

43:16A-3

LEGISLATIVE HISTORY CHECKLIST

(Police and Firemen's Pension--lapsed membership--increase period of non-contribution to 3 years)

NJSA 43:16A-3

LAWS 1980

CHAPTER 129

Bill No. A555

Sponsor(s) Zangari

Date Introduced Pre-filed

Committee: Assembly Municipal Government

Senate County and Municipal Government

Amended during passage Yes
according to Governor's recommendations

~~No~~ Amendments denoted by asterisks

Date of Passage: Assembly May 1, 1980

Re-enacted 9-29-80

Senate June 12, 1980

Re-enacted 10-6-80

Date of approval Oct. 17, 1980

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~~

6/22/81

129 1980
APPR 10-17-80

[OFFICIAL COPY REPRINT]

ASSEMBLY, No. 555

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1980 SESSION

By Assemblyman ZANGARI

AN ACT to amend "An act for the establishment of a police and firemen's retirement system for police, firemen and certain other law enforcement officers," approved May 23, 1944 (P. L. 1944, c. 255, C. 43:16A-1 et seq.), as said title was amended by P. L. 1976, c. 139.

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

1 1. Section 3 of chapter 255 of the laws of 1944 (C. 43:16A-3) is
2 amended to read as follows:

3 3. (1) After the date of the establishment of this retirement
4 system, any person becoming a full-time policeman or fireman in
5 a county or municipality or fire district located in a township where,
6 prior to the date this act takes effect, a pension under chapter 16
7 of Title 43 or article 4 of chapter 10 of Title 43 of the Revised
8 Statutes for policemen or firemen has been established, shall be-
9 come a member of this retirement system as a condition of his
10 employment; he will be enrolled provided, that his age at becoming
11 such full-time policeman or fireman is not over 35 years or
12 if such person shall have met the requirements at the announced
13 closing date of a civil service examination for such position and
14 was appointed during the existence of the civil service list promul-
15 gated as a result of such examination; and further provided, that
16 he shall furnish such evidence of good health at the time of be-
17 coming a member as the retirement system shall require.

18 (2) After the date upon which this act becomes effective in any
19 county, municipality or political subdivision thereof, pursuant to
20 a referendum as hereinafter provided (a) any person becoming a
21 full-time policeman or fireman in any such county, municipality
22 or political subdivision shall become a member of this retirement
23 system as a condition of his employment; he will be enrolled pro-

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

24 vided, that his age at becoming such full-time policeman or fireman
25 is not over 35 years; and provided further, that he shall
26 furnish such evidence of good health at the time of becoming a
27 member as the retirement system shall require; and (b) any person
28 in service as a full-time policeman or fireman in any such county,
29 municipality or political subdivision on the date this act becomes
30 effective therein who, within the time and in the manner permitted
31 by this act, elects to become a member of this retirement system,
32 shall become such member.

33 (3) Should any member withdraw his aggregate contributions,
34 or become a beneficiary or die, or if more than [2] * [3] * * 2 * years
35 have elapsed from the date of his last contributions to the system, he
36 shall thereupon cease to be a member.

37 (4) Should any member resign or be dismissed from the police
38 or fire service of the employing agency and not make application
39 for the return of his aggregate contributions, the retirement system
40 shall upon receiving conclusive advice of such separation, terminate
41 the membership. The employees contributions from memberships
42 so terminated shall be held by the retirement system and returned
43 to the employee without interest when application for such return
44 is made.

45 **(5) If a member of the retirement system has been discontinued*
46 *from service through no fault of his own or through leave of absence*
47 *granted by his employer or permitted by any law of this State and*
48 *he has not withdrawn his accumulated deductions, his membership*
49 *may continue, notwithstanding any provisions of this article if such*
50 *member returns to service within a period of 5 years from the date*
51 *of his discontinuance from service.**

1 2. This act shall take effect immediately and be retroactive to
2 July 1, 1979.

ASSEMBLY, No. 555

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1980 SESSION

By Assemblyman ZANGARI

AN ACT to amend "An act for the establishment of a police and firemen's retirement system for police, firemen and certain other law enforcement officers," approved May 23, 1944 (P. L. 1944, c. 255, C. 43:16A-1 et seq.), as said title was amended by P. L. 1976, c. 139.

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12 if such person shall have met the requirements at the announced
13 closing date of a civil service examination for such position and
14 was appointed during the existence of the civil service list promul-
15 gated as a result of such examination; and further provided, that
16 he shall furnish such evidence of good health at the time of be-
17 coming a member as the retirement system shall require.

18 (2) After the date upon which this act becomes effective in any
19 county, municipality or political subdivision thereof, pursuant to
20 a referendum as hereinafter provided (a) any person becoming a
21 full-time policeman or fireman in any such county, municipality
22 or political subdivision shall become a member of this retirement
23 system as a condition of his employment; he will be enrolled pro-

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

SENATE COUNTY AND MUNICIPAL
GOVERNMENT COMMITTEE

STATEMENT TO
ASSEMBLY, No. 555

STATE OF NEW JERSEY

DATED: MAY 19, 1980

Assembly Bill No. 555 extends from 2 to 3 years the period of time which may elapse before a person may no longer be considered a member of the police and firemen retirement system due to a lapse in contributions. The bill is retroactive in its effect to July 1, 1979.

The sponsor states, "The bill is necessary because of the layoff of a number of police officers in the State's largest urban area. Many of these officers are waiting to be called back to duty; however, if they are dropped from the retirement system, because of lapse contributions and are not called back until after they are over 35 years of age, they will be ineligible to rejoin the system. It is believed that the 1 year extension proposed by this bill will be sufficient to allow all those who would be effected by the recent layoffs to maintain their membership until recalled to duty."

The Department of Treasury objects to the bill for the following reasons:

a. All State-administered retirement systems provide for termination of membership if contributions have been discontinued for more than 2 years;

b. Extending the term from 2 to 3 years increases the likelihood that the employee will be injured in another position; he will then be able to return to police service and file for service or disability;

c. Increasing the period from 2 to 3 years will result in a decline in the withdrawal rate—with the probable effect of increasing costs: Treasury argues that the "chances are that it (extended leave) will be exercised by high-salaried rather than low-income individuals because better paid employees are more able to afford not to receive a return of contributions upon termination of employment."

/s/ Harold L. Hades

Chief of Staff, Secretary

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

September 22, 1980

ASSEMBLY BILL NO. 555

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14(b) of the Constitution, I herewith return Assembly Bill No. 555 with my objections for reconsideration.

This bill would extend from 2 to 3 years the period of time which may elapse before a person may no longer be considered a member of the Police and Firemen's Retirement System due to a lapse in contributions. It would be retroactive to July 1, 1979 and is designed to assist the large number of policemen laid off in the City of Newark, many of whom are waiting to be called back to duty.

I agree with the purpose of the bill but find the bill as passed unnecessarily broad in its application. In its present form, the extension of the non-contributory period from 2 to 3 years would apply to all members of the retirement system, not simply those who have been laid off. Any member of the system could take an extended leave of 3 years resulting in (1) a decline in the withdrawal rate from the system and (2) an increase in the likelihood of injury. Both could result in increased costs to the public.

I am suggesting, therefore, amendments to the bill parallel to provisions in the Public Employees' Retirement System Act and Teachers' Pension and Annuity Fund Law which permit a non-contributory period of as many as 5 years but limit it to those members who have been laid off.

Accordingly, I recommend the following amendments to Assembly Bill No. 555:

Page 2, Section 1, Line 34: Delete "3" and insert "2"

Page 2, Section 1, after Line 44: Insert:

"(5) If a member of the retirement system has been discontinued from service through no fault of his own or through leave of absence granted by his employer or permitted by any law of this State and he has not withdrawn his accumulated deductions, his membership may continue, notwithstanding any provisions of this article if such member returns to service within a period of 5 years from the date of his discontinuance from service."

Respectfully,

/s/ Brendan Byrne

GOVERNOR

[seal]

Attest:

/s/ Harold L. Hades

Chief of Staff, Secretary

ASSEMBLY AMENDMENTS TO
ASSEMBLY, No. 555

STATE OF NEW JERSEY

ADOPTED SEPTEMBER 22, 1980

Amend page 2, section 1, line 34, delete "3" and insert "2".

Amend page 2, section 1, after line 44, insert:

"(5) If a member of the retirement system has been discontinued from service through no fault of his own or through leave of absence granted by his employer or permitted by any law of this State and he has not withdrawn his accumulated deductions, his membership may continue, notwithstanding any provisions of this article if such member returns to service within a period of 5 years from the date of his discontinuance from service."

October 20, 1980

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From The Office
of the Governor

A-555, sponsored by Assemblyman James Zangari (D-Essex) which extends from two to three years the time which may elapse before a person may no longer be considered a member of the Police and Firemen's Retirement System due to a lapse in contributions. The bill would be retroactive to July 1, 1979, and was designed to assist the large number of policemen laid off in Newark, many of who are waiting to be called back to duty.

The Governor conditionally vetoed the bill on September 22, 1980, saying that while he agreed with the purpose of the measure he "unnecessarily broad in its application." As originally written, the bill would apply to all members of the retirement system, not just those who had been laid off.

In his veto message, the Governor suggested that the bill permit a non-contributory period of up to five years but limit it to those members who had been laid off. The Legislature concurred.

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