

43:16A-1

LEGISLATIVE HISTORY CHECKLIST

NJSA: 43:16A-1 (Department of Corrections--permit former PFRS member to re-enroll in PERS)

LAWS OF: 1985 **CHAPTER:** 470

BILL NO: S2186

Sponsor(s): McManimon

Date Introduced: September 20, 1984

Committee: Assembly: State Government, Civil Service, 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 6, 1985 Re-enacted 1-13-86

Senate: December 17, 1984 Re-enacted 11-18-85

Date of Approval: January 16, 1985

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

1-16-86

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SENATE, No. 2186

STATE OF NEW JERSEY

INTRODUCED SEPTEMBER 20, 1984

By Senator McMANIMON

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

AN ACT concerning the Police and Firemen's Retirement System of
New Jersey, amending and supplementing P. L. 1944, c. 255.

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) "Policeman or fireman" shall mean any permanent and full-
7 time active uniformed employee, and any active permanent and
8 full-time employee who is a detective, lineman, fire alarm operator,
9 or inspector of combustibles of any police or fire department or
10 any employee of a police or fire department who was a member
11 of the retirement system for a period of 15 years prior to his trans-
12 fer to a position within the department not otherwise covered by
13 the retirement system or any officer or employee serving in the title
14 of Assistant Superintendent I, Assistant Superintendent II, Assis-
15 tant Superintendent III, Superintendent I, Superintendent II, Su-
16 perintendent III or Administrator, Prison Complex within the De-
17 partment of Corrections who, prior to appointment to ****[theses]****
18 ****any of those**** titles, was a member of the retirement system. It
19 shall also mean any permanent, active, and full-time firefighter or
20 officer employee of the State of New Jersey, or any political sub-
21 division thereof, with police powers and holding one of the follow-

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 amendment adopted November 29, 1984.

**—Assembly committee amendments adopted February 14, 1985.

***—Senate amendments adopted in accordance with Governor's recommenda-
tions September 9, 1985.

22 ing titles: motor vehicles officer, motor vehicles sergeant, motor
 23 vehicles lieutenant, motor vehicles captain, assistant chief, bureau
 24 of enforcement, and chief, bureau of enforcement in the Division of
 25 Motor Vehicles, ***and highway patrol officer, sergeant highway
 26 patrol bureau, lieutenant highway patrol bureau, captain highway
 27 patrol bureau, assistant chief highway patrol bureau, chief highway
 28 patrol bureau in the Division of State Police and*** alcoholic bever-
 29 age control investigator, alcoholic beverage control inspector, assis-
 30 tant deputy director, bureau of enforcement, and deputy director,
 31 bureau of enforcement in the Division of Alcoholic Beverage
 32 Control, ***and inspector recruit alcoholic beverage control, inspec-
 33 tor alcoholic beverage control, senior inspector alcoholic beverage
 34 control, principal inspector alcoholic beverage control, supervising
 35 inspector alcoholic beverage control in the Division of State Police
 36 and*** conservation officer, assistant district conservation officer,
 37 district conservation officer, chief conservation officer and chief,
 38 bureau of law enforcement in the Division of Fish, Game, and
 39 Wildlife, ranger and chief ranger in the Bureau of Parks, State fire
 40 warden and chief, assistant chief, division fire warden, assistant
 41 division fire warden, staff section fire warden, and field section fire
 42 warden in the Forest Fire Service, Department of Environmental
 43 Protection, chief, Bureau of Forest Fire Management—State forest
 44 fire warden, supervising forester (fire), principal forester (fire),
 45 senior foresetr (fire), assistant forester (fire) **[,]** in the Bureau
 46 of Forest Fire Management, Department of Environmental Pro-
 47 tection, ***and marine police officer, senior marine police officer,
 48 principal marine police officer in the Division of State Police, and***
 49 marine patrolman, senior marine patrolman, principal marine
 50 patrolman, and chief, bureau of marine law enforcement, ***and***
 51 State fire marshal, deputy State fire marshal, and inspector fire
 52 safety, Department of Law and Public Safety, institution fire
 53 chief***[,]*** and assistant institution fire chief, Department of
 54 Human Services, correction officer, senior correction officer, correc-
 55 tion officer sergeant, correction officer lieutenant, correction officer
 56 captain, **investigator, senior investigator, principal investigator,
 57 assistant chief investigator, chief investigator** and **[deputy
 58 keeper]** **Director of Custody Operations I, II, III** in the
 59 Department of Corrections, medical security officer, assistant super-
 60 vising medical security officer, and supervising medical security
 61 officer in the Department of Human Services, county detective,
 62 lieutenant of county detectives, captain of county detectives, deputy
 63 chief of county detectives, chief of county detectives, supervising
 64 auditor-investigator, auditor-investigator, electronics specialist,

65 traffic safety coordinator-investigator, supervisor of electronics and
 66 investigations, and county investigator in the office of the county
 67 prosecutors, county sheriff, sheric's officer, sergeant sheriff's officer,
 68 lieutenant sheriff's officer, captain sheriff's officer, chief sheriff's
 68A officer, and sheriff's investigator in the office of the county sheriffs,
 68B county correction officer, county correction sergeant, county correc-
 68C tion lieutenant, county correction captain, and county deputy war-
 68D den in the several county jails, industrial trade instructor and
 68E identification officer in a county of the first class having a population
 68F of more than 850,000 inhabitants, cottage officer, head cottage officer,
 68G interstate escort officer, juvenile officer, head juvenile officer, assis-
 68H tant supervising juvenile officer, ****and**** supervising juvenile
 68I officer, ****chief investigator, assistant chief investigator, senior*
 68J *investigator and investigator in a county welfare agency in a county*
 68K *of the first class if the county adopts an ordinance or resolution, as*
 68L *appropriate, pursuant to subsection a. of section 2 of P. L. 1985,*
 68M *c. 221 (C. 43:16A-62.3) and police officer capital police, senior police*
 68N *officer capitol police in the Division of State Police and,**** patrol-
 68O *man ***[capital]*** ***capitol**** police, patrolman institutions,
 68P sergeant patrolman institutions, and supervising patrolman institu-
 68Q tions and patrolman or other police officer of the Board of Commis-
 68R sioners of the Palisades Interstate Park appointed pursuant to
 68S R. S. 32:14-21.

69 (3) "Member" shall mean any policeman or fireman included
 70 in the membership of the retirement system as provided in section
 71 3 of this act.

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

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

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

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

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

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

- 89 (10) "Aggregate contributions" shall mean the sum of all the
90 amounts, deducted from the compensation of a member or con-
91 tributed by him or on his behalf, standing to the credit of his indi-
92 vidual account in the annuity savings fund.
- 93 (11) "Annuity" shall mean payments for life derived from the
94 aggregate contributions of a member.
- 95 (12) "Pension" shall mean payments for life derived from
96 contributions by the employer.
- 97 (13) "Retirement allowance" shall mean the pension plus the
98 annuity.
- 99 (14) "Earnable compensation" shall mean the full rate of the
100 salary that would be payable to an employee if he worked the full
101 normal working time for his position. In cases where salary in-
102 cludes maintenance, the retirement system shall fix the value of that
103 part of the salary not paid in money which shall be considered
104 under this act.
- 105 (15) "Average final compensation" shall mean the average
106 annual salary upon which contributions are made for the three years
107 of creditable service immediately preceding his retirement or death,
108 or it shall mean the average annual salary for which contributions
109 are made during any three fiscal years of his or her membership
110 providing the largest possible benefit to the member or his benefi-
111 ciary.
- 112 (16) "Retirement" shall mean the termination of the member's
113 active service with a retirement allowance granted and paid under
114 the provisions of this act.
- 115 (17) "Annuity reserve" shall mean the present value of all pay-
116 ments to be made on account of any annuity or benefit in lieu of
117 any annuity computed upon the basis of such mortality tables
118 recommended by the actuary as shall be adopted by the board of
119 trustees, and regular interest.
- 120 (18) "Pension reserve" shall mean the present value of all pay-
121 ments to be made on account of any pension or benefit in lieu of
122 any pension computed upon the basis of such mortality tables
123 recommended by the actuary as shall be adopted by the board of
124 trustees, and regular interest.
- 125 (19) "Actuarial equivalent" shall mean a benefit of equal value
126 when computed upon the basis of such mortality tables recom-
127 mended by the actuary as shall be adopted by the board of trustees,
128 and regular interest.
- 129 (20) "Beneficiary" shall mean any person receiving a retire-
130 ment allowance or other benefit as provided by this act.
- 131 (21) "Child" shall mean a deceased member's or retirant's un-

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

138 (22) "Parent" shall mean the parent of a member who was
139 receiving at least one-half of his support from the member in the
140 12-month period immediately preceding the member's death or the
141 accident which was the direct cause of the member's death. The
142 dependency of such a parent will be considered terminated by
143 marriage of the parent subsequent to the death of the member.

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

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

160 (25) "Fiscal year" shall mean any year commencing with July
161 1, and ending with June 30, next following.

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

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

173 (28) "Final compensation" means the compensation received by

174 the member in the last 12 months of creditable service preceding
175 his retirement.

1 2. a. (New section) An eligible officer or employee **who is serv-*
2 *ing in a title covered by this **[1984]** **1985** amendatory and*
3 *supplementary act and** who is a member of the Public Employees'
4 Retirement System (P. L. 1954, c. 84; C. 43:15A-1 et seq.) shall be
5 permitted to transfer his membership in that retirement system
6 to the Police and Firemen's Retirement System of New Jersey
7 by waiving all rights and benefits which would otherwise be
8 provided by the Public Employees' Retirement System and
9 by paying into the Police and Firemen's Retirement System
9A annuity savings fund the amount of the difference between
9B the contribution which was paid as a member of the Public Em-
10 ployees' Retirement System and the contribution that would have
11 been required if he had been a member of the Police and Firemen's
12 Retirement System since the date of last enrolling in the Public
13 Employees' Retirement System. Any such officer or employee will
14 likewise be permitted to continue his membership in the Public
15 Employees' Retirement System by waiving all rights and benefits
16 which would otherwise be provided by the Police and Firemen's
17 Retirement System. Such waivers shall be accomplished by filing
18 forms satisfactory to the New Jersey Division of Pensions, which
19 is responsible for the administration of the Police and Firemen's
20 Retirement System, within 90 days following the effective date of
21 this amendatory and supplementary act, and in the case of a waiver
22 with respect to transferral to the Police and Firemen's Retirement
23 System of New Jersey, a lump sum payment in the amount of the
24 difference between the contribution which was paid as a member
25 of the Public Employees' Retirement System and the contribution
26 that would have been required if he had been a member of the
27 Police and Firemen's Retirement System since the date of last
28 enrolling in the Public Employees' Retirement System shall be
29 made at the time of filing the waiver. In addition, the employee
30 shall be liable for *****[any payment to the retirement system that**
31 **the employer would have been required to make on behalf of the**
32 **member for the purchase of such credit]***** ****the amount of the*
33 *difference between (1) the total contribution paid by the employer*
34 *of the employee to the Public Employees' Retirement System of*
35 *New Jersey with respect to any service credit transferred therefrom*
36 *to the Police and Firemen's Retirement System under this sub-*
37 *section, and (2) the contribution which the employer would have*
38 *been required to pay to the Police and Firemen's Retirement*
39 *System with respect to that service credit if the employee had been*

39A *enrolled in the Police and Firemen's Retirement System during the*
39B *entire period with respect to which he accumulated that credit***;*
39C this payment may be made in regular monthly installments or in a
39D lump sum, as the employee may elect, and pursuant to rules and
39E regulations as may be promulgated by the Division of Pensions. In
39F the absence of a filing of a timely waiver and, if appropriate, making
39G payment by any eligible officer or employee, his pension status shall
39H remain unchanged and his membership shall not be transferred to
39I the Police and Firemen's ****[Pension]**** ****Retirement**** System.

40 b. The transfer of membership from the Public Employee's Re-
41 tirement System to the Police and Firemen's Retirement System
42 shall be done in accordance with the provisions of P. L. 1973, c. 156
43 (C. 43:16A-62 et seq.). Whenever in P. L. 1973, c. 156 a period of
44 time is set which is to be calculated from the effective date of that
45 act, such time shall be calculated from the effective date of this
46 amendatory and supplementary act for the purposes hereof.

1 3. This act shall take effect immediately.

20 Retirement System, within 90 days following the effective date of
 21 this amendatory and supplementary act, and in the case of a waiver
 22 with respect to transferral to the Police and Firemen's Retirement
 23 System of New Jersey, a lump sum payment in the amount of the
 24 difference between the contribution which was paid as a member
 25 of the Public Employees' Retirement System and the contribution
 26 that would have been required if he had been a member of the
 27 Police and Firemen's Retirement System since the date of last
 28 enrolling in the Public Employees' Retirement System shall be
 29 made at the time of filing the waiver. In addition, the employee
 30 shall be liable for any payment to the retirement system that the
 31 employer would have been required to make on behalf of the mem-
 32 ber for the purchase of such credit; this payment may be made in
 33 regular monthly installments or in a lump sum, as the employee
 34 may elect, and pursuant to rules and regulations as may be promul-
 35 gated by the Division of Pensions. In the absence of a filing of a
 36 timely waiver and, if appropriate, making payment by any eligible
 37 officer or employee, his pension status shall remain unchanged and
 38 his membership shall not be transferred to the Police and Fire-
 39 men's Pension System.

40 b. The transfer of membership from the Public Employee's Re-
 41 tirement System to the Police and Firemen's Retirement System
 42 shall be done in accordance with the provisions of P. L. 1973, c. 156
 43 (C. 43:16A-62 et seq.). Whenever in P. L. 1973, c. 156 a period of
 44 time is set which is to be calculated from the effective date of that
 45 act, such time shall be calculated from the effective date of this
 46 amendatory and supplementary act for the purposes hereof.

1 3. This act shall take effect immediately.

STATEMENT

This bill permits persons within the Department of Corrections serving in certain job titles who were previously members of the Police and Firemen's Retirement System to enroll in P. F. R. S. The bill makes transfers by eligible officers and employees from the Public Employees' Retirement System to P. F. R. S. optional.

52186(1985)

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

STATEMENT TO
SENATE, No. 2186

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with Assembly committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 14, 1985

This bill confers eligibility for membership in the Police and Firemen's Retirement System upon any officer or employee serving in the title of Assistant Superintendent I, Assistant Superintendent II, Assistant Superintendent III, Superintendent I, Superintendent II, Superintendent III, or Administrator, Prison Complex within the Department of Corrections who, prior to appointment to any of those titles, was a member of the retirement system.

The bill authorizes the transfer to PFRS by any member of the Public Employees' Retirement System serving in a title covered by the bill. A transferring member would have to make, at the time of the transfer, a lump sum payment of the amount of the difference between the contribution which was paid as a member of PERS and the contribution that would have been required if he had been a member of PFRS since the date of last enrolling in PERS. He would also be liable for any payment that the employer would have been required to make on his behalf for the purchase of the credit.

COMMITTEE AMENDMENT:

The committee amended the bill to conform the text of an amendatory section to the text of the law as revised by P. L. 1985, c. 29.

The committee reported the bill favorably.

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

STATEMENT TO

SENATE, No. 2186

with Senate committee amendment

STATE OF NEW JERSEY

DATED: NOVEMBER 29, 1984

This bill allows any officer or employee serving in the title of Assistant Superintendent I, Assistant Superintendent II, Assistant Superintendent III, Superintendent I, Superintendent II, Superintendent III or Administrator, Prison Complex within the Department of Corrections to transfer from the Public Employees Retirement System to the Police and Firemen's Retirement System. The transferring employee shall be responsible for paying his and the employer's added contribution cost.

The committee made a clarifying technical amendment to the bill.

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

August 28, 1985

SENATE BILL NO. 2186 (2nd OCR)

To the Senate:

Pursuant to Article V, Section 1, Paragraph 14 of the Constitution, I herewith return Senate Bill No. 2186 (2nd OCR) with my recommendations for amendment.

Senate Bill No. 2186 (2nd OCR) would allow individuals employed with the Department of Corrections in certain Civil Service job titles to transfer from the Public Employees' Retirement System (PERS) to the Police and Firemen's Retirement System (PFRS). The Civil Service job titles are Superintendent I, II, or III, Assistant Superintendent I, II or III, and Administrator, Prison Complex. These individuals were PFRS members, before they were promoted to the job titles set forth above. At that time, they were forced to drop out of the PFRS and enroll in the PERS. An employee that transfers to the PFRS will be required to pay his and his employer's portions of the pension transfer cost.

I support the concept expressed within Senate Bill No. 2186 (2nd OCR). The individuals who will be affected by this bill deserve readmission to the PFRS. As Superintendents, Assistant Superintendents or Administrators, Prison Complex, they engage in hazardous duty. They are charged with maintaining law and order in the prison facilities. They walk the cell tiers and have daily contact with inmates. Their job titles do not isolate them from the inherent danger of working in a penal institution.

While I support the concept expressed within Senate Bill No. 2186 (2nd OCR), I must return the bill so that it can be amended to ensure that a transferring employee will pay the employer's portion of the pension transfer cost and to incorporate recent changes made in this area of the law.

Section 2 of the bill requires the transferring employee to pay the employer's portion of a purchase of service credit; not a transfer of service credit. The Division of Pensions advises that in its current form, section 2 would not obligate a transferring employee to pay the employer's portion of the pension transfer cost. I recommend that the section be amended to delete all reference to a purchase of service credit and to insert reference to a transfer of service credit. I also recommend that the language pertaining to the employer's portion of the cost be amended to redefine and to describe the cost.

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

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Finally, I recommend that several technical amendments be made to incorporate the changes made in this area of the law by chapters 221 and 262 of the laws of 1985.

Accordingly, I return Senate Bill No. 2186 (2nd OCR) and recommend that it be amended as follows:

Page 2, Section 1, Line 25: After "Vehicles," insert "and highway patrol officer, sergeant highway patrol bureau, lieutenant highway patrol bureau, captain highway patrol bureau, assistant chief highway patrol bureau, chief highway patrol bureau in the Division of State Police and"

Page 2, Section 1, Line 28: After "Control," insert "and inspector recruit alcoholic beverage control, inspector alcoholic beverage control, senior inspector alcoholic beverage control, principal inspector alcoholic beverage control, supervising inspector alcoholic beverage control in the Division of State Police and"

Page 2, Section 1, Line 39: After "Protection," insert "and marine police officer, senior marine police officer, principal marine police officer in the Division of State Police, and"

Page 2, Section 1, Line 41: After "enforcement," insert "and"

Page 2, Section 1 Line 43: After "chief" omit ","

Page 3, Section 1, Line 64: After "juvenile officer," insert "and"; after "supervising juvenile officer," insert "chief investigator, assistant chief investigator, senior investigator and investigator in a county welfare agency in a county of the first class if the county adopts an ordinance or resolution, as appropriate, pursuant to subsection a. of section 2 of P.L. 1985, c.221 (C.43:16A-62.3) and police officer capitol police, senior police officer capitol police in the Division of State Police and,"; omit "capital" insert "capitol"

Page 6, Section 2, Lines 30-32: Omit "any payment to the retirement system that the" on line 30 and omit line 31 in its entirety and omit "ber for the purchase of such credit" on line 32 and insert "the amount of the difference between (1) the total contribution paid by the employer of the employee to the

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

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Public Employees' Retirement System of New Jersey 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 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