

18A 66-170

LEGISLATIVE HISTORY CHECKLIST

NJSA 18A:66-170; 18A:66-173; 18A:66-173.1 (P&FRS--allow intertransferability with any State pension plan)

LAWS 1981 CHAPTER 342

Bill No. A1621

Sponsor(s) Edwards & Kern

Date Introduced May 1, 1980

Committee: Assembly State Govt., Federal & Interstate Relations & Veterans Affairs  
Senate " " " " " " " " " "

Amended during passage Yes ~~No~~ Amendments during passage denoted by asterisks

Date of Passage: Assembly Nov. 24, 1980

Senate Nov. 23, 1981

Date of approval Dec. 17, 1981

Following statements are attached if available:

Sponsor statement	Yes	<del>No</del>
Committee Statement: Assembly	Yes	<del>No</del>
Senate	<del>Yes</del>	No
Fiscal Note	<del>Yes</del>	No
Veto Message	<del>Yes</del>	No
Message on signing	<del>Yes</del>	No

Following were printed:

Reports	<del>Yes</del>	No
Hearings	<del>Yes</del>	No

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ASSEMBLY, No. 1621

STATE OF NEW JERSEY

INTRODUCED MAY 1, 1980

By Assemblymen EDWARDS and KERN

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

AN ACT to amend and supplement "An act providing for the uniform administration of the alternate programs of benefits for certain members of the faculty and other eligible employees of the New Jersey College of Medicine and Dentistry, Rutgers, The State University of New Jersey, the Newark College of Engineering, the Department of Higher Education, the State Department of Education, and the State and county colleges, and supplementing chapter 66 of Title 18A of the laws of 1968," approved December 22, 1969 (P. L. 1969, c. 242) as said title was amended by P. L. 1974, c. 67.

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

1 1. Section 4 of P. L. 1969, c. 242 (C. 18A:66-170) is amended  
2 to read as follows:

3 4. All full-time officers and all full-time members of the faculty  
4 of the New Jersey College of Medicine and Dentistry, Rutgers, The  
5 State University, the Newark College of Engineering, the State and  
6 county colleges and all regularly appointed teaching and adminis-  
7 trative staff members in applicable academic positions as deter-  
8 mined by the Board of Higher Education, shall be eligible and shall  
9 participate in the alternate benefit program except those persons  
10 appointed in a part-time or temporary capacity, persons compen-  
11 sated on a fee basis, persons temporarily in the United States under  
12 an F or J visa and members of the Teachers' Pension and Annuity  
13 Fund, the Public Employees' Retirement System, *the Police and*  
14 *Firemen's Retirement System* or the Group Annuity Plan who  
15 did not elect to transfer to the alternate benefit program in ac-  
16 cordance with the provisions of chapters 64C or 65 of Title 18A  
17 of the New Jersey Statutes, P. L. 1967, c. 278 or c. 281, or P. L.  
18 1968, c. 181.

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

19 Any person participating in the alternate benefit program shall  
20 be ineligible for membership in the Teachers' Pension and Annuity  
21 Fund, the Public Employees' Retirement System, *the Police and*  
22 *Firemen's Retirement System* or the Group Annuity Plan and any  
23 person electing to participate in the alternate benefit program  
24 shall thereby waive all rights and benefits provided by the  
25 Teachers' Pension and Annuity Fund, the Public Employees' Re-  
26 tirement System, *the Police and Firemen's Retirement System* or  
27 the Group Annuity Plan as a member of said fund, system or plan  
28 except as herein and otherwise provided by law or under terms  
29 of the Group Annuity Plan.

30 Any person required to participate in the alternate benefit pro-  
31 gram by reason of employment, who at the time of such employment  
32 is a member of the Teachers' Pension and Annuity Fund, shall be  
33 permitted to transfer his membership in said fund to the Public  
34 Employees' Retirement System, by waiving all rights and benefits  
35 which would otherwise be provided by the alternate benefit program.  
36 Any such new employee who is a member of the Public Employees'  
37 Retirement System will be permitted to continue his membership in  
38 that system, by waiving all rights and benefits which would other-  
39 wise be provided by the alternate benefit program. Such waivers  
40 shall be accomplished by filing forms satisfactory to the Division  
41 of Pensions within 30 days of the beginning date of employment.

42 Any person receiving a benefit by reason of his retirement from  
43 any retirement or pension system of the State of New Jersey or any  
44 political subdivision thereof shall be ineligible to participate in the  
45 alternate benefit program.

46 No person eligible for participation in the alternate benefit pro-  
47 gram shall be eligible for, or receive, benefits under chapters 4 and  
48 8B of Title 43 of the Revised Statutes.

49 The alternate benefit programs established pursuant to this act  
50 are deemed to be pension funds or retirement systems for purposes  
51 of P. L. 1968, c. 23 (C. 43:3C-1).

1 2. Section 7 of P. L. 1969, c. 242 (C. 18A:66-173) is amended  
2 to read as follows:

3 7. (a) When a member of the Teachers' Pension and Annuity  
4 Fund or the Public Employees' Retirement System *or the Police*  
5 *and Firemen's Retirement System* elects to transfer to an alternate  
6 benefit program by filing the proper application form declaring  
7 his election to participate in such alternate benefit program, the  
8 respective retirement system shall transfer the amount of his  
9 accumulated deductions as of the date of transfer to his individual  
10 account in the program,

11 (b) There shall also be transferred from the contingent reserve  
12 fund or the pension fund of the Teachers' Pension and Annuity  
13 Fund or the Public Employees' Retirement System *or the Police*  
14 *and Firemen's Retirement System* or from the Group Annuity  
15 Plan to the individual's account in the alternate benefit program,  
16 the pension reserve required as of the date of his transfer to pro-  
17 vide a pension for each year of service credited to the account of  
18 the member as set forth in N. J. S. 18A:66-36 or N. J. S. 18A:66-44  
19 or as set forth in section 38 or section 48 of P. L. 1954, c. 84 as  
20 such sections have been amended and supplemented as of July 1,  
21 1969 (C. 43:15A-38, C. 43:15A-48) *or as set forth in section 17*  
22 *of P. L. 1964, c. 241 (C. 43:16A-11.2) or section 5 of P. L. 1944,*  
23 *c. 255 (C. 43:16A-5)* or for each year of service credited under  
24 the Group Annuity Plan. Such transfer from the contingent  
25 reserve fund or the pension fund of the Teachers' Pension  
26 and Annuity Fund or the Public Employees' Retirement System  
27 *or the Police and Firemen's Retirement System* or the Group  
28 Annuity Plan shall be made at the time of the member's transfer  
29 to the alternate benefit program in the case of any such member  
29A who has then met the eligibility requirements for a pension  
30 under the aforementioned N. J. S. 18A:66-36, or N. J. S. 18A:66-44,  
31 or section 38 or section 48 of P. L. 1954, c. 84 (C. 43:15A-38,  
32 C. 43:15A-48) *or section 17 of P. L. 1964, c. 241 (C. 43:16A-11.2)*  
33 *or section 5 of P. L. 1944, c. 255 (C. 43:16A-5)* or the Group Annuity  
34 Plan. In the case of any member who elects to participate in the  
35 alternate benefit program who has not then met the eligibility  
36 requirements for a pension under N. J. S. 18A:66-36 or N. J. S.  
37 18A:66-44, or under section 38 or section 48 of P. L. 1954, c. 84  
38 (C. 43:15A-38, C. 43:15A-48) *or section 17 of P. L. 1964, c. 241*  
39 *(C. 43:16A-11.2) or section 5 of P. L. 1944, c. 255 (C. 43:16A-5)*  
40 or under the Group Annuity Plan, the transfer from the contin-  
41 gent reserve fund or the pension fund of the Teachers' Pension  
42 and Annuity Fund or the Public Employees' Retirement System  
43 *or the Police and Firemen's Retirement System* or the Group  
44 Annuity Plan shall be effected at the time such requirements have  
45 been met, taking into account for the purpose of such eligibility  
46 requirement his years of membership service at the time of his  
47 election and his subsequent years of service as a full-time member  
48 of the faculty of the College of Medicine and Dentistry, Rutgers,  
49 The State University, the Newark College of Engineering or the  
50 State or county colleges or as an eligible employee of the Depart-  
51 ment of Higher Education, or at the time he shall have 10 years

52 of credit for New Jersey service and becomes physically incapacitated for the performance of duty if he had been a member of the  
53 Teachers' Pension and Annuity Fund or the Public Employees'  
54 Retirement System *or the Police and Firemen's Retirement System*  
55 as of the date of transfer.

57 The annuity to be used in determining the amount of pension is  
58 the actuarial equivalent of the member's accumulated deductions  
59 transferred from the Teachers' Pension and Annuity Fund or the  
60 Public Employees' Retirement System *or the Police and Firemen's*  
61 *Retirement System* to the date the member attains 60 years of  
62 age, if subsequent to the date of election. The amount of pension  
63 is that established by formula within N. J. S. 18A:66-44 or section  
64 48 of P. L. 1954, c. 84 as such sections have been amended and  
65 supplemented as of July 1, 1969 (C. 43:15A-48) *or section 5 of*  
66 *P. L. 1944, c. 255 (C. 43:16A-5)* or under the Group Annuity Plan,  
67 and changes to N. J. S. 18A:66-44 or section 48 of P. L. 1954, c. 84  
68 (C. 43:15A-48) *or section 5 of P. L. 1944, c. 255 (C. 43:16A-5)*  
69 enacted subsequent to this act or the Group Annuity Plan shall  
70 have no application to the provisions of this act.

71 In the event that the eligibility requirement under section  
72 18A:66-36 of the New Jersey Statutes or under section 38 of P. L.  
73 1954, c. 84 (C. 43:15A-38) *or section 17 of P. L. 1964, c. 241*  
74 *(C. 43:16A-11.2)* or under the Group Annuity Plan is changed at  
75 some future date to permit members to become eligible for such  
76 benefit prior to the completion of 15 years of service, the transfer  
77 of the reserve from the contingent reserve fund or the pension  
78 fund of the Teachers' Pension and Annuity Fund or the Public  
79 Employees' Retirement System *or the Police and Firemen's Retirement System*  
80 *or from the Group Annuity Plan* shall be effective  
81 as of the date the member who had elected the alternate benefit  
82 program meets the amended eligibility requirement or the effective  
83 date of the amendment, whichever is later.

84 In the event an option is available with respect to the distribution of employee and employer contributions between fixed and  
85 variable annuities under the alternate benefit program, the employee shall have the right to determine the percentage distribution  
86 of these funds subject to any limitations imposed by the designated  
87 insurer or insurers.

91 this section where more than 2 consecutive years elapse in which  
92 (c) No transfer of pension reserves shall be made pursuant to  
93 no employer contributions to an alternate benefit program are  
94 required.

1 3. (New section) Any person who is or has been a member of  
2 the Police and Firemen's Retirement System and who has taken,  
3 or shall take, office, position or employment in any position covered  
4 by the alternate benefit programs established pursuant to P. L.  
5 1969, c. 242 (C. 18A:66-167 et seq.), but who, prior to the enactment  
6 of this amendatory and supplementary act, was ineligible to trans-  
7 fer his contributions from the Police and Firemen's Retirement  
8 System, shall be entitled, upon application, to transfer his con-  
9 tributions from the Police and Firemen's Retirement System to the  
10 alternate benefit programs as provided in section 7 of P. L. 1969,  
11 c. 242. If the person's membership in the Police and Firemen's  
12 Retirement System has expired on or before the effective date of  
13 this act, but he has not withdrawn his contributions from the  
14 system, he shall be entitled, upon application, to transfer his con-  
15 tributions from the Police and Firemen's Retirement System to the  
16 alternate benefit programs as provided in section 7 of P. L. \***[1968]**\*  
17 \*1969\*, c. 242.

1 4. This act shall take effect immediately.

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1 3. (New section) Any person who is or has been a member of  
2 the Police and Firemen's Retirement System and who has taken,  
3 or shall take, office, position or employment in any position covered  
4 by the alternate benefit programs established pursuant to P. L.  
5 1969, c. 242 (C. 18A:66-167 et seq.), but who, prior to the enactment  
6 of this amendatory and supplementary act, was ineligible to trans-  
7 fer his contributions from the Police and Firemen's Retirement  
8 System, shall be entitled, upon application, to transfer his con-  
9 tributions from the Police and Firemen's Retirement System to the  
10 alternate benefit programs as provided in section 7 of P. L. 1969,  
11 c. 242. If the person's membership in the Police and Firemen's  
12 Retirement System has expired on or before the effective date of  
13 this act, but he has not withdrawn his contributions from the  
14 system, he shall be entitled, upon application, to transfer his con-  
15 tributions from the Police and Firemen's Retirement System to the  
16 alternate benefit programs as provided in section 7 of P. L. 1968,  
17 c. 242.

1 4. This act shall take effect immediately.

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#### STATEMENT

The intent of this bill is to provide the inter-transferability of pension contributions and pension reserves for members of the Police and Firemen's Retirement System to other State pension programs. The spirit of the recently enacted Federal Pension Reform Act mandates the inter-transferability of private pension programs and this bill merely makes a similar request for other State pension programs.

A1621(1981)

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

STATEMENT TO  
**ASSEMBLY, No. 1621**  
with Assembly committee amendments

**STATE OF NEW JERSEY**

DATED: OCTOBER 30, 1980

This bill provides for the transferability of pension contributions and pension reserves from the Police and Firemen's Retirement System to the Alternate Benefit Program, the retirement system for the officers and faculty of the State's university and college system. At present, such transferability is permitted from the Public Employees' Retirement System and the Teachers' Pension and Annuity Fund but not from PFRS.

This bill is a reintroduction of Assembly No. 3229 (2OCR), which passed both houses unanimously in 1979 but was pocket-vetoed by the Governor on the grounds that it "may cost \$35,000.00 for each beneficiary making such a transfer. Such transfers should only be effective without additional cost to the State employing unit."

While the Division of Pensions says the employer's share of the cost of each transfer would "probably" be about \$35,000.00, the division also says it assumes there will not be too many such cases.

**COMMITTEE AMENDMENTS**

The committee amended the bill to correct a statutory reference.