

43:15A-60.1

LEGISLATIVE HISTORY CHECKLIST

(Veterans permitted to purchase credit for military service-PERS)

NJSA 43:15A-60.1

LAWS 1981

CHAPTER 451

Bill No. A574

Sponsor(s) Snedeker and others

Date Introduced Pre-filed

Committee: Assembly State Gov't, Federal & Interstate Relations & Veterans Affairs

Senate Revenue, Finance & Appropriations

Amended during passage Yes  Amendments during passage denoted by asterisks

Date of Passage: Assembly June 9, 1980

Senate June 25, 1981

Date of approval January 11, 1982

Following statements are attached if available:

Sponsor statement	Yes	<input checked="" type="checkbox"/> (Below)
Committee Statement: Assembly	Yes	<input checked="" type="checkbox"/>
Senate	Yes	<input checked="" type="checkbox"/>
Fiscal Note	Yes	<input checked="" type="checkbox"/>
Veto Message	<input checked="" type="checkbox"/>	No
Message on signing	Yes	<input checked="" type="checkbox"/>

Following were printed:

Reports	<input checked="" type="checkbox"/>	No
Hearings	<input checked="" type="checkbox"/>	No

Sponsors' statement:

The purpose of this bill is to permit veteran members of the Public Employees Retirement System to purchase up to 5 years of active military service in the Armed Forces of the United States rendered prior to their enrollment in the retirement system.

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ASSEMBLY, No. 574

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1980 SESSION

By Assemblymen SNEDEKER, SAXTON, BARRY, WEIDEL,  
GORMLEY, McMANIMON, Assemblywoman McCONNELL,  
Assemblymen DEVERIN and LESNIAK

A SUPPLEMENT to the "Public Employees' Retirement System Act," approved June 28, 1954 (P. L. 1954, c. 84, C. 43:15A-1 et seq.) as said short title was amended by P. L. 1971, c. 213.

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

1 1. A member who meets the definition of "veteran" as set out  
2 in paragraph p. of section 6 of P. L. 1954, c. 84 (C. 43:15A-6) may,  
3 upon filing an application with the board of trustees of the retire-  
4 ment system, purchase credit for *\*all or a portion of the\** time  
5 spent in active military service prior to his enrollment in the re-  
6 tirement system, *\*[up to the nearest number of years and months,]\**  
7 but not exceeding 5 years. No application shall be accepted for the  
8 purchase of credit for such service, however, if at the time of  
9 application, the member has a vested right to retirement benefits  
10 in another retirement system based in whole or in part upon his  
10A military service.

11 He may purchase credit for such service by paying into the  
12 annuity savings fund the amount required by applying the factor,  
13 supplied by the actuary, applicable to his age at the time of the  
14 purchase, to his salary at that time. Such purchase may be made  
15 in regular *\*\*monthly\*\** installments~~\*\*[~~, equal to at least one-half  
16 the full normal contribution to the retirement system, over a maxi-  
17 mum period of 10 years.~~]\*\* \*\*or in a lump sum as he may elect and~~  
17A *pursuant to rules and regulations as may be promulgated by the*  
17B *Division of Pensions. The employer of a member who applies to*  
17C *purchase credit under the provisions of this supplementary act shall*

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

17b not be liable for any payment to the retirement system on behalf  
17c of the member for the purchase of such credit.\*\*

18 Any member electing to contribute toward such service, who  
19 retires prior to completing payment as agreed with the retirement  
20 system for the purchase of such service will receive pro rata  
21 credit for service purchased prior to the date of retirement, but if  
22 he so elects at the time of retirement, he may make such additional  
23 lump sum payment at that time as will be necessary to provide  
24 full credit.

1 2. This act shall take effect ~~\*[immediately]\*~~ ~~\*\*[July 1,~~  
2 ~~1981]\*~~\*\* ~~\*\*immediately\*\*~~.

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

STATEMENT TO  
**ASSEMBLY, No. 574**  
with Assembly committee amendments

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**STATE OF NEW JERSEY**

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DATED: JUNE 9, 1980

The purpose of this bill is to permit members of the Public Employees' Retirement System who are veterans to purchase up to 5 years of active military service in the Armed Forces of the United States rendered prior to their enrollment in the retirement system.

Under this bill, the public employee who is a veteran would pay half the cost, and the State or the local employer, as the case may be, would pay the other half. The Division of Pensions states that there are 9,952 veterans among State employees and 24,227 veterans among local public employees in PERS. Based on the assumptions that only half of the veterans would buy only 2 of the possible 5 years, the Division of Pensions estimates that the additional cost to the State would be \$10.6 million for State employees and the additional cost to local employers would be \$20.6 million for local employees.

If enacted, the provisions of this bill will take effect on July 1, 1981 (rather than immediately), pursuant to an amendment adopted by the committee.

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SENATE REVENUE, FINANCE AND APPROPRIATIONS  
COMMITTEE

STATEMENT TO  
**ASSEMBLY, No. 574**

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with committee amendments

**STATE OF NEW JERSEY**

DATED: FEBRUARY 26, 1981

This bill supplement the Public Employees' Retirement System statute to permit veterans to purchase up to 5 years of pension credit for military service prior to becoming a member of the retirement system.

After amendment this bill does not impose a liability on a public employer for any payment on behalf of the member for the purchase of such credit. Payments are to be made by the applicant in monthly installments or in lump sum at his election and in compliance with rules and regulations promulgated by the Division of Pensions.

FISCAL NOTE TO  
**ASSEMBLY, No. 574**

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**STATE OF NEW JERSEY**

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DATED: MAY 14, 1980

Assembly Bill No. 574 of 1980 supplements the act governing the Public Employees' Retirement System to permit veterans to purchase up to 5 years of military service prior to becoming a member. The bill is to take effect immediately.

The Division of Pensions comments:

"There are 9,952 veterans among State employees and 24,227 veterans among local public employees in the Public Employees' Retirement System; there are 13,383 veterans in the Teachers' Fund. If only one half of the veterans were to buy only 2 of the 5 years and divide the cost evenly at the time of purchase between the veteran and the public, the cost to the State would be \$10.6 million for State employees in the PERS and \$19.4 million for members of the Teachers' Fund. There would be an additional cost of \$20.6 million for local employers in the PERS. Of course, there would be extraordinary administrative expense and it is likely that similar legislation would be contemplated for the approximately 20,000 veterans in the Police and Firemen's Retirement System."

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In compliance with written request received, there is hereby submitted a fiscal estimate for the above bill, pursuant to P. L. 1962, c. 27.

FROM THE OFFICE OF THE GOVERNOR

A-1542, sponsored by Assemblyman Elliot Smith (R-Somerset), allowing a municipality to control the operations of traffic lights during off-peak hours (10 p.m. to 6 a.m.), subject to the approval of the Department of Transportation. The bill is intended to help reduce gasoline consumption by streamlining traffic during off-peak periods.

A-1660, sponsored by Assemblyman Byron Baer (D-Bergen), strengthening provisions of the Consumer Fraud Act by prohibiting a seller, creditor or bailor from including in a consumer contract any provision that "violates clearly (the) established legal rights of a consumer."

A-574, sponsored by Assemblyman Clifford Snedeker (R-Mercer), allowing military veterans to purchase credit in the public employee retirement system for up to 5 years of active military service prior to their enrollment in the system.

At present, credit can be purchased for military service that interrupts state service but not for prior military service. The bill also provides that the employers will not be liable for any payment to the retirement system because of any purchase of credit.

A-1385, sponsored by Assemblyman James Bornheimer (D-Middlesex), stiffening penalties for certain violations of the unfair trade practice provisions of the Life and Health Insurance Code and property and casualty insurers. Fines for violations now range from a maximum of \$1,000 for each unknowing violation to a maximum of \$5,000 for each knowing violation.

A-3506, sponsored by Assemblyman Thomas Gallo (D-Hudson), changes the experience and educational requirements of a mine safety section chief, safety engineer and safety inspector. The bill removes a requirement that a section chief or engineer have experience in underground mining since there are few such mines operating in New Jersey.

A-1491, sponsored by Assemblyman James Zangari (D-Essex), enabling the Division of Taxation to credit refunds from an individual's unemployment and temporary disability insurance accounts to that individual's state income tax liability.