

43:16A-11.9

LEGISLATIVE HISTORY CHECKLIST

**NJSA:** 43:16A-11.9 (Police directors--certain  
--purchase credit in PFRS)

**LAWS OF:** 1985 **CHAPTER:** 450

**BILL NO:** S2710

**Sponsor(s):** Caufield

**Date Introduced:** February 14, 1985

**Committee: Assembly:** State Government, Civil Services Elections, Pensions and Veterans' Affairs.

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

**Amended during passage:** Yes Amendments denoted by asterisks  
according to Governor's recommendations

**Date of Passage:** **Assembly:** May 13, 1985 Re-enacted 1-6-86  
**Senate:** March 7, 1985 Re-enacted 11-18-85

**Date of Approval:** January 14, 1986

**Following statements are attached if available:**

**Sponsor statement:** Yes

**Committee statement:** **Assembly** Yes  
**Senate** Yes

**Fiscal Note:** No

**Veto Message:** Yes

**Message on Signing:** No

**Following were printed:**

**Reports:** No

**Hearings:** No

SENATE, No. 2710

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 14, 1985

By Senator CAUFIELD

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

AN ACT concerning the purchase of credit for service for time  
under a leave of absence in the Police and Firemen's Retirement  
System of New Jersey and supplementing P. L. 1944, c. 255  
(C. 43:16A-1 et seq.).

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

1 1. Notwithstanding any other law to the contrary, any member  
2 who was employed as a police director in any city of the first class  
3 that holds a position within the classified service may, upon filing  
4 an application with the board of trustees of the retirement system,  
5 purchase credit for service for time under a leave of absence, but  
6 not exceeding two years, by agreeing, within three years after the  
7 effective date of this act, to make contributions covering the service.

8 The member may purchase credit for the service by paying into  
9 the annuity savings fund the amount required by the actuary,  
10 applicable to his age at the time of the purchase, to his salary at  
11 that time. The purchase may be made in regular monthly install-  
12 ments or in a lump sum as he may elect and pursuant to rules and  
13 regulations as may be promulgated by the Division of Pensions.  
14 The employer of a member who applies to purchase credit under  
15 the provisions of this act shall not be liable for any payment to  
16 the retirement system on behalf of the member for the purchase  
17 of the credit. If, upon retirement, the member's payment for  
18 purchase of the credit is insufficient to provide for the additional  
19 retirement benefit attributable to the service, the difference may

20 be assessed to the member, or a pro rata credit may be granted  
21 based on service purchased prior to the date of retirement, at the  
22 election of the member.

23 Any member electing to contribute toward the service, who re-  
24 tires prior to completing payment as agreed with the retirement  
25 system for the purchase of the service, will receive pro rata credit  
26 for service purchased prior to the date of retirement, but if he  
27 so elects at the time of retirement, he may make an additional lump  
28 sum payment at that time as will be necessary to provide full credit.

1 2. This act shall take effect immediately.

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#### STATEMENT

This bill permits a member who was employed as a police director of any city of the first class that holds a position within the classified service to purchase credit for service for time under a leave of absence but not exceeding two years.

The bill specifies that the member shall pay both the employee and the employer costs for the purchase of the credit, and permits a final assessment at the time of retirement if the payment is insufficient to provide the additional benefit attributable to the purchase of the credit.

52710(1985)

1-14-86

[THIRD OFFICIAL COPY REPRINT]

## SENATE, No. 2710

## STATE OF NEW JERSEY

INTRODUCED FEBRUARY 14, 1985

By Senator CAUFIELD

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

AN ACT **\*\*[concerning]\*\*** *\*\*authorizing\*\** the purchase of *\*\*service\*\** credit **\*\*[for service for time under a leave of absence]\*\*** in the Police and Firemen's Retirement System of New Jersey *\*\*for certain periods of service with public agencies or private, nonprofit organizations,\*\** and supplementing P. L. 1944, c. 255 (C. 43:16A-1 et seq.).

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

1 1. **\*\*[Notwithstanding any other law to the contrary, any mem-**  
2 **ber who was employed as a police director in any city of the first**  
3 **class **\*\*[that]\*\*** *\*and who\** holds a position within the classified ser-**  
4 **vice may, upon filing an application with the board of trustees of**  
5 **the retirement system, purchase credit for service for time under a**  
6 **leave of absence *\*to engage in other police service\**, but not exceed-**  
7 **ing **\*\*[two]\*\*** *\*three\** years, by agreeing, within three years after**  
7A **the effective date of this act, to make contributions covering the**  
7B **service]\*\*** *\*\* Any member of the Police and Firemen's Retirement*  
8 *System of New Jersey who has at least 20 years of creditable ser-*  
9 *vice in the retirement system and who leaves a position covered by*  
10 *the retirement system, with the approval of the employer, to take*  
11 *a full-time position with a. a federal agency, b. an agency of another*  
12 *state or local government thereof, c. a national, regional, state-*  
13 *wide, areawide or metropolitan organization representing member*  
14 *state or local governments, d. an association of state or local*  
15 *public officials, or e. a nonprofit organization which has as one of*  
16 *its principal functions the offering of professional advisory, re-*

**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:**

**\*—Senate committee amendments adopted February 25, 1985.**

**\*\*—Assembly committee amendments adopted April 29, 1985.**

**\*\*\*—Senate amendments adopted in accordance with Governor's recommendations December 9, 1985.**

17 *search, educational or development services, or related services, to*  
 18 *governments or universities concerned with public management,*  
 19 *may, upon filing an application with the board of trustees of the*  
 20 *retirement system, purchase credit in the retirement system for all*  
 21 *or a portion of the time of service with the public agency or private*  
 22 *organization, but not exceeding \*\*\*[two]\*\*\* \*\*\*three\*\*\* years, as*  
 22A *provided in this act\*\*.*

23 The member may purchase credit for the service by paying into  
 24 the annuity savings fund the amount **\*\*[required]\*\*** *\*\*determined*  
 25 *by applying the factor, supplied\*\** by the actuary, applicable to his  
 26 age at the time of the purchase, to his *\*\*creditable\*\** salary **\*\*[at**  
 27 **that time]\*\*** *\*\*in the last 12 months of creditable service in the*  
 28 *position covered by the retirement system immediately preceding*  
 29 *the service with the public agency or private organization\*\*.* The  
 30 purchase may be made in regular monthly installments or in a  
 31 lump sum as **\*\*[he]\*\*** *\*\*the member\*\** may elect and pursuant to  
 32 rules and regulations as may be promulgated by the Division of  
 33 Pensions. **\*\*[The employer of a member who applies to purchase**  
 34 **credit under the provisions of this act shall not be liable for any**  
 35 **payment to the retirement system on behalf of the member for the**  
 36 **purchase of the credit]\*\*** *\*\*The member shall bear the entire cost*  
 37 *for the additional retirement benefit attributable to the purchased*  
 38 *credit\*\*.* If, upon retirement, the member's payment for purchase  
 39 of the credit is insufficient to provide for the additional retirement  
 40 benefit attributable to the service, the difference may be assessed  
 41 to the member, or a pro rata credit may be granted based on ser-  
 42 vice purchased prior to the date of retirement, at the election of  
 43 the member.

44 **\*\*[Any]\*\*** *\*\*If the\*\** member **\*\*[electing to contribute toward**  
 45 **the \*purchase of\* service, who]\*\*** retires prior to completing  
 46 **\*\*[payment as agreed with the retirement system for]\*\*** the pur-  
 47 chase **\*\*[ of the service]\*\***, *\*\*he\*\** will receive pro rata credit for  
 48 service purchased prior to the date of retirement, **\*\*[but if he so**  
 49 **elects at the time of retirement,]\*\*** *\*\*unless\*\** he **\*\*[may make]\*\***  
 50 *\*\*makes\*\** an additional lump sum payment at that time as will be  
 51 necessary to provide full credit.

52 *\*\*The purchase may be made within \*\*\*[three]\*\*\* \*\*\*four\*\*\**  
 53 *years of the date of the member's last contributions to the retire-*  
 54 *ment system in the covered position immediately preceding the*  
 55 *service with the public agency or private organization.\*\**

1 2. This act shall take effect immediately.

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ASSEMBLY STATE GOVERNMENT, CIVIL SERVICE,  
ELECTIONS, PENSIONS AND VETERANS AFFAIRS  
COMMITTEE

STATEMENT TO  
**SENATE, No. 2710**

[OFFICIAL COPY REPRINT]  
with Assembly committee amendments

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**STATE OF NEW JERSEY**

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DATED: APRIL 29, 1985

This bill permits a member of the Police and Firemen's Retirement System who has at least 20 years of creditable service in the retirement system and who leaves a position covered by the retirement system, with the approval of the employer, to take a full-time position with a. a federal agency, b. an agency of another State or local government thereof, c. a national, regional, Statewide, areawide or metropolitan organization representing member State or local governments, d. an association of State or local public officials, or e. a nonprofit organization which has as one of its principal functions the offering of professional advisory, research, educational or development services, or related services, to governments or universities concerned with public management to purchase PFRS credit for up to two years of service for time under a leave of absence to engage in other police service.

The bill specifies that the member shall not bear the entire cost for the additional retirement benefits attributable to the purchased credit.

**COMMITTEE AMENDMENT:**

The committee adopted an amendment (1) establishing the standard of eligibility for the credit purchase set forth above, (2) reducing from three to two years the maximum amount of service credit which could be purchased under the bill, and (3) revising the language of the purchase terms in accordance with the recommendations of the Division of Pensions.

**COMMITTEE ACTION:**

The committee reported the bill, as amended, favorably.

SENATE STATE GOVERNMENT, FEDERAL AND  
INTERSTATE RELATIONS AND VETERANS AFFAIRS  
COMMITTEE

STATEMENT TO

**SENATE, No. 2710**

with Senate committee amendments

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**STATE OF NEW JERSEY**

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DATED: FEBRUARY 25, 1985

As amended, this bill permits a member who was employed as a police director of any city of the first class and who holds a position within the classified service to purchase credit for up to three years of service for time under a leave of absence to engage in other police service.

The bill specifies that the member shall pay both the employee and the employer costs for the purchase of the credit, and permits a final assessment at the time of retirement if the payment is insufficient to provide the additional benefit attributable to the purchase of the credit.

STATE OF NEW JERSEY  
EXECUTIVE DEPARTMENT

June 27, 1985

SENATE BILL NO. 2710 (2nd OCR)

To the Senate:

Pursuant to Article V, Section 1, Paragraph 14 of the Constitution, I herewith return Senate Bill No. 2710 (2nd OCR) with my recommendations for reconsideration.

Senate Bill No. 2710 (2nd OCR) would allow a member of the Police and Firemen's Retirement System (PFRS) with at least 20 years of creditable service who leaves a position covered by the PFRS to work for a public agency or private nonprofit organization to purchase up to two years of credit for the time of service with the public agency or private nonprofit organization. The public agencies or private nonprofit organizations include federal agencies; an agency of another state or local government; a national, regional, statewide, areawide or metropolitan organization representing member state or local governments; an association of state or local public officials; and a nonprofit organization which has as one of its principal functions the offering of professional advisory, research, educational or development services to governments and universities concerned with public management.

The member must pay the entire cost of the service credit purchase. The member may purchase the credit within three years of the date of his last contribution to the PFRS immediately preceding the service with the public agency or private nonprofit organization.

I must return Senate Bill No. 2710 (2nd OCR) so that it may be amended to properly reflect the purpose for which it was introduced. The sponsor introduced Senate Bill No. 2710 (2nd OCR) to enable certain individuals who have left positions covered by the PFRS for positions with other public agencies or private nonprofit organizations to purchase up to three years of service credit for the time of service with the public agency or private nonprofit organization. In its current form, Senate Bill No. 2710 (2nd OCR) would limit a service credit purchase to two years. I recommend that Senate Bill No. 2710 (2nd OCR) be amended to increase the service credit purchase limit from two to



STATE OF NEW JERSEY  
EXECUTIVE DEPARTMENT

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three years. Consequently, I also recommend that the time limit for purchasing the service credit be increased from three to four years to ensure that an eligible PFRS member will have the opportunity to purchase up to three years of service credit. Amending Senate Bill No. 2710 (2nd OCR) in this manner will conform the bill to the sponsor's intent.

Accordingly, I return Senate Bill No. 2710 (2nd OCR) and recommend that it be amended as follows:

Page 2, Section 1, Line 22: Delete "two" insert "three"

Page 2, Section 1, Line 52: Delete "three" insert "four"

Respectfully,  
/s/ Thomas H. Kean  
GOVERNOR

[seal]

Attest:  
/s/ W. Cary Edwards  
Chief Counsel