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LAW/KR

P.L.2014, CHAPTER 21, *approved July 30, 2014*
Assembly, No. 3346

1 **AN ACT** concerning the reemployment of a retiree of the Teachers'
2 Pension and Annuity Fund and amending N.J.S.18A:66-53.2.

3
4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6
7 1. N.J.S.18A:66-53.2 is amended to read as follows:
8 18A:66-53.2. a. Except as provided in subsection b. of this
9 section, if a former member of the retirement system who has been
10 granted a retirement allowance for any cause other than disability,
11 becomes employed again in a position which makes him eligible to
12 be a member of the retirement system, his retirement allowance and
13 the right to any death benefit as a result of his former membership,
14 shall be canceled until he again retires.

15 Such person shall be reenrolled in the retirement system and
16 shall contribute thereto at a rate based on his age at the time of
17 reenrollment. Such person shall be treated as an active member for
18 determining disability or death benefits while in service and no
19 benefits pursuant to an optional selection with respect to his former
20 membership shall be paid if his death shall occur during the period
21 of such reenrollment.

22 Upon subsequent retirement of such member, his former
23 retirement allowance shall be reinstated together with any optional
24 selection, based on his former membership. In addition, he shall
25 receive an additional retirement allowance based on his subsequent
26 service as a member computed in accordance with applicable
27 provisions of this article; provided, however, that his total
28 retirement allowance upon such subsequent retirement shall not be a
29 greater proportion of his final compensation than the proportion to
30 which he would have been entitled had he remained in service
31 during the period of his prior retirement. Any death benefit to
32 which such member shall be eligible shall be based on his latest
33 retirement, but shall not be less than the death benefit that was
34 applicable to his former retirement.

35 b. The cancellation, reenrollment, and additional retirement
36 allowance provisions of subsection a. of this section shall not apply
37 to a former member of the retirement system who is a certificated
38 superintendent or a certificated administrator and who, after having
39 been granted a retirement allowance, becomes employed by the
40 State Department of Education in a position of critical need as
41 determined by the State Commissioner of Education, or becomes
42 employed by a board of education as a certificated superintendent

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 underlined thus is new matter.

1 or a certificated administrator on a contractual basis for a term of
2 not more than one year; except that the cancellation, reenrollment,
3 and additional retirement allowance provisions shall apply if the
4 former member becomes employed within 120 days of retirement
5 with the employer from which the member retired. Nothing herein
6 shall preclude a former member so reemployed with a board of
7 education from renewing a contract for one additional year,
8 provided that the total period of employment with any individual
9 board of education does not exceed a two-year period.

10 c. A former member of the retirement system who has been
11 granted a retirement allowance, for any cause other than disability,
12 may become employed again with the former employer in a position
13 as a coach of an athletics activity if: (1) the employment
14 commences after the retirement allowance becomes due and
15 payable; (2) the former member had attained the service retirement
16 age, applicable to that member, as of the date of retirement; and (3)
17 the compensation for the employment is less than \$10,000 per year.
18 This subsection shall be effective if the qualified status of the
19 retirement system under federal law can be maintained upon its
20 application, and such modifications to the system as may be
21 available shall be made to allow for its application. As used in this
22 section, "former employer" means the employer with which the
23 former member held employment immediately prior to retirement.

24 (cf: P.L.2001, c.355, s.1)

25
26 2. This act shall take effect immediately.

27 28 29 STATEMENT

30
31 This bill will allow a retired member of the Teachers' Pension
32 and Annuity Fund (TPAF) to become employed again with the
33 former employer in a position as a coach of an athletics activity if
34 the employment begins after the retirement allowance becomes due
35 and payable; the retired member had attained service retirement age
36 as of the date of retirement which for most current members of the
37 TPAF is age 60; and the compensation for the employment is less
38 than \$10,000 per year.

39 Current regulations of the TPAF require a "bona fide" severance
40 from employment before a retiree can return to any employment
41 with the former employer. A "bona fide" severance from
42 employment means a complete termination of the employee's
43 employment relationship with the employer for a period of at least
44 180 days. These regulations were promulgated to maintain the
45 qualified status of the retirement system under federal law. The bill
46 modifies the conditions for a TPAF retiree returning to work as a
47 coach of an athletics activity in a school district, and recognizes that
48 it would be available only if that qualified status can be maintained.

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Allows reemployment by school district of TPAF retiree as coach of athletics activity when compensation is under \$10,000.

ASSEMBLY, No. 3346

STATE OF NEW JERSEY 216th LEGISLATURE

INTRODUCED JUNE 5, 2014

Sponsored by:

Assemblyman PATRICK J. DIEGNAN, JR.

District 18 (Middlesex)

Assemblywoman NANCY J. PINKIN

District 18 (Middlesex)

Assemblywoman SHAVONDA E. SUMTER

District 35 (Bergen and Passaic)

Co-Sponsored by:

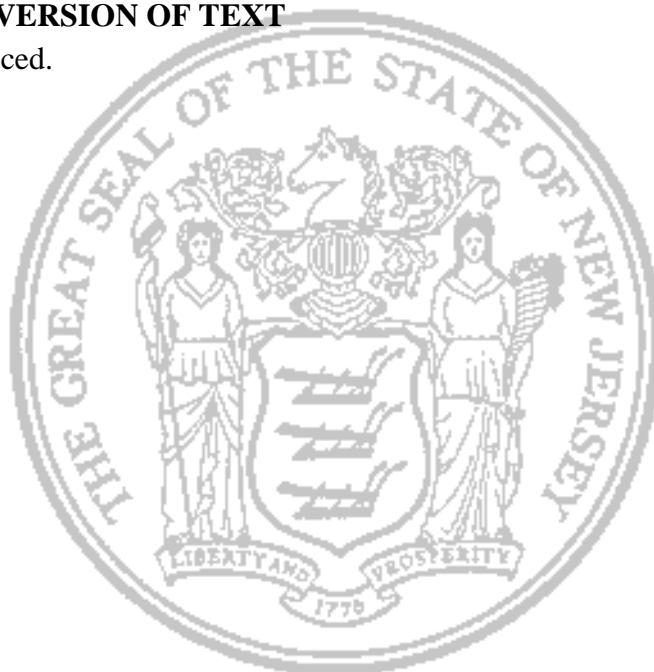
**Assemblyman DeAngelo, Assemblywoman Watson Coleman, Senators
P.Barnes, III and T.Kean**

SYNOPSIS

Allows reemployment by school district of TPAF retiree as coach of athletics activity when compensation is under \$10,000.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/27/2014)

1 AN ACT concerning the reemployment of a retiree of the Teachers'
2 Pension and Annuity Fund and amending N.J.S.18A:66-53.2.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

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7 1. N.J.S.18A:66-53.2 is amended to read as follows:

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9 section, if a former member of the retirement system who has been
10 granted a retirement allowance for any cause other than disability,
11 becomes employed again in a position which makes him eligible to
12 be a member of the retirement system, his retirement allowance and
13 the right to any death benefit as a result of his former membership,
14 shall be canceled until he again retires.

15 Such person shall be reenrolled in the retirement system and
16 shall contribute thereto at a rate based on his age at the time of
17 reenrollment. Such person shall be treated as an active member for
18 determining disability or death benefits while in service and no
19 benefits pursuant to an optional selection with respect to his former
20 membership shall be paid if his death shall occur during the period
21 of such reenrollment.

22 Upon subsequent retirement of such member, his former
23 retirement allowance shall be reinstated together with any optional
24 selection, based on his former membership. In addition, he shall
25 receive an additional retirement allowance based on his subsequent
26 service as a member computed in accordance with applicable
27 provisions of this article; provided, however, that his total
28 retirement allowance upon such subsequent retirement shall not be a
29 greater proportion of his final compensation than the proportion to
30 which he would have been entitled had he remained in service
31 during the period of his prior retirement. Any death benefit to
32 which such member shall be eligible shall be based on his latest
33 retirement, but shall not be less than the death benefit that was
34 applicable to his former retirement.

35 b. The cancellation, reenrollment, and additional retirement
36 allowance provisions of subsection a. of this section shall not apply
37 to a former member of the retirement system who is a certificated
38 superintendent or a certificated administrator and who, after having
39 been granted a retirement allowance, becomes employed by the
40 State Department of Education in a position of critical need as
41 determined by the State Commissioner of Education, or becomes
42 employed by a board of education as a certificated superintendent
43 or a certificated administrator on a contractual basis for a term of
44 not more than one year; except that the cancellation, reenrollment,
45 and additional retirement allowance provisions shall apply if the

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 underlined thus is new matter.

1 former member becomes employed within 120 days of retirement
2 with the employer from which the member retired. Nothing herein
3 shall preclude a former member so reemployed with a board of
4 education from renewing a contract for one additional year,
5 provided that the total period of employment with any individual
6 board of education does not exceed a two-year period.

7 c. A former member of the retirement system who has been
8 granted a retirement allowance, for any cause other than disability,
9 may become employed again with the former employer in a position
10 as a coach of an athletics activity if: (1) the employment
11 commences after the retirement allowance becomes due and
12 payable; (2) the former member had attained the service retirement
13 age, applicable to that member, as of the date of retirement; and (3)
14 the compensation for the employment is less than \$10,000 per year.
15 This subsection shall be effective if the qualified status of the
16 retirement system under federal law can be maintained upon its
17 application, and such modifications to the system as may be
18 available shall be made to allow for its application. As used in this
19 section, “former employer” means the employer with which the
20 former member held employment immediately prior to retirement.

21 (cf: P.L.2001, c.355, s.1)

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23 2. This act shall take effect immediately.
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28 This bill will allow a retired member of the Teachers’ Pension
29 and Annuity Fund (TPAF) to become employed again with the
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34 TPAF is age 60; and the compensation for the employment is less
35 than \$10,000 per year.

36 Current regulations of the TPAF require a “bona fide” severance
37 from employment before a retiree can return to any employment
38 with the former employer. A “bona fide” severance from
39 employment means a complete termination of the employee’s
40 employment relationship with the employer for a period of at least
41 180 days. These regulations were promulgated to maintain the
42 qualified status of the retirement system under federal law. The bill
43 modifies the conditions for a TPAF retiree returning to work as a
44 coach of an athletics activity in a school district, and recognizes that
45 it would be available only if that qualified status can be maintained.

ASSEMBLY EDUCATION COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3346

STATE OF NEW JERSEY

DATED: JUNE 12, 2014

The Assembly Education Committee reports favorably Assembly Bill No. 3346.

This bill will allow a retired member of the Teachers' Pension and Annuity Fund (TPAF) to become employed again with the former employer in a position as a coach of an athletics activity if the employment begins after the retirement allowance becomes due and payable; the retired member had attained service retirement age as of the date of retirement which for most current members of the TPAF is age 60; and the compensation for the employment is less than \$10,000 per year.

Current regulations of the TPAF require a "bona fide" severance from employment before a retiree can return to any employment with the former employer. A "bona fide" severance from employment means a complete termination of the employee's employment relationship with the employer for a period of at least 180 days. These regulations were promulgated to maintain the qualified status of the retirement system under federal law. The bill modifies the conditions for a TPAF retiree returning to work as a coach of an athletics activity in a school district, and recognizes that it would be available only if that qualified status can be maintained.

SENATE, No. 2138

STATE OF NEW JERSEY 216th LEGISLATURE

INTRODUCED JUNE 9, 2014

Sponsored by:

Senator PETER J. BARNES, III

District 18 (Middlesex)

Senator THOMAS H. KEAN, JR.

District 21 (Morris, Somerset and Union)

SYNOPSIS

Allows reemployment by school district of TPAF retiree as coach of athletics activity when compensation is under \$10,000.

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As introduced.



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SENATE STATE GOVERNMENT, WAGERING, TOURISM &
HISTORIC PRESERVATION COMMITTEE

STATEMENT TO

SENATE, No. 2138

STATE OF NEW JERSEY

DATED: JUNE 19, 2014

The Senate State Government, Wagering, Tourism and Historic Preservation Committee reports favorably Senate Bill No. 2138.

This bill will allow a retired member of the Teachers' Pension and Annuity Fund (TPAF) to become employed again with the former employer in a position as a coach of an athletics activity if the employment begins after the retirement allowance becomes due and payable; the retired member had attained service retirement age as of the date of retirement, which for most current members of the TPAF is age 60; and the compensation for the employment is less than \$10,000 per year.

Current regulations of the TPAF require a "bona fide" severance from employment before a retiree can return to any employment with the former employer. A "bona fide" severance from employment means a complete termination of the employee's employment relationship with the employer for a period of at least 180 days. These regulations were promulgated to maintain the qualified status of the retirement system under federal law. The bill modifies the conditions for a TPAF retiree returning to work as a coach of an athletics activity in a school district, and recognizes that it would be available only if that qualified status can be maintained.