and LIPMAN

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

AN Act to amend and supplement "An act for the establishment
of a police and firemen's retirement system for police, firemen
and certain other law enforcement officers," approved May 23,
1944 (P. L. 1944, c. 255) as said title was amended by P. L. 1976,
c. 139.

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

1 1. Section 1 of P. L. 1944, c. 255 (C. 43:16A-1) is amended to
2 read as follows:

3 1. As used in this act:

4 (1) "Retirement system" shall mean the Police and Firemen's
5 Retirement System of New Jersey as defined in section 2 of this act.

6 (2) ***["Policemen or firemen"]*** **Policeman or fireman** shall
7 mean any permanent and full-time active uniformed employee, and
8 any active permanent and full-time employee who is a detective,
9 lineman, fire alarm operator, or inspector of combustibles of any
10 police or fire department or any employee of a police or fire depart-
11 ment who was a member of the retirement system for a period of
12 15 years prior to his transfer to a position within the department
13 not otherwise covered by the retirement system. It shall also mean
14 any permanent, active, and full-time firefighter or officer employee
15 of the State of New Jersey, or any political subdivision thereof,
16 with police powers and holding one of the following titles: motor
17 vehicles officer, motor vehicles sergeant, motor vehicles lieutenant,
18 motor vehicles captain, assistant chief, bureau of enforcement, and

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

Matter printed in italics *thus* is new matter.

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

*—Assembly committee amendments adopted October 11, 1984.

**—Senate amendments adopted in accordance with Governor's recommenda-
tions June 17, 1985.

19 chief, bureau of enforcement in the Division of Motor Vehicles,
 20 alcoholic beverage control ***[investigators]*** **investigator**,
 20A alcoholic beverage control ***[inspectors]*** **inspector**, assistant
 21 deputy director, bureau of enforcement, and deputy director, bureau
 22 of enforcement in the Division of Alcoholic Beverage Control, con-
 23 servation officer, assistant district conservation officer, district con-
 24 servation officer ***[and]*** *,* chief conservation officer **and chief,*
 25 *bureau of law enforcement** in the Division of Fish, Game, and
 25A Wildlife, ***[rangers]*** **ranger** and chief ranger in the Bureau
 26 of Parks, State fire warden and chief, assistant chief, division fire
 27 warden, assistant division fire warden, staff section fire warden,
 28 and field section fire warden in the Forest Fire Service, Depart-
 29 ment of Environmental Protection, chief, Bureau of Forest Fire
 30 Management—State forest fire warden, supervising forester (fire),
 31 principal forester (fire), senior forester (fire), assistant forester
 32 (fire) in the Bureau of Forest Fire Management, Department of
 33 Environmental Protection, marine patrolman, senior marine patrol-
 34 man, principal marine patrolman, and chief, bureau of marine law
 35 enforcement, State fire marshal, deputy State fire marshal, and
 36 inspector fire safety, Department of Law and Public Safety, insti-
 37 tution fire chief**[,]** and assistant institution fire chief, Department
 38 of Human Services, correction officer, senior correction officer, cor-
 39 rection officer sergeant, correction officer lieutenant, correction
 40 officer captain, ****[and deputy ***[keepers]*** *keeper*]**** **investi-*
 41 *gators, senior investigators, principal investigators, assistant chief*
 42 *investigators, chief investigators and Directors of Custody Opera-*
 43 *tions I, II, III*** in the Department of Corrections, medical security
 44 officer, assistant supervising medical security officer, and super-
 45 vising medical security officer in the Department of Human Ser-
 46 vices, county detective, lieutenant of county detectives, captain of
 47 county detectives, deputy chief of county detectives, chief of county
 48 detectives, supervising auditor-investigator, auditor-investigator,
 49 electronics specialist, traffic safety coordinator-investigator, super-
 50 visor of electronics and investigations, and county investigator in
 51 the office of the county prosecutors, county sheriff, sheriff's officer,
 52 sergeant sheriff's officer, lieutenant sheriff's officer, captain sheriff's
 53 officer, chief sheriff's officer, and sheriff's investigator in the office
 54 of the county ***[sheriff's]*** **sheriffs**, county correction officer,
 55 county correction sergeant, county correction lieutenant, county
 56 correction captain, and county deputy warden in the several county
 57 jails, industrial trade instructor and identification officer in a
 58 county of the first class having a population of more than 850,000
 59 inhabitants, cottage officer, head cottage officer, interstate escort

60 officer, juvenile officer, head juvenile officer, assistant supervising
 61 juvenile officer, *and* supervising juvenile officer, *chief investigator*,
 62 *assistant chief investigator*, *senior investigator and investigator*
 63 *in a county welfare agency* ***in a county of the first class*** if the
 64 county adopts an ordinance or resolution, as appropriate, pursuant
 65 to subsection a. of section 2 of P. L., c. . . . (now pending
 66 before the Legislature as Senate Bill No. 1356 *and* Assembly Bill
 67 No. 2116* of 1984) patrolman **[capital]* capitol** police, patrol-
 67A man institutions, sergeant patrolman institutions, and supervising
 67B patrolman institutions and patrolman or other police officer of the
 67C Board of Commissioners of the Palisades Interstate Park appointed
 67D pursuant to R. S. 32:14-21.

68 (3) "Member" shall mean any policeman or fireman included
 69 in the membership of the retirement system as provided in section
 70 3 of this act.

71 (4) "Board of trustees" or "board" shall mean the board pro-
 72 vided for in section 13 of this act.

73 (5) "Medical board" shall mean the board of physicians pro-
 74 vided for in section 13 of this act.

75 (6) "Employer" shall mean the State of New Jersey, the county,
 76 municipality or political subdivision thereof which pays the par-
 77 ticular policeman or fireman.

78 (7) "Service" shall mean service as a policeman or fireman paid
 79 for by an employer.

80 (8) "Creditable service" shall mean service rendered for which
 81 credit is allowed as provided under section 4 of this act.

82 (9) "Regular interest" shall mean interest as determined annu-
 83 ally by the State Treasurer after consultation with the Directors
 84 of the Division of Investment and Pensions and the actuary of the
 85 system. It shall bear a reasonable relationship to the percentage
 86 rate of earnings on investments but shall not exceed 105% of such
 87 percentage rate.

88 (10) "Aggregate contributions" shall mean the sum of all the
 89 amounts, deducted from the compensation of a member or con-
 90 tributed by him or on his behalf, standing to the credit of his in-
 91 dividual account in the annuity savings fund.

92 (11) "Annuity" shall mean payments for life derived from the
 93 aggregate contributions of a member.

94 (12) "Pension" shall mean payments for life derived from
 95 contributions by the employer.

96 (13) "Retirement allowance" shall mean the pension plus the
 97 annuity.

98 (14) "Earnable compensation" shall mean the full rate of the

99 salary that would be payable to an employee if he worked the full
100 normal working time for his position. In cases where salary in-
101 cludes maintenance, the retirement system shall fix the value of that
102 part of the salary not paid in money which shall be considered
103 under this act.

104 (15) "Average final compensation" shall mean the average
105 annual salary upon which contributions are made for the three years
106 of creditable service immediately preceding his retirement or death,
107 or it shall mean the average annual salary for which contributions
108 are made during any three fiscal years of his or her membership
109 providing the largest possible benefit to the member or his bene-
110 ficiary.

111 (16) "Retirement" shall mean the termination of the member's
112 active service with a retirement allowance granted and paid under
113 the provisions of this act.

114 (17) "Annuity reserve" shall mean the present value of all pay-
115 ments to be made on account of any annuity or benefit in lieu of
116 any annuity computed upon the basis of such mortality tables
117 recommended by the actuary as shall be adopted by the board of
118 trustees, and regular interest.

119 (18) "Pension reserve" shall mean the present value of all pay-
120 ments to be made on account of any pension or benefit in lieu of
121 any pension computed upon the basis of such mortality tables
122 recommended by the actuary as shall be adopted by the board of
123 trustees, and regular interest.

123A (19) "Actuarial equivalent" shall mean a benefit of equal value
124 when computed upon the basis of such mortality tables recom-
125 mended by the actuary as shall be adopted by the board of trustees,
126 and regular interest.

127 (20) "Beneficiary" shall mean any person receiving a retire-
128 ment allowance or other benefit as provided by this act.

129 (21) "Child" shall mean a deceased member's or retirant's un-
130 married child either (a) under the age of 18 or (b) of any age
131 who, at the time of the member's or retirant's death, is disabled
132 because of mental retardation or physical incapacity, is unable to
133 do any substantial, gainful work because of the impairment and his
134 impairment has lasted or can be expected to last for a continuous
135 period of not less than 12 months, as affirmed by the medical board.

136 (22) "Parent" shall mean the parent of a member who was
137 receiving at least one-half of his support from the member in the
138 12-month period immediately preceding the member's death or the
139 accident which was the direct cause of the member's death. The

140 dependency of such a parent will be considered terminated by
141 marriage of the parent subsequent to the death of the member.

142 (23) "Widower" shall mean the man to whom a member or
143 retirant was married at least two years before the date of her
144 death and to whom she continued to be married until the date of her
145 death and who was receiving at least one-half of his support from
146 the member or retirant in the 12-month period immediately preced-
147 ing the member's or retirant's death or the accident which was the
148 direct cause of the member's death. The dependency of such a
149 widower will be considered terminated by marriage of the widower
150 subsequent to the death of the member or retirant. In the event of
151 the payment of an accidental death benefit, the two year qualifica-
152 tion shall be waived.

153 (24) "Widow" shall mean the woman to whom a member or
154 retirant was married at least two years before the date of his death
155 and to whom he continued to be married until the date of his death
156 and who has not remarried. In the event of the payment of an
157 accidental death benefit, the two-year qualification shall be waived.

158 (25) "Fiscal year" shall mean any year commencing with July 1,
159 and ending with June 30, next following.

160 (26) "Compensation" shall mean the base salary, for services
161 as a member as defined in this act, which is in accordance with
162 established salary policies of the member's employer for all em-
163 ployees in the same position but shall not include individual salary
164 adjustments which are granted primarily in anticipation of the
165 member's retirement or additional remuneration for performing
166 temporary duties beyond the regular work day.

167 (27) "Department" shall mean any police or fire department of
168 a municipality or a fire department of a fire district located in a
169 township or a county police or park police department or the
170 appropriate department of the State or instrumentality thereof.

171 (28) "Final compensation" means the compensation received by
172 the member in the last 12 months of creditable service preceding
173 his retirement.

1 2. (New section) a. Either the transfer to or the initial enroll-
2 ment in the Police and Firemen's Retirement System of chief
3 investigators, assistant chief investigators, senior investigators and
4 investigators in a county welfare agency is contingent upon the
5 approval of the county. A county may make such a transfer or
6 allow such an enrollment upon the adoption of an ordinance or
7 resolution, as appropriate.

8 b. If an ordinance or resolution is adopted pursuant to subsec-
9 tion a. of this section, an eligible officer who is a member of the

10 Public Employees' Retirement System (P. L. 1954, c. 84, C.
 11 43:15A-1 et seq.) or of a county pension fund created under
 12 P. L. 1943, c. 160 (C. 43:10-18.1 et seq.), or P. L. 1948, c. 310
 13 (C. 43:10-18.50), or article 1 of chapter 10 of Title 43 of the
 14 Revised Statutes (R. S. 43:10-1 et seq.), hereafter referred to as
 15 "county pension fund," shall be permitted to transfer his member-
 16 ship in the retirement system or county pension fund to the Police
 17 and Firemen's Retirement System of New Jersey by: (1) waiv-
 18 ing all rights and benefits which would otherwise be provided by
 19 the Public Employees' Retirement System or county pension fund
 20 and (2) making a lump sum payment into the Police and Fire-
 21 men's Retirement System annuity savings fund of the amount of
 22 the difference between the contribution which was paid as a member
 23 of the Public Employees' Retirement System or a county pension
 24 fund and the contribution that would have been required if he had
 25 been a member of the Police and Firemen's Retirement System
 26 since the date of last enrolling in the Public Employees' Retire-
 27 ment System or a county pension fund. In addition, the employee
 28 shall be liable for ****[any payment to the retirement system that**
 29 **the employer would have been required to make on behalf of the**
 30 **member for the *[purchase]* *transfer* of such credit]**** ***the*
 31 *amount of the difference between (1) the total contribution paid by*
 32 *the employer of the employee to the Public Employees' Retirement*
 33 *System of New Jersey or county pension fund with respect to any*
 34 *service credit transferred therefrom to the Police and Firemen's*
 35 *Retirement System under this subsection, and (2) the contribution*
 36 *which the employer would have been required to pay to the Police*
 37 *and Firemen's Retirement System with respect to that service*
 38 *credit if the employee had been enrolled in the Police and Firemen's*
 39 *Retirement System during the entire period with respect to which*
 40 *he accumulated that credit***; this payment may be made in regular
 41 monthly installments, or in a lump sum, as the employee may elect,
 42 and pursuant to rules and regulations as may be promulgated by
 43 the Division of Pensions. Any such officer will likewise be per-
 44 mitted to continue his membership in the Public Employees' Retire-
 44A ment System or county pension fund by waiving all rights and
 44B benefits which would otherwise be provided by the Police and
 44C Firemen's Retirement System. Such waivers shall be accomplished
 44D by filing forms satisfactory to the New Jersey Division of Pensions,
 44E which is responsible for the administration of the Police and Fire-
 44F men's Retirement System, within 90 days following the effective
 44G date of ***[this amendatory and supplementary act]*** **an ordinance*
 44H *or resolution adopted by a county under subsection a. of this*

44I *section**. In the absence of a filing of a timely waiver by any
44J eligible officer, his pension status shall remain unchanged and his
44K membership shall not be transferred to the Police and Firemen's
44L Retirement System.

45 c. The transfer of membership from the Public Employees' Re-
46 tirement System or county pension fund to the Police and Fire-
47 men's Retirement System shall be done in accordance with the
48 provisions of P. L. 1973, c. 156 (C. 43:16A-62 et seq.). Whenever
49 in P. L. 1973, c. 156 a period of time is set which is to be calculated
50 from the effective date of that act, such time shall be calculated
51 from the effective date of *~~the~~ **act*** **an ordinance or resolution adopted by a county under sub-*
52 *section a. of this section** for the purposes hereof.

53 d. If an ordinance or resolution is adopted pursuant to subsec-
54 tion a. of this section, each new officer who begins employment
55 following the effective date of the ordinance or resolution shall be
56 required to enroll in the Police and Firemen's Retirement System
57 as a condition of employment, provided he is otherwise eligible for
58 membership by meeting appointment, age, and health requirements
59 prescribed of all members. As of the effective date of the ordinance
60 or resolution, eligibility of membership for new officers in the Public
61 Employees' Retirement System shall be deemed terminated and
62 the membership requirements of such other retirement system shall
63 be deemed satisfied by the enrollment of such officers in the Police
64 and Firemen's Retirement System.

1 3. This act shall take effect immediately.

60 or resolution, eligibility of membership for new officers in the Public
61 Employees' Retirement System shall be deemed terminated and
62 the membership requirements of such other retirement system shall
63 be deemed satisfied by the enrollment of such officers in the Police
64 and Firemen's Retirement System.

1 3. This act shall take effect immediately.

STATEMENT

This bill concerns the transfer of county welfare agency investigators, including chief investigators, assistant chief investigators and senior investigators, who are members of a county pension fund or the Public Employees' Retirement System, to the Police and Firemen's Retirement System, provided that the county agrees to the transfer. The bill provides that new officer enrollment in the PFRS is also contingent upon county approval.

S1356(1985)

FISCAL NOTE TO
SENATE, No. 1356

STATE OF NEW JERSEY

DATED: NOVEMBER 29, 1984

Senate Bill No. 1356 of 1984 amends and supplements the act governing the Police and Firemen's Retirement System to include the positions of chief investigator, assistant investigator, senior investigator and investigator in a county welfare agency, if the county adopts an ordinance or resolution permitting the transfer of membership.

Upon the adoption of such ordinance or resolution, those persons who are members of the Public Employees Retirement System or any county pension fund may transfer their membership to the Police and Firemen's Retirement System, but they are required to make payment of past service costs by making a lump sum payment of the difference between the contribution they made in their former system and the contribution they would have been required to make as a member of the Police and Firemen's Retirement System. In addition, they are liable for the difference in the payment that the employer would have been required to make on their behalf as a member of the Police and Firemen's Retirement System and what was actually paid on their behalf as a member of their present retirement system.

The election of current employees to transfer is optional for the individual investigator once the county has acted. However, future employees would be required to enroll in the Police and Firemen's Retirement System. The bill is to take effect immediately.

The Division of Pensions does not know how many individuals will take advantage of the opportunity to transfer from their existing pension fund to the Police and Firemen's Retirement System, assuming the counties adopt an ordinance or resolution permitting such transfer. The cost for a regular member of the Police and Firemen's Retirement System is about 9% of salary. There is also a 7% of salary charge paid by the public for Social Security. Social Security coverage will be continued even though these individuals are transferred to the Police and Firemen's Retirement System, from the Public Employee's Retirement System. The regular cost for members of the Police and Firemen's Retirement System is about 16% of salary. Therefore, the net additional cost to the counties would be about 7% of salary.

The Division of Pensions further notes that additional cost will be incurred under the Pension Adjustment Program because the benefits likely to be paid as a result of this legislation will be larger in amount and hence the adjustments will be larger.

The Office of Legislative Services concurs.

This fiscal note has been prepared pursuant to P. L. 1980, c. 67.

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

April 26, 1985

SENATE BILL NO. 1356 (OCR)

To the Senate:

Pursuant to Article V, Section 1, Paragraph 14 of the Constitution, I herewith return Senate Bill No. 1356 (OCR) with my recommendations for reconsideration.

Senate Bill No. 1356 (OCR) would allow a chief investigator, assistant chief investigator, senior investigator, or investigator in a county welfare agency to transfer membership from a county pension fund or the Public Employees' Retirement System (PERS) to the Police and Firemen's Retirement System (PFRS). Eligible employees may transfer pension systems only if the county passes an ordinance or resolution providing for the transfer. The transferring employees must pay the cost of the transfer. The cost will be the difference between the employer and employee contributions to the county pension fund or the PERS and what employer and employee contributions would have been if the employee had always been a member of the PFRS. The decision to transfer to the PFRS will be optional for current employees, but will be a condition of employment for individuals hired after the effective date of an ordinance or resolution.

I must return Senate Bill No. 1356 (OCR) so that it may be amended in three areas:

Senate Bill No. 1356 (OCR) must be amended to properly reflect the purpose for which it was introduced. The sponsor intended that Senate Bill No. 1356 (OCR) apply to a chief investigator, assistant chief investigator, senior investigator, and investigator in a county welfare agency in a county of the first class. In its current form, Senate Bill No. 1356 (OCR) applies to individuals employed in the above occupations in all county welfare agencies. I recommend that Senate Bill No. 1356 (OCR) be amended to narrow the scope to conform with the sponsor's intent by limiting its application to counties of the first class.

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

2

I also recommend that Senate Bill No. 1356 (OCR) be amended to ensure that the employee will pay the employer's portion of the pension system transfer cost. The bill provides that the employee will be liable for any payment to the PFRS that the employer will be required to make on behalf of the member for the transfer of service credit. The Division of Pensions advises that there is no cost either to the employer or employee when service credit is transferred between pension systems. The cost arises after the transfer when the difference is calculated between employer and employee contributions to the PERS or county pension fund and what contributions to the PFRS would have been. Senate Bill No. 1356 (OCR) must be amended to strengthen the language pertaining to the employee's obligation to pay the employer's portion of the pension system transfer cost, and to describe the cost.

Finally, I am proposing a technical correction to reflect a recent amendment to current law through the enactment of P.L. 1985, c.29 (February 1, 1985), Senate Bill No. 2004 (OCR).

Accordingly, I return Senate Bill No. 1356 (OCR) and recommend that it be amended as follows:

Page 2, Section 1, Line 40: After "captain," delete "and deputy keeper" insert "investigators, senior investigators, principal investigators, assistant chief investigators, chief investigators and Directors of Custody Operations I, II, III"

Page 3, Section 1, Line 61: After "agency" insert "in a county of the first class"

Page 6, Section 2, Lines 28-30: Delete "any payment to the retirement system that the employer would have been required to make on behalf of the member for the transfer of such credit" insert "the amount of the difference between (1) the total contribution paid by the employer of the employee to the Public Employees' Retirement System of New Jersey or county pension fund with respect to any service credit transferred therefrom to the Police and Firemen's Retirement System under this subsection, and (2) the contribution which the employer would have been required to pay to the Police and Firemen's Retirement System with respect to that service credit if the employee had been enrolled in the Police

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

3

and Firemen's Retirement System during the entire period with respect to which he accumulated that credit"

Respectfully,
/s/ Thomas H. Kean
GOVERNOR

[seal]

Attest:

/s/ W. Cary Edwards
Chief Counsel