

18A:66-15.1; 43:15A-14; 43:16A-11.6

LEGISLATIVE HISTORY CHECKLIST

(State retirement system - allows purchase of time for prior service in other systems)

NJSA 18A:66-15.1; 43:15A-14; 43:16A-11.6

LAWS 1981

CHAPTER 479

Bill No. S680

Sponsor(s) A. Russo

Date Introduced Pre-filed

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

Senate State Gov't., Federal & Interstate Relations & Veterans Affairs

Amended during passage Yes No

Date of Passage: Assembly Jan. 11, 1982

Senate Feb. 26, 1982

Date of approval Jan. 12, 1982

Following statements are attached if available:

Sponsor statement Yes No

Committee Statement: Assembly Yes No

Senate Yes No

Fiscal Note Yes No

Veto Message Yes No

Message on signing Yes No

Following were printed:

Reports Yes No

Hearings Yes No

974.90 N.J. Legislature. Special Committee to Study Public Pension Programs.
P418 The State - administered retirement systems of New Jersey.

1977c June 2, 1977. Trenton, 1977.
/Recommendation 20 - pp.11, 82-86

6/22/81

PRJAN 1103

SENATE, No. 680

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1980 SESSION

By Senator A. RUSSO

AN ACT concerning the purchase of previous service by public employees enrolled in certain State-administered retirement systems and pension funds, amending N. J. S. 18A:66-15.1 and P. L. 1954, c. 84, 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. N. J. S. 18A:66-15.1 is amended to read as follows:

2 18A:66-15.1. A person who has been or is a member of **the public**
3 **employees' retirement system** *a State-administered retirement*
4 *system or pension fund* and who has taken or shall take office,
5 position or employment in any position covered by the Teachers'
6 Pension and Annuity Fund and is a member of said fund shall be
7 entitled, upon application, to service credited in such *retirement*
8 *system or pension fund* in the Teachers' Pension and Annuity Fund
9 upon transfer of his contributions from the **Public Employees'**
10 **Retirement System** *State-administered retirement system or pen-*
11 *sion fund* to the fund. If he has withdrawn his contributions from
12 the **Public Employees' Retirement System** *State-administered*
13 *retirement system or pension fund*, he may purchase credit for all
14 of his service in **the aforesaid** *such retirement system or pension*
15 *fund* by paying into the annuity savings fund the amount required
16 by applying the factor, supplied by the actuary, as being applicable
17 to his age at the time of the purchase, to his salary at that time.
18 The terms of the purchase and the credit granted shall be identical
19 to those stipulated for the purchase of previous membership service
20 by members of the fund as provided by section 18A:66-9.

1 2. Section 14 of P. L. 1954, c. 84 (C. 43:15A-14) is amended to
2 read as follows:

3 14. A person who has been or is a member of **the Teachers'**
4 **Pension and Annuity Fund** *a State-administered retirement*

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

5 *system or pension fund* and who has taken or shall take office,
 6 position or employment in any position covered by the Public Em-
 7 ployees' Retirement System and is a member of said system shall
 8 be entitled, upon application, to service credited in such *retirement*
 9 *system or pension fund* in the Public Employees' Retirement Sys-
 10 tem upon transfer of his contributions from the ~~Teachers' Pension~~
 11 ~~and Annuity Fund~~ *the State-administered retirement system or*
 12 *pension fund* to the retirement system. If he has withdrawn his
 13 contributions from the ~~Teachers' Pension and Annuity Fund~~
 14 *State-administered retirement system or pension fund*, he may
 15 purchase credit for all of his service in ~~the aforesaid~~ *such retire-*
 16 *ment system or pension fund* by paying into the annuity savings
 17 fund the amount required by applying the factor, supplied by the
 18 actuary, as being applicable to his age at the time of the purchase,
 19 to his salary at that time. The terms of the purchase and the credit
 20 granted shall be identical to those stipulated for the purchase of
 21 previous membership service by members of the system as provided
 22 by section 8 (C. 43:15A-8).

1 3. (New section) Any person who has been or is a member of a
 2 State-administered retirement system or pension fund and who
 3 has taken or shall take office, position or employment in any posi-
 4 tion covered by the Police and Firemen's Retirement System and
 5 is a member of said system shall be entitled, upon application, to
 6 service credited in such retirement system or pension fund in the
 7 Police and Firemen's Retirement System upon transfer of his
 8 contributions from the State-administered retirement system or
 9 pension fund to the Police and Firemen's Retirement System. If
 10 such person has withdrawn his contributions from the State-
 11 administered retirement system or pension fund he may purchase
 12 credit for all of his service in such retirement system or pension
 13 fund by paying into the annuity savings fund the amount required
 14 by applying the factor, supplied by the actuary, applicable to his
 15 age at the time of the purchase, to his salary at that time. The
 16 terms of the purchase and the credit granted shall be identical to
 17 those stipulated for the purchase of previous membership service
 18 by members of the system as provided by section 1 of P. L. 1973,
 19 c. 63 (C. 43:16A-11.4).

1 4. This act shall take effect immediately.

STATEMENT

The purpose of this bill is to permit members of the Public Employees' Retirement System, Teachers' Pension and Annuity Fund, and the Police and Firemen's Retirement System to purchase credit for previous membership service earned in any other retirement system or pension fund administered by the State of New Jersey. This is in accord with the provision (C. 53:5A-6b) of the "State Police Retirement System Act" which permits purchase of service credits for other prior State service.

5680(1980)

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

STATEMENT TO
SENATE, No. 680

STATE OF NEW JERSEY

DATED: JUNE 29, 1981

This bill enables members of three major State retirement funds—the Public Employees' Retirement System (PERS), the Police and Firemen's Retirement System (PFRS), and the Teachers' Pension and Annuity Fund (TPAF)—to transfer or purchase credit for service earned in any other State-administered retirement system or pension fund.

The purchase or transfer of prior service credit is already available to members of PERS and TPAF who move between those two systems. In addition, the "State Police Retirement System Act" (P. L. 1965, c. 89; C. 54:5A-1 et seq.) permits the establishment of service credit by a member who has prior service credits "in another retirement system supported in whole or in part by the State, or who has rendered service to the State prior to becoming a member" (C. 53:5A-6b.). (In the computation of a retirement allowance in the State Police system, such service shall be included on the basis of 1% of final compensation for each year of such service.)

The Division of Pensions says it has no way of estimating the cost of this legislation but it expects there are no more than 100 individuals who might want to take advantage of the opportunity provided by the bill.

The League of Municipalities opposes this bill "because of its mandatory application to all municipal employees who might find themselves in such circumstances and who would, therefore, exercise the option." The league "would have no objection to the bill if it were permissive to the extent that municipalities could negotiate picking up the employers' share of such transfers in connection with the transfer of a particular employee."

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

STATEMENT TO
SENATE, No. 680

STATE OF NEW JERSEY

DATED: OCTOBER 23, 1980

The purpose of this bill is to change the present law in Title 43 (Pensions and Retirement) and Title 18A (Education) so that members of the three major State retirement funds, Teachers' Pension and Annuity Fund (TPAF), Police and Firemen's Retirement System (PFRS) and Public Employees' Retirement System (PERS) may purchase credit for service earned in any other State-administered retirement system or pension fund.

The purchase of prior service credit is already available to members of PERS and TPAF who move between those two systems. In addition, the "State Police Retirement System Act" (C. 53:5a-6b) permits the purchase of prior service credit by a member who has service credits "in another retirement system supported in whole or in part by the State, or who has rendered service to the State prior to becoming a member."

The fiscal work sheet from the Division of Pensions gives no estimate of cost. It does state that, "This legislation increases the liabilities of all State-administered retirement systems." The work sheet does not give the reason for this statement but presumably it is based on the assumption that the individuals most likely to avail themselves of the opportunity to purchase prior service credit are former members of PFRS. The accrued liability for service in PFRS is higher than that for PERS or TPAF.

The division is also concerned that this bill would serve as a basis for a proposal for a transfer between locally-administered systems as well as State systems. Since local systems have no money to fund such transfers, this would create problems. It should be noted that this kind of proposal would require separate legislative action.

FISCAL NOTE TO
SENATE, No. 680

STATE OF NEW JERSEY

DATED: DECEMBER 16, 1980

Senate Bill No. 680 of 1980 amends the acts governing the Teachers' Pension and Annuity Fund, Public Employees' Retirement System, and the Police and Firemen's Retirement System to permit a member of any of these systems to apply for credit previously established in any State-administered retirement system or pension fund. If the individual is a member of such other system, he merely transfers his contributions. If he has withdrawn his contributions from the first system, he may purchase on the basis of the factor supplied by the actuary. The bill is to take effect immediately.

The Division of Pensions comments:

"We have no way of estimating the cost of this legislation. We do not expect more than 100 individuals who might want to take advantage of the opportunity to purchase credit in State-administered systems on the basis of service rendered in the past and for which credit has not been previously established. These are generally politicoes who move from one fund to another in order to achieve windfall benefits as they take better paying positions upon a change in government.

"We should explain that when the legislation refers to an individual purchasing credit based on an actuarial factor, it must be appreciated that under terms of this language the employee pays only one half of the expected cost at the time of purchase. The employer where he is enrolled at the time of purchase bears the remaining portion of the cost."

In compliance with written request received, there is hereby submitted a fiscal estimate for the above bill, pursuant to P. L. 1980, c. 67.

JANUARY 13, 1982

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S-680, sponsored by Senator Anthony Russo (D-Union), permitting members of the Public Employees' Retirement System (PERS), the Teachers' Pension and Annuity Fund (TPAF), and the Police and Firemen's Retirement System to purchase credit for previous membership service earned in any other retirement system or pension fund administered by the State of New Jersey.

S-1437, sponsored by Senator Wynona Lipman (D-Essex), extending the definition of the unclassified section of the civil service to the positions of assistant executive director, director of staff operations, director of administration, director of redevelopment and the urban initiatives coordinator of any local housing authority:

S-3556, sponsored by Senator Joseph Merlino (D-Mercer), eliminating the requirement that proposed construction on State-owned facilities by the the New Jersey Building Authority be prefaced by a public hearing, as long as the facility will continue to be used for a purpose similar to its original purpose.

The bill is primarily intended to expedite renovation projects on the State House.

S-3330, sponsored by Senator Steven P. Perskie (D-Atlantic), eliminating the requirement that casino hotel employees be licensed before starting work. Instead, an employee may begin work as soon as he is registered with the Casino Control Commission; registration is automatically given to employees who hold a temporary license or who have applied for a license. The provision extends to bartenders, waiters, maintenance and kitchen staff.

In addition, the bill eliminates the two-year licenses for gaming-related casino employees and for gaming school instructors, changing the license period to three years.

S-3120, also sponsored by Senator Feldman, permitting municipal and county utility authorities to appoint managerial personnel, technical advisors and experts, and professional employees without regard to civil service laws. The appointments are for terms not to exceed five years. General counsels and consulting engineers are excluded from the act.

S-3010, also by Senator Feldman and called the County Library Reorganization Law, establishes a county library study commission to evaluate the system and make recommendations to be approved by the voters.