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RWH/CL

P.L. 2019, CHAPTER 251, *approved August 23, 2019*
Senate, No. 1403 (*Fifth Reprint*)

1 AN ACT concerning creditable service in the State Police
2 Retirement System, and amending various parts of the statutory
3 law.

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

7
8 ⁴**[**1. Section 6 of P.L.1965, c.89 (C.53:5A-6) is amended to read
9 as follows:

10 6. a. (1) Service as a full-time commissioned officer,
11 noncommissioned officer or trooper rendered as a member, and
12 service credit which was transferred from the former "State Police
13 Retirement and Benevolent Fund," or transferred from any other
14 State-administered retirement system, shall, if the required
15 contributions are made by the State and the member, be considered
16 as creditable service. ²If such transferred service credit is
17 established, it shall be considered the same as creditable service as
18 a full-time commissioned officer, noncommissioned officer or
19 trooper rendered as a member.²

20 In addition, service as a chief inspector, deputy chief inspector,
21 inspector and special inspector in the Motor Vehicle Commission or
22 equivalent Civil Service classifications, including Chief, Highway
23 Patrol Bureau; Assistant Chief (Major), Highway Patrol Bureau;
24 Captain, Highway Patrol Bureau; Lieutenant, Highway Patrol
25 Bureau; Sergeant, Highway Patrol Bureau; and Officer, Highway
26 Patrol Bureau, and service credit may be transferred from the Police
27 and Firemen's Retirement System ²**[and]**² the Public Employees'
28 Retirement System ², or any other State-administered retirement
29 system² and shall, if the required contributions are made by the
30 State and the member, be considered as creditable service.

31 In addition, service as a member of the State Capitol Police
32 Force, or as a Supervising Inspector, Principal Inspector, Senior
33 Inspector, or Inspector Recruit in the Alcoholic Beverage Control
34 Enforcement Bureau or as a Principal Marine Law Enforcement
35 Officer, Senior Marine Law Enforcement Officer, or Marine Law
36 Enforcement Officer in the Bureau of Marine Law Enforcement and
37 service credit transferred from the Police and Firemen's 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.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SSG committee amendments adopted January 31, 2019.

²Senate SBA committee amendments adopted February 7, 2019.

³Assembly ASL committee amendments adopted March 11, 2019.

⁴Assembly AAP committee amendments adopted March 18, 2019.

⁵Assembly floor amendments adopted May 23, 2019.

1 System ²~~or~~,² the Public Employees' Retirement System ², or any
2 other State-administered retirement system² shall, if the required
3 contributions are made by the State and the member, be considered
4 as creditable service.

5 A member on suspension shall be considered in service for the
6 period of the suspension, but the period of suspension shall not be
7 considered as creditable service unless the member receives salary
8 therefor.

9 ³[(2) If an employee's membership has been terminated and he
10 is re-enrolled as a member of the retirement system, he may
11 purchase credit for all of his previous membership service by
12 paying into the annuity savings fund the amount required by
13 applying the factor, supplied by the actuary, as being applicable to
14 his age at the time of the purchase, to his salary at that time. Such
15 purchase may be made in regular installments equal to at least 1/2
16 the normal contribution to the retirement system, over a maximum
17 period of 10 years.]³ [In order to give to such person the same
18 credit for such service as he had at the time of termination, his
19 pension credit shall be restored as it was at the time of his
20 termination, upon the completion of one year of membership after
21 his election to make the purchase and the payment of at least 1/2 the
22 total amount due, except that in the case of retirement pursuant to
23 sections 8, 27 and 28 of chapter 89 of the laws of 1965, the credit
24 granted for the service being purchased shall be in direct proportion
25 as the amount paid bears to the total amount of the arrearage
26 obligation.]

27 ³[Any member electing to purchase service credit who retires
28 prior to completing the payments as agreed with the retirement
29 system will receive pro rata credit for service purchased prior to the
30 date of retirement, but if the member so elects at the time of
31 retirement, the member may make the additional lump sum payment
32 required at that time to provide full credit.]³

33 b. Any member of the retirement system, who, prior to
34 becoming a member, had established service credits in ³this or³
35 another retirement system supported in whole or in part by the
36 State, or who had rendered service to the State prior to becoming a
37 member, or had purchased service credits while in another State-
38 administered retirement system ³[or in the Police and Firemen's
39 Retirement System or the Public Employees' Retirement System,
40 while serving as chief inspector, deputy chief inspector, inspector or
41 special inspector in the Enforcement Bureau, Motor Vehicle
42 Commission, or as a member of the State Capitol Police Force, or
43 as a Supervising Inspector, Principal Inspector, Senior Inspector,
44 Inspector, or Inspector Recruit in the Alcoholic Beverage Control
45 Enforcement Bureau, or as a Principal Marine Law Enforcement
46 Officer, Senior Marine Law Enforcement Officer, or Marine Law
47 Enforcement Officer in the Bureau of Marine Law Enforcement,]³

1 for which ³~~he~~ the member³ desires to establish credit in this
2 retirement system, shall be permitted to purchase such credit ^{3,3} or
3 to transfer such previously purchased credit ³, by paying into the
4 annuity savings fund the amount required by applying the factor,
5 supplied by the actuary, as being applicable to the member's age at
6 the time of the purchase, to the member's salary at that time. Such
7 purchase may be made in regular installments equal to at least half
8 of the normal contribution to the retirement system, over a
9 maximum period of 10 years³. **【If such credit is established and**
10 **except as provided in subsection f., it shall be included in the**
11 **computation of a retirement allowance on the basis of 1% of final**
12 **compensation for each year of such service credit】** ²If such
13 purchased service credit or transferred purchased credit is
14 established, it shall be considered the same as creditable service as
15 a full-time commissioned officer, noncommissioned officer, or
16 trooper rendered as a member.²

17 ³Such credit may not be established prior to the completion of
18 one year of membership after the member's election to make the
19 purchase and the payment of at least half the total amount due,
20 except that in the case of retirement pursuant to sections 8, 27 and
21 28 of P.L.1965, c.89 (C.53:5A-1 et seq.), the credit granted for the
22 service being purchased shall be in direct proportion as the amount
23 paid bears to the total amount of the arrearage obligation. If the
24 member so elects at the time of retirement, if such time is after
25 completion of the one year of membership, the member may make
26 the additional lump sum payment required at that time to provide
27 full credit.³

28 c. Not more than one year shall be credited for all service in a
29 calendar year.

30 d. In computing service, time during which a member was
31 absent on an official leave without pay shall be credited if such
32 leave was for a period of: (1) less than three months; or (2) up to a
33 maximum of two years, if the leave was due to the member's
34 personal illness and the period of leave is allowed for retirement
35 purposes within one year following his return to service after the
36 termination of such leave.

37 e. The method of computation and the terms of the purchase of
38 service permitted by subsections b. and d. of this section shall be
39 identical to those stipulated for the purchase of previous
40 membership service by members of the system, as provided by
41 subsection a. of this section.

42 f. For any person who becomes a member of the retirement
43 system pursuant to P.L.1997, c.19 (C.53:1-8.2 et al.) and is required
44 to retire pursuant to section 8 of P.L.1965, c.89 (C.53:5A-8) with
45 less than 20 years of creditable service in the retirement system, an
46 amount of service credit transferred or purchased pursuant to
47 subsection b. which when added to the amount of creditable service

1 in the retirement system equals 20 years shall be considered
2 creditable service in the retirement system. Transferred or
3 purchased service credit in excess of the amount necessary to
4 provide 20 years of creditable service in the retirement system shall
5 be included in the computation of a retirement allowance on the
6 basis **【provided in subsection b.】** of one percent of final
7 compensation for each year of such service credit.

8 g. In the case of a member for whom compensation is defined
9 in paragraph (2) of subsection u. of section 3 of P.L.1965, c.89
10 (C.53:5A-3), the retirement system shall credit the member with the
11 time of all service rendered by the member during the part of any
12 year that the member was a participant of the Defined Contribution
13 Retirement Program, pursuant to paragraph (5) of subsection a. of
14 section 2 of P.L.2007, c.92 (C.43:15C-2) as amended by section 7
15 of P.L.2010, c.1, and making contributions to that program.

16 (cf: P.L.2010, c.1, s.19)】⁴

17
18 ⁴1. Section 6 of P.L.1965, c.89 (C.53:5A-6) is amended to read
19 as follows:

20 6. a. Service as a full-time commissioned officer,
21 noncommissioned officer or trooper rendered as a member, and
22 service credit which was transferred from the former "State Police
23 Retirement and Benevolent Fund," or transferred from any other
24 State-administered retirement system, shall, if the required
25 contributions are made by the State and the member, be considered
26 as creditable service. If such transferred service credit is
27 established, it shall be considered the same as creditable service as
28 a full-time commissioned officer, noncommissioned officer or
29 trooper rendered as a member.

30 In addition, service as a chief inspector, deputy chief inspector,
31 inspector and special inspector in the Motor Vehicle Commission or
32 equivalent Civil Service classifications, including Chief, Highway
33 Patrol Bureau; Assistant Chief (Major), Highway Patrol Bureau;
34 Captain, Highway Patrol Bureau; Lieutenant, Highway Patrol
35 Bureau; Sergeant, Highway Patrol Bureau; and Officer, Highway
36 Patrol Bureau, and service credit may be transferred from the Police
37 and Firemen's Retirement System **【and】**, the Public Employees'
38 Retirement System , or any other State-administered retirement
39 system and shall, if the required contributions are made by the State
40 and the member, be considered as creditable service.

41 In addition, service as a member of the State Capitol Police
42 Force, or as a Supervising Inspector, Principal Inspector, Senior
43 Inspector, or Inspector Recruit in the Alcoholic Beverage Control
44 Enforcement Bureau or as a Principal Marine Law Enforcement
45 Officer, Senior Marine Law Enforcement Officer, or Marine Law
46 Enforcement Officer in the Bureau of Marine Law Enforcement and
47 service credit transferred from the Police and Firemen's Retirement

1 System **[or]**, the Public Employees' Retirement System , or any
2 other State-administered retirement system shall, if the required
3 contributions are made by the State and the member, be considered
4 as creditable service.

5 A member on suspension shall be considered in service for the
6 period of the suspension, but the period of suspension shall not be
7 considered as creditable service unless the member receives salary
8 therefor.

9 **[If an employee's membership has been terminated and he is re-**
10 **enrolled as a member of the retirement system, he may purchase**
11 **credit for all of his previous membership service by paying into the**
12 **annuity savings fund the amount required by applying the factor,**
13 **supplied by the actuary, as being applicable to his age at the time of**
14 **the purchase, to his salary at that time. Such purchase may be made**
15 **in regular installments equal to at least 1/2 the normal contribution**
16 **to the retirement system, over a maximum period of 10 years. In**
17 **order to give to such person the same credit for such service as he**
18 **had at the time of termination, his pension credit shall be restored as**
19 **it was at the time of his termination, upon the completion of one**
20 **year of membership after his election to make the purchase and the**
21 **payment of at least 1/2 the total amount due, except that in the case**
22 **of retirement pursuant to sections 8, 27 and 28 of chapter 89 of the**
23 **laws of 1965, the credit granted for the service being purchased**
24 **shall be in direct proportion as the amount paid bears to the total**
25 **amount of the arrearage obligation.]**

26 b. Any member of the retirement system, who, prior to
27 becoming a member, had established service credits in this or
28 another retirement system supported in whole or in part by the
29 State, or who had rendered service to the State prior to becoming a
30 member, or had purchased service credits while in another State-
31 administered retirement system or in the Police and Firemen's
32 Retirement System or the Public Employees' Retirement System,
33 while serving as chief inspector, deputy chief inspector, inspector or
34 special inspector in the Enforcement Bureau, Motor Vehicle
35 Commission, or as a member of the State Capitol Police Force, or
36 as a Supervising Inspector, Principal Inspector, Senior Inspector,
37 Inspector, or Inspector Recruit in the Alcoholic Beverage Control
38 Enforcement Bureau, or as a Principal Marine Law Enforcement
39 Officer, Senior Marine Law Enforcement Officer, or Marine Law
40 Enforcement Officer in the Bureau of Marine Law Enforcement, for
41 which **[he]** the member desires to establish credit in this retirement
42 system, shall be permitted to ⁵**[transfer or]**⁵ purchase such credit ,
43 or to transfer such previously purchased credit , by paying into the
44 annuity savings fund the amount required by applying the factor,
45 supplied by the actuary, as being applicable to the member's age at
46 the time of the transfer or purchase, to the member's salary at that
47 time. Such payment may be made in regular installments equal to at

1 least half of the normal contribution to the retirement system, over a
2 maximum period of 10 years. ⁵【Such payment for the transfer of
3 service credit shall not be required of a person who became a
4 member of the retirement system pursuant to P.L.1983, c.403
5 (C.39:2-9.1 et al.) or P.L.1997, c.19 (C.53:1-8.2 et al.) for credit
6 earned, rather than purchased, in the retirement system in which the
7 person was enrolled on the effective date of those acts, P.L.1983,
8 c.403 and P.L.1997, c.19, prior to becoming a member of this
9 retirement system】⁵. 【If such credit is established and except as
10 provided in subsection f., it shall be included in the computation of
11 a retirement allowance on the basis of 1% of final compensation for
12 each year of such service credit】 If such purchased service credit or
13 transferred purchased credit is established, it shall be considered the
14 same as creditable service as a full-time commissioned officer,
15 noncommissioned officer, or trooper rendered as a member.

16 A member who retires prior to completing the payments as
17 agreed with the retirement system will receive pro rata credit for
18 service purchased prior to the date of retirement, but if the member
19 so elects at the time of retirement, the member may make the
20 additional lump sum payment required at that time to provide full
21 credit; except that in the case of retirement pursuant to any section
22 of P.L.1965, c.89 (C.53:5A-1 et seq.) other than sections 8, 27, and
23 28 thereof, if an employee's membership has been terminated and
24 the member is re-enrolled as a member of the retirement system, the
25 member shall be accorded, upon the completion of one year of
26 membership after the member's election to make the purchase and
27 the payment of at least half the total amount due, the pension credit
28 as it was at the time of the member's termination.

29 c. Not more than one year shall be credited for all service in a
30 calendar year.

31 d. In computing service, time during which a member was
32 absent on an official leave without pay shall be credited if such
33 leave was for a period of: (1) less than three months; or (2) up to a
34 maximum of two years, if the leave was due to the member's
35 personal illness and the period of leave is allowed for retirement
36 purposes within one year following his return to service after the
37 termination of such leave.

38 e. The method of computation and the terms of the purchase of
39 service permitted by subsections b. and d. of this section shall be
40 identical to those stipulated for the purchase of previous
41 membership service by members of the system, as provided by
42 subsection a. of this section.

43 f. For any person who becomes a member of the retirement
44 system pursuant to P.L.1997, c.19 (C.53:1-8.2 et al.) and is required
45 to retire pursuant to section 8 of P.L.1965, c.89 (C.53:5A-8) with
46 less than 20 years of creditable service in the retirement system, and
47 who retires prior to the effective date of P.L. _____, c. (C. _____)
48 (pending before the Legislature as this bill), an amount of service

1 credit transferred or purchased pursuant to subsection b. which
2 when added to the amount of creditable service in the retirement
3 system equals 20 years shall be considered creditable service in the
4 retirement system. Transferred or purchased service credit in
5 excess of the amount necessary to provide 20 years of creditable
6 service in the retirement system shall be included in the
7 computation of a retirement allowance on the basis **【provided in**
8 **subsection b.】** of one percent of final compensation for each year of
9 such service credit.

10 g. In the case of a member for whom compensation is defined
11 in paragraph (2) of subsection u. of section 3 of P.L.1965, c.89
12 (C.53:5A-3), the retirement system shall credit the member with the
13 time of all service rendered by the member during the part of any
14 year that the member was a participant of the Defined Contribution
15 Retirement Program, pursuant to paragraph (5) of subsection a. of
16 section 2 of P.L.2007, c.92 (C.43:15C-2) as amended by section 7
17 of P.L.2010, c.1, and making contributions to that program.⁴
18 (cf: P.L.2010, c.1, s.19)

19

20 ¹2. Section 8 of P.L.1965, c.89 (C.53:5A-8) is amended to read
21 as follows:

22 8. a. The Legislature finds and declares that the public health,
23 safety and welfare require the ongoing health and fitness of all
24 members of the New Jersey State Police so that they may safely and
25 efficiently protect the public. The Legislature further finds and
26 declares that such continued health and fitness cannot be
27 determined except with reference to age, and therefore finds and
28 concludes that retirement of all members of the State Police at age
29 55, except as provided for in subsection c. of this section, shall
30 constitute a bona fide occupational qualification which is
31 reasonably necessary to the normal operation of the State Police,
32 which qualification the Legislature hereby promulgates and
33 establishes.

34 b. Any member of the retirement system may retire on a
35 service retirement allowance upon **【the completion of】** having
36 established at least 20 years of creditable service **【as a State**
37 **policeman】** in the retirement system, which includes the creditable
38 service of those members appointed to the Division of State Police
39 under section 3 of P.L.1983, c.403 (C.39:2-9.3) and the creditable
40 service of those members appointed to the Division of State Police
41 under section 1 of P.L.1997, c.19 (C.53:1-8.2). Upon the filing of a
42 written and duly executed application with the retirement system,
43 setting forth at what time, not less than one month subsequent to the
44 filing thereof, he desires to be retired, any such member retiring for
45 service shall receive a service retirement allowance which shall
46 consist of:

1 (1) An annuity which shall be the actuarial equivalent of his
2 aggregate contributions; and

3 (2) A pension in the amount which, when added to the member's
4 annuity, will provide a total retirement allowance of 50% of his
5 final compensation.

6 c. Except for the Superintendent of State Police, any member
7 of the retirement system, including a member appointed to the State
8 Police under section 3 of P.L.1983, c.403 (C.39:2-9.3) and a
9 member appointed to the State Police under section 1 of P.L.1997,
10 c.19 (C.53:1-8.2), who has attained the age of 55 years, shall be
11 retired forthwith on the first day of the next calendar month
12 following the effective date of this 1985 amendatory act. Any
13 member of the retirement system so retired shall receive a service
14 retirement allowance pursuant to this section or section 27 of
15 P.L.1965, c.89 (C.53:5A-27), as appropriate.

16 d. Any member of the retirement system who is required to
17 retire pursuant to subsection c. of this section and who has more
18 than 20 but fewer than 25 years of creditable service at the time of
19 retirement shall be entitled to continued health benefits coverage
20 during retirement as provided in the "New Jersey State Health
21 Benefits Program Act," P.L.1961, c.49 (C.52:14-17.25 et seq.).
22 Notwithstanding the provisions of section 8 of P.L.1961, c.49
23 (C.52:14-17.32) , or any other law enacted prior to the effective
24 date of P.L.2018, c.63 requiring persons who have retired from
25 public employment to make contributions toward the cost of health
26 care benefits coverage in retirement, to the contrary, the State shall
27 pay in full the premium or periodic charge for the benefits provided
28 under this subsection to a member retiring under subsection c. of
29 this section with fewer than 25 years of service credited in the
30 retirement system, and the member's dependents covered under the
31 program, but not including survivors. This provision shall be the
32 sole provision applicable to these specified members of the
33 retirement system with regard to the obligations of the State for the
34 payment of premiums and periodic charges and any contributions
35 toward the cost of health care benefits coverage during retirement
36 for a retired member and the member's dependents.

37 e. Any member of the retirement system as of the effective date
38 of P.L.1985, c.175 who is required to retire pursuant to subsection
39 c. of this section shall be entitled to the retirement allowance
40 provided for by subsection b. of this section, notwithstanding that
41 the member shall have fewer than 20 years' creditable service.

42 f. Any member of the retirement system as of the effective date
43 of P.L.1985, c.175 who is required to retire pursuant to subsection
44 c. of this section and who has more than 20 but less than 25 years of
45 creditable service at the time of retirement shall be entitled to the
46 retirement allowance provided for by subsection b. of this section
47 plus 3% of his final compensation multiplied by the number of
48 years of creditable service over 20 but not over 25.

1 g. Upon the receipt of proper proofs of the death of a member
2 who has retired on a service retirement allowance, there shall be
3 paid to the member's beneficiary an amount equal to one-half of the
4 final compensation received by the member.¹

5 (cf: P.L.2018, c.63, s.1)

6
7 ¹2. Section 8 of P.L.1965, c.89 (C.53:5A-8) is amended to read
8 as follows:

9 8. a. The Legislature finds and declares that the public health,
10 safety and welfare require the ongoing health and fitness of all
11 members of the New Jersey State Police so that they may safely and
12 efficiently protect the public. The Legislature further finds and
13 declares that such continued health and fitness cannot be
14 determined except with reference to age, and therefore finds and
15 concludes that retirement of all members of the State Police at age
16 55, except as provided for in subsection c. of this section, shall
17 constitute a bona fide occupational qualification which is
18 reasonably necessary to the normal operation of the State Police,
19 which qualification the Legislature hereby promulgates and
20 establishes.

21 b. Any member of the retirement system may retire on a
22 service retirement allowance upon **the completion of** having
23 established at least 20 years of creditable service **as a State**
24 **policeman** in the retirement system, which includes the creditable
25 service of those members appointed to the Division of State Police
26 under section 3 of P.L.1983, c.403 (C.39:2-9.3) and the creditable
27 service of those members appointed to the Division of State Police
28 under section 1 of P.L.1997, c.19 (C.53:1-8.2). Upon the filing of a
29 written and duly executed application with the retirement system,
30 setting forth at what time, not less than one month subsequent to the
31 filing thereof, he desires to be retired, any such member retiring for
32 service shall receive a service retirement allowance which shall
33 consist of:

34 (1) An annuity which shall be the actuarial equivalent of his
35 aggregate contributions; and

36 (2) A pension in the amount which, when added to the member's
37 annuity, will provide a total retirement allowance of 50% of his
38 final compensation.

39 c. Except for the Superintendent of State Police, any member
40 of the retirement system, including a member appointed to the
41 State Police under section 3 of P.L.1983, c.403 (C.39:2-9.3) and a
42 member appointed to the State Police under section 1 of P.L.1997,
43 c.19 (C.53:1-8.2), who has attained the age of 55 years, shall be
44 retired forthwith on the first day of the next calendar month
45 following the effective date of this 1985 amendatory act. Any
46 member of the retirement system so retired shall receive a service

1 retirement allowance pursuant to this section or section 27 of
2 P.L.1965, c.89 (C.53:5A-27), as appropriate.

3 d. Any member of the retirement system who is required to
4 retire pursuant to subsection c. of this section and who has more
5 than 20 but fewer than 25 years of creditable service at the time of
6 retirement shall be entitled to continued health benefits coverage
7 during retirement as provided in the "New Jersey State Health
8 Benefits Program Act," P.L.1961, c.49 (C.52:14-17.25 et seq.).
9 Notwithstanding the provisions of section 8 of P.L.1961, c.49
10 (C.52:14-17.32), the State shall pay the premium or periodic charge
11 for the benefits provided under this subsection to a member retiring
12 under subsection c. of this section with fewer than 25 years of
13 service credited in the retirement system, and the member's
14 dependents covered under the program, but not including survivors.

15 e. Any member of the retirement system as of the effective date
16 of P.L.1985, c.175 who is required to retire pursuant to subsection
17 c. of this section shall be entitled to the retirement allowance
18 provided for by subsection b. of this section, notwithstanding that
19 the member shall have fewer than 20 years' creditable service.

20 f. Any member of the retirement system as of the effective date
21 of P.L.1985, c.175 who is required to retire pursuant to subsection
22 c. of this section and who has more than 20 but less than 25 years of
23 creditable service at the time of retirement shall be entitled to the
24 retirement allowance provided for by subsection b. of this section
25 plus 3% of his final compensation multiplied by the number of
26 years of creditable service over 20 but not over 25.

27 g. Upon the receipt of proper proofs of the death of a member
28 who has retired on a service retirement allowance, there shall be
29 paid to the member's beneficiary an amount equal to one-half of the
30 final compensation received by the member.

31 (cf: P.L.2001, c.316, s.1)]¹

32

33 3. Section 27 of P.L.1965, c.89 (C.53:5A-27) is amended to
34 read as follows:

35 27. a. Should a member resign after having established 25 years
36 of creditable service [as a full-time commissioned officer,
37 noncommissioned officer or trooper of the Division of State Police
38 or] in the retirement system or as a member appointed to the State
39 Police under section 3 of P.L.1983, c.403 (C.39:2-9.3) or a member
40 appointed to the State Police under section 1 of P.L.1997, c.19
41 (C.53:1-8.2), he may elect "special" retirement; provided that such
42 election is communicated by such member to the retirement system
43 by filing a written application, duly attested, stating at what time
44 subsequent to the execution and filing thereof he desires to be
45 retired. He shall receive, in lieu of the payment provided in section
46 26, a retirement allowance which shall consist of:

47 (1) An annuity which shall be the actuarial equivalent of his
48 aggregate contributions; and

1 (2) A pension in the amount which, when added to the member's
2 annuity, will provide a total retirement allowance of 65% of his
3 final compensation, plus 1% of his final compensation multiplied
4 by the number of years of creditable service over 25, but not over
5 30.

6 The board of trustees shall retire him at the time specified or at
7 such other time within one month after the date so specified, as the
8 board finds advisable.

9 b. Upon the receipt of proper proofs of the death of such a
10 retired member, there shall be paid to the member's beneficiary an
11 amount equal to one-half of the final compensation received by the
12 member.

13 (cf: P.L.1997, c.19, s.11)

14

15 4. This act shall take effect ⁴**[immediately]** on the 60th day
16 following enactment⁴.

17

18

19

20

21 Permits service credit transferred from another State-
22 administered retirement system to apply toward creditable service
23 requirement for retirement in SPRS.

SENATE, No. 1403

STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED FEBRUARY 1, 2018

Sponsored by:

Senator PATRICK J. DIEGNAN, JR.

District 18 (Middlesex)

Senator TROY SINGLETON

District 7 (Burlington)

SYNOPSIS

Permits service credit transferred from another State-administered retirement system to apply toward creditable service requirement for retirement in SPRS.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 2/16/2018)

S1403 DIEGNAN, SINGLETON

2

1 AN ACT concerning creditable service in the State Police
2 Retirement System, and amending various parts of the statutory
3 law.

4

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

7

8 1. Section 6 of P.L.1965, c.89 (C.53:5A-6) is amended to read
9 as follows:

10 6. a. (1) Service as a full-time commissioned officer,
11 noncommissioned officer or trooper rendered as a member, and
12 service credit which was transferred from the former "State Police
13 Retirement and Benevolent Fund," or transferred from any other
14 State-administered retirement system, shall, if the required
15 contributions are made by the State and the member, be considered
16 as creditable service.

17 In addition, service as a chief inspector, deputy chief inspector,
18 inspector and special inspector in the Motor Vehicle Commission or
19 equivalent Civil Service classifications, including Chief, Highway
20 Patrol Bureau; Assistant Chief (Major), Highway Patrol Bureau;
21 Captain, Highway Patrol Bureau; Lieutenant, Highway Patrol
22 Bureau; Sergeant, Highway Patrol Bureau; and Officer, Highway
23 Patrol Bureau, and service credit may be transferred from the Police
24 and Firemen's Retirement System and the Public Employees'
25 Retirement System and shall, if the required contributions are made
26 by the State and the member, be considered as creditable service.

27 In addition, service as a member of the State Capitol Police
28 Force, or as a Supervising Inspector, Principal Inspector, Senior
29 Inspector, or Inspector Recruit in the Alcoholic Beverage Control
30 Enforcement Bureau or as a Principal Marine Law Enforcement
31 Officer, Senior Marine Law Enforcement Officer, or Marine Law
32 Enforcement Officer in the Bureau of Marine Law Enforcement and
33 service credit transferred from the Police and Firemen's Retirement
34 System or the Public Employees' Retirement System shall, if the
35 required contributions are made by the State and the member, be
36 considered as creditable service.

37 A member on suspension shall be considered in service for the
38 period of the suspension, but the period of suspension shall not be
39 considered as creditable service unless the member receives salary
40 therefor.

41 (2) If an employee's membership has been terminated and he is
42 re-enrolled as a member of the retirement system, he may purchase
43 credit for all of his previous membership service by paying into the
44 annuity savings fund the amount required by applying the factor,
45 supplied by the actuary, as being applicable to his age at the time of

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.

S1403 DIEGNAN, SINGLETON

3

1 the purchase, to his salary at that time. Such purchase may be made
2 in regular installments equal to at least 1/2 the normal contribution
3 to the retirement system, over a maximum period of 10 years. [In
4 order to give to such person the same credit for such service as he
5 had at the time of termination, his pension credit shall be restored as
6 it was at the time of his termination, upon the completion of one
7 year of membership after his election to make the purchase and the
8 payment of at least 1/2 the total amount due, except that in the case
9 of retirement pursuant to sections 8, 27 and 28 of chapter 89 of the
10 laws of 1965, the credit granted for the service being purchased
11 shall be in direct proportion as the amount paid bears to the total
12 amount of the arrearage obligation.]

13 Any member electing to purchase service credit hereunder who
14 retires prior to completing the payments as agreed with the
15 retirement system will receive pro rata credit for service purchased
16 prior to the date of retirement, but if the member so elects at the
17 time of retirement, the member may make the additional lump sum
18 payment required at that time to provide full credit.

19 b. Any member of the retirement system, who, prior to
20 becoming a member, had established service credits in another
21 retirement system supported in whole or in part by the State, or who
22 had rendered service to the State prior to becoming a member, or
23 had purchased service credits while in another State-administered
24 retirement system or in the Police and Firemen's Retirement System
25 or the Public Employees' Retirement System, while serving as chief
26 inspector, deputy chief inspector, inspector or special inspector in
27 the Enforcement Bureau, Motor Vehicle Commission, or as a
28 member of the State Capitol Police Force, or as a Supervising
29 Inspector, Principal Inspector, Senior Inspector, Inspector, or
30 Inspector Recruit in the Alcoholic Beverage Control Enforcement
31 Bureau, or as a Principal Marine Law Enforcement Officer, Senior
32 Marine Law Enforcement Officer, or Marine Law Enforcement
33 Officer in the Bureau of Marine Law Enforcement, for which he
34 desires to establish credit in this retirement system, shall be
35 permitted to purchase such credit or to transfer such previously
36 purchased credit. [If such credit is established and except as
37 provided in subsection f., it shall be included in the computation of
38 a retirement allowance on the basis of 1% of final compensation for
39 each year of such service credit]

40 c. Not more than one year shall be credited for all service in a
41 calendar year.

42 d. In computing service, time during which a member was
43 absent on an official leave without pay shall be credited if such
44 leave was for a period of: (1) less than three months; or (2) up to a
45 maximum of two years, if the leave was due to the member's
46 personal illness and the period of leave is allowed for retirement
47 purposes within one year following his return to service after the
48 termination of such leave.

S1403 DIEGNAN, SINGLETON

4

1 e. The method of computation and the terms of the purchase of
2 service permitted by subsections b. and d. of this section shall be
3 identical to those stipulated for the purchase of previous
4 membership service by members of the system, as provided by
5 subsection a. of this section.

6 f. For any person who becomes a member of the retirement
7 system pursuant to P.L.1997, c.19 (C.53:1-8.2 et al.) and is required
8 to retire pursuant to section 8 of P.L.1965, c.89 (C.53:5A-8) with
9 less than 20 years of creditable service in the retirement system, an
10 amount of service credit transferred or purchased pursuant to
11 subsection b. which when added to the amount of creditable service
12 in the retirement system equals 20 years shall be considered
13 creditable service in the retirement system. Transferred or
14 purchased service credit in excess of the amount necessary to
15 provide 20 years of creditable service in the retirement system shall
16 be included in the computation of a retirement allowance on the
17 basis 【provided in subsection b.】 of one percent of final
18 compensation for each year of such service credit.

19 g. In the case of a member for whom compensation is defined
20 in paragraph (2) of subsection u. of section 3 of P.L.1965, c.89
21 (C.53:5A-3), the retirement system shall credit the member with the
22 time of all service rendered by the member during the part of any
23 year that the member was a participant of the Defined Contribution
24 Retirement Program, pursuant to paragraph (5) of subsection a. of
25 section 2 of P.L.2007, c.92 (C.43:15C-2) as amended by section 7
26 of P.L.2010, c.1, and making contributions to that program.
27 (cf: P.L.2010, c.1, s.19)

28

29 2. Section 8 of P.L.1965, c.89 (C.53:5A-8) is amended to read
30 as follows:

31 8. a. The Legislature finds and declares that the public health,
32 safety and welfare require the ongoing health and fitness of all
33 members of the New Jersey State Police so that they may safely and
34 efficiently protect the public. The Legislature further finds and
35 declares that such continued health and fitness cannot be
36 determined except with reference to age, and therefore finds and
37 concludes that retirement of all members of the State Police at age
38 55, except as provided for in subsection c. of this section, shall
39 constitute a bona fide occupational qualification which is
40 reasonably necessary to the normal operation of the State Police,
41 which qualification the Legislature hereby promulgates and
42 establishes.

43 b. Any member of the retirement system may retire on a
44 service retirement allowance upon 【the completion of】 having
45 established at least 20 years of creditable service 【as a State
46 policeman】 in the retirement system, which includes the creditable
47 service of those members appointed to the Division of State Police
48 under section 3 of P.L.1983, c.403 (C.39:2-9.3) and the creditable

1 service of those members appointed to the Division of State Police
2 under section 1 of P.L.1997, c.19 (C.53:1-8.2). Upon the filing of a
3 written and duly executed application with the retirement system,
4 setting forth at what time, not less than one month subsequent to the
5 filing thereof, he desires to be retired, any such member retiring for
6 service shall receive a service retirement allowance which shall
7 consist of:

8 (1) An annuity which shall be the actuarial equivalent of his
9 aggregate contributions; and

10 (2) A pension in the amount which, when added to the member's
11 annuity, will provide a total retirement allowance of 50% of his
12 final compensation.

13 c. Except for the Superintendent of State Police, any member
14 of the retirement system, including a member appointed to the
15 State Police under section 3 of P.L.1983, c.403 (C.39:2-9.3) and a
16 member appointed to the State Police under section 1 of P.L.1997,
17 c.19 (C.53:1-8.2), who has attained the age of 55 years, shall be
18 retired forthwith on the first day of the next calendar month
19 following the effective date of this 1985 amendatory act. Any
20 member of the retirement system so retired shall receive a service
21 retirement allowance pursuant to this section or section 27 of
22 P.L.1965, c.89 (C.53:5A-27), as appropriate.

23 d. Any member of the retirement system who is required to
24 retire pursuant to subsection c. of this section and who has more
25 than 20 but fewer than 25 years of creditable service at the time of
26 retirement shall be entitled to continued health benefits coverage
27 during retirement as provided in the "New Jersey State Health
28 Benefits Program Act," P.L.1961, c.49 (C.52:14-17.25 et seq.).
29 Notwithstanding the provisions of section 8 of P.L.1961, c.49
30 (C.52:14-17.32), the State shall pay the premium or periodic charge
31 for the benefits provided under this subsection to a member retiring
32 under subsection c. of this section with fewer than 25 years of
33 service credited in the retirement system, and the member's
34 dependents covered under the program, but not including survivors.

35 e. Any member of the retirement system as of the effective date
36 of P.L.1985, c.175 who is required to retire pursuant to subsection
37 c. of this section shall be entitled to the retirement allowance
38 provided for by subsection b. of this section, notwithstanding that
39 the member shall have fewer than 20 years' creditable service.

40 f. Any member of the retirement system as of the effective date
41 of P.L.1985, c.175 who is required to retire pursuant to subsection
42 c. of this section and who has more than 20 but less than 25 years of
43 creditable service at the time of retirement shall be entitled to the
44 retirement allowance provided for by subsection b. of this section
45 plus 3% of his final compensation multiplied by the number of
46 years of creditable service over 20 but not over 25.

47 g. Upon the receipt of proper proofs of the death of a member
48 who has retired on a service retirement allowance, there shall be

S1403 DIEGNAN, SINGLETON

6

1 paid to the member's beneficiary an amount equal to one-half of the
2 final compensation received by the member.

3 (cf: P.L.2001, c.316, s.1)

4

5 3. Section 27 of P.L.1965, c.89 (C.53:5A-27) is amended to
6 read as follows:

7 27. a. Should a member resign after having established 25 years
8 of creditable service [as a full-time commissioned officer,
9 noncommissioned officer or trooper of the Division of State Police
10 or] in the retirement system or as a member appointed to the State
11 Police under section 3 of P.L.1983, c.403 (C.39:2-9.3) or a member
12 appointed to the State Police under section 1 of P.L.1997, c.19
13 (C.53:1-8.2), he may elect "special" retirement; provided that such
14 election is communicated by such member to the retirement system
15 by filing a written application, duly attested, stating at what time
16 subsequent to the execution and filing thereof he desires to be
17 retired. He shall receive, in lieu of the payment provided in section
18 26, a retirement allowance which shall consist of:

19 (1) An annuity which shall be the actuarial equivalent of his
20 aggregate contributions; and

21 (2) A pension in the amount which, when added to the member's
22 annuity, will provide a total retirement allowance of 65% of his
23 final compensation, plus 1% of his final compensation multiplied
24 by the number of years of creditable service over 25, but not over
25 30.

26 The board of trustees shall retire him at the time specified or at
27 such other time within one month after the date so specified, as the
28 board finds advisable.

29 b. Upon the receipt of proper proofs of the death of such a
30 retired member, there shall be paid to the member's beneficiary
31 an amount equal to one-half of the final compensation received by
32 the member.

33 (cf: P.L.1997, c.19, s.11)

34

35 4. This act shall take effect immediately.

36

37

38

STATEMENT

39

40 This bill concerns members of the State Police Retirement
41 System (SPRS) who transfer service credit earned in other State-
42 administered retirement systems.

43 Under current law, a member of SPRS who established service
44 credit in another State-administered retirement system prior to
45 becoming a member is permitted to purchase credit or transfer
46 credit previously purchased while in that system. The credit is
47 included in the computation of a retirement allowance on the basis
48 of one percent of final compensation for each year of that service

S1403 DIEGNAN, SINGLETON

1 credit. However, only service rendered as a member of the State
2 Police may be used to satisfy the minimum creditable service
3 requirement for retirement on a service or special service
4 retirement, which requires a certain number of years of creditable
5 service to qualify for those retirement benefits.

6 This bill provides that members who transfer service credit
7 earned in another retirement system, or transfer previously
8 purchased credit, will have that credit recognized as creditable
9 service for the purposes of service and special retirement.

10 The bill eliminates the requirement that a member complete one
11 year of membership and pay at least half of the total amount due in
12 order to purchase credit for previous membership earned prior to
13 termination. The bill also provides that a member electing to
14 purchase service credit who retires before completing the payments
15 will receive pro rata credit for service purchased before retirement,
16 unless the member chooses to may make the additional lump sum
17 payment required at retirement to provide full credit.

ASSEMBLY STATE AND LOCAL GOVERNMENT
COMMITTEE

STATEMENT TO

[Second Reprint]
SENATE, No. 1403

with committee amendments

STATE OF NEW JERSEY

DATED: MARCH 11, 2019

The Assembly State and Local Government Committee reports favorably and with committee amendments Senate Bill No. 1403 (2R).

As amended, this bill concerns members of the State Police Retirement System (SPRS) who transfer service credit earned in other State-administered retirement systems.

Under current law, a member of SPRS who established service credit in another State-administered retirement system prior to becoming a member is permitted to purchase credit or transfer credit previously purchased while in that system. The credit is included in the computation of a retirement allowance on the basis of one percent of final compensation for each year of that service credit. However, only service rendered as a member of the State Police may be used to satisfy the minimum creditable service requirement for retirement on a service or special service retirement, which requires a certain number of years of creditable service to qualify for those retirement benefits.

This bill provides that members who transfer service credit earned in another retirement system, or transfer previously purchased credit, will have that credit recognized as creditable service for the purposes of service and special retirement.

The bill, as amended, requires that a member complete one year of membership and pay at least half of the total amount due in order to purchase service credit earned or purchased prior to termination of membership in a State-administered retirement system. A member electing to purchase service credit who retires before completing the payments will receive pro rata credit for service purchased before retirement, unless the member chooses to make the additional lump sum payment required at retirement to provide full credit.

COMMITTEE AMENDMENTS:

The amendments reinsert the requirement that a member complete one year of membership and pay at least half of the total

amount due in order to purchase service credit earned or purchased prior to termination of membership and applies that requirement to purchased credit for service in all other State-administered retirement systems.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[Third Reprint]

SENATE, No. 1403

with committee amendments

STATE OF NEW JERSEY

DATED: MARCH 18, 2019

The Assembly Appropriations Committee reports favorably Senate Bill No. 1403 (3R), with committee amendments.

As amended, this bill concerns members of the State Police Retirement System (SPRS) who transfer service credit earned in other State-administered retirement systems.

Under current law, a member of SPRS who established service credit in another State-administered retirement system prior to becoming a member is permitted to purchase credit or transfer credit previously purchased while in that system. The credit is included in the computation of a retirement allowance on the basis of one percent of final compensation for each year of that service credit. However, only service rendered as a member of the State Police may be used to satisfy the minimum creditable service requirement for retirement on a service or special service retirement, which requires a certain number of years of creditable service to qualify for those retirement benefits.

This bill provides that members who transfer service credit earned in another retirement system, or transfer previously purchased credit, will have that credit recognized as creditable service for the purposes of service and special retirement.

The bill, as amended, eliminates the requirement that a member complete one year of membership and pay at least half of the total amount due in order to purchase credit for previous membership earned prior to termination. A member transferring or electing to purchase service credit who retires under a service, special, or deferred retirement option before completing the required payments will receive pro rata credit for service earned or purchased before retirement, unless the member chooses to may make the additional lump sum payment required at retirement to provide full credit.

As reported, this bill is identical to Assembly Bill No. 3976 (2R), as also reported by the committee.

COMMITTEE AMENDMENTS

The committee amended the bill:

to eliminate the requirement that a member complete one year of membership and pay at least half of the total amount due in order to purchase credit for previous membership earned prior to termination;

to clarify that the member must pay the amount that is owed, as determined by the actuary, with regard to the member's contribution when transferring or purchasing service credit from other State-administered retirement systems with different benefit factors;

to clarify that certain members who were transferred into the system pursuant to N.J.S.A.39:2-9.3 or N.J.S.A.53:1-8.2 as a result of the abolishment of their positions were and are not required to pay that differential; and

to amend the effective date to be on the 60th day following enactment.

FISCAL IMPACT:

The bill will result in an indeterminate increase in State contributions to the State Police Retirement System, by reducing members' payments toward service credit purchase when transferring service from other retirement systems, and in crediting service transferred from other systems toward SPRS service and special retirement. The OLS does not have information on the number of SPRS members with service accumulated in other retirement systems or the total years of that service, nor does it have a basis for projecting the future accumulation of transferrable service, so it cannot estimate the magnitude of the impact on the income and liabilities of the SPRS, and the resultant impact on State contributions.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 1403

with committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 7, 2019

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 1403 (1R), with committee amendments.

As amended, this bill concerns members of the State Police Retirement System (SPRS) who transfer service credit earned in other State-administered retirement systems.

Under current law, a member of SPRS who established service credit in another State-administered retirement system prior to becoming a member is permitted to purchase credit or transfer credit previously purchased while in that system. The credit is included in the computation of a retirement allowance on the basis of one percent of final compensation for each year of that service credit. However, only service rendered as a member of the State Police may be used to satisfy the minimum creditable service requirement for retirement on a service or special service retirement, which requires a certain number of years of creditable service to qualify for those retirement benefits.

This bill provides that members who transfer service credit earned in another retirement system, or transfer previously purchased credit, will have that credit recognized as creditable service for the purposes of service and special retirement.

The bill eliminates the requirement that a member complete one year of membership and pay at least half of the total amount due in order to purchase credit for previous membership earned prior to termination. The bill also provides that a member electing to purchase service credit who retires before completing the payments will receive pro rata credit for service purchased before retirement, unless the member chooses to may make the additional lump sum payment required at retirement to provide full credit.

COMMITTEE AMENDMENTS:

The amendments clarify that transferred and purchased service credits in the SPRS will be deemed the same as creditable service in the SPRS rendered as an officer or trooper member of the system.

FISCAL IMPACT:

The bill will result in an indeterminate increase in State contributions to the State Police Retirement System, by reducing members' payments toward service credit purchase when transferring service from other retirement systems, and in crediting service transferred from other systems toward SPRS service and special retirement. The OLS does not have information on the number of SPRS members with service accumulated in other retirement systems or the total years of that service, nor does it have a basis for projecting the future accumulation of transferrable service, so it cannot estimate the magnitude of the impact on the income and liabilities of the SPRS, and the resultant impact on State contributions.

SENATE STATE GOVERNMENT, WAGERING, TOURISM &
HISTORIC PRESERVATION COMMITTEE

STATEMENT TO

SENATE, No. 1403

with committee amendments

STATE OF NEW JERSEY

DATED: JANUARY 31, 2019

The Senate State Government, Wagering, Tourism and Historic Preservation Committee reports favorably and with committee amendments Senate Bill No. 1403.

As amended by the committee, this bill concerns members of the State Police Retirement System (SPRS) who transfer service credit earned in other State-administered retirement systems.

Under current law, a member of SPRS who established service credit in another State-administered retirement system prior to becoming a member is permitted to purchase credit or transfer credit previously purchased while in that system. The credit is included in the computation of a retirement allowance on the basis of one percent of final compensation for each year of that service credit. However, only service rendered as a member of the State Police may be used to satisfy the minimum creditable service requirement for retirement on a service or special service retirement, which requires a certain number of years of creditable service to qualify for those retirement benefits.

This bill provides that members who transfer service credit earned in another retirement system, or transfer previously purchased credit, will have that credit recognized as creditable service for the purposes of service and special retirement.

The bill eliminates the requirement that a member complete one year of membership and pay at least half of the total amount due in order to purchase credit for previous membership earned prior to termination. The bill also provides that a member electing to purchase service credit who retires before completing the payments will receive pro rata credit for service purchased before retirement, unless the member chooses to may make the additional lump sum payment required at retirement to provide full credit.

COMMITTEE AMENDMENTS:

The committee amended the bill to update section 2 of the bill to the current law.

STATEMENT TO
[Fourth Reprint]
SENATE, No. 1403

with Assembly Floor Amendments
(Proposed by Assemblyman DEANGELO)

ADOPTED: MAY 23, 2019

These Assembly amendments remove a provision clarifying that certain members who were transferred into the system pursuant to N.J.S.A.39:2-9.3 or N.J.S.A.53:1-8.2 as a result of the abolishment of their positions were not required to pay the amount otherwise owed to account for any unfunded liability created as a result of their transfer. The amendments also remove from section 1 of the bill the phrase “transfer or.”

LEGISLATIVE FISCAL ESTIMATE

[Fourth Reprint]

SENATE, No. 1403 STATE OF NEW JERSEY 218th LEGISLATURE

DATED: APRIL 3, 2019

SUMMARY

- Synopsis:** Permits service credit transferred from another State-administered retirement system to apply toward creditable service requirement for retirement in SPRS.
- Type of Impact:** Expenditure Increase - State General Fund
- Agencies Affected:** Department of Treasury, Division of Pensions and Benefits

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Cost Increase		Indeterminate	

- The bill provides that members of the State Police Retirement system (SPRS) who transfer service credit earned in another retirement system, or transfer previously purchased credit, will have that credit recognized as creditable service for the purposes of retirement and benefits.
- The bill will result in an indeterminate increase in State contributions to the SPRS for the additional benefits available as a result of the recognition of credit transferred from other State-administered retirement systems as creditable service in the SPRS when regular contributions by the member and employer have not been made for that transferred service credit.

BILL DESCRIPTION

This bill provides that service credit transferred from another State-administered retirement system into the State Police Retirement System (SPRS) will be considered the same for retirement and benefit purposes as creditable service rendered as a full-time commissioned officer, noncommissioned officer, or trooper.

Under current law, a member of SPRS who established service credit in another State-administered retirement system prior to becoming a member is permitted to purchase credit or transfer credit previously purchased while in that system. The credit is included in the computation of a retirement allowance on the basis of one percent of final compensation for each year of that service credit. However, only service rendered as a member of the State Police may be used to satisfy the minimum creditable service requirement for retirement on a service or special service retirement, which requires a certain number of years of creditable service to qualify for those retirement benefits.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None

OFFICE OF LEGISLATIVE SERVICES

The bill will result in an indeterminate increase in State contributions to the SPRS for the additional benefits available to members as a result of the recognition of credit transferred from other State-administered retirement systems as creditable service in the SPRS when regular contributions by the member and employer have not been made to the SPRS for that transferred service credit. The OLS does not have information on the number of SPRS members with service accumulated in other retirement systems or the total years of that service, nor does it have a basis for projecting the future accumulation of transferrable service, so it cannot estimate the magnitude of the impact on the revenue and liabilities of the SPRS, and the resultant impact on State contributions.

Section: State Government

Analyst: Aggie Szilagyi
Section Chief

Approved: Frank W. Haines III
Legislative Budget and Finance Officer

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

LEGISLATIVE FISCAL ESTIMATE

[Fifth Reprint]

SENATE, No. 1403

STATE OF NEW JERSEY 218th LEGISLATURE

DATED: JUNE 11, 2019

SUMMARY

- Synopsis:** Permits service credit transferred from another State-administered retirement system to apply toward creditable service requirement for retirement in SPRS.
- Type of Impact:** Potentially No Expenditure Increase - State General Fund
- Agencies Affected:** Department of Treasury, Division of Pensions and Benefits

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Cost Increase		Indeterminate	

- The bill provides that members of the State Police Retirement System (SPRS) who purchase service credit earned in another retirement system, or transfer previously purchased credit, will have that credit recognized as creditable service for the purposes of retirement and benefits.
- The bill requires a member to purchase prior service credit to have it recognized as creditable service in the SPRS. If such purchases cover the full cost of the credit established, there is potentially no additional cost to the State.

BILL DESCRIPTION

This bill provides that service credit transferred from another State-administered retirement system into the SPRS will be considered the same for retirement and benefit purposes as creditable service rendered as a full-time commissioned officer, noncommissioned officer, or trooper.

Under current law, a member of SPRS who established service credit in another State-administered retirement system prior to becoming a member is permitted to purchase credit or

transfer credit previously purchased while in that system. The credit is included in the computation of a retirement allowance on the basis of one percent of final compensation for each year of that service credit. However, only service rendered as a member of the State Police may be used to satisfy the minimum creditable service requirement for retirement on a service or special service retirement, which requires a certain number of years of creditable service to qualify for those retirement benefits.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None

OFFICE OF LEGISLATIVE SERVICES

The bill requires a member to purchase prior service credit to have it recognized as creditable service in the SPRS. If such purchases cover the full cost of the credit established, there is potentially no additional cost to the State. The bill may result in an indeterminate increase in State contributions to the SPRS for the additional benefits available to members as a result of the recognition of prior service credit as creditable service in the SPRS if the purchase and transfer does not cover the full cost of the credit. The OLS does not have information on the number of SPRS members with service accumulated in other retirement systems or the total years of that service, nor does it have a basis for projecting the future accumulation of transferrable service.

Section: State Government

Analyst: Aggie Szilagy
Section Chief

Approved: Frank W. Haines III
Legislative Budget and Finance Officer

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

ASSEMBLY, No. 3976

STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED MAY 17, 2018

Sponsored by:

Assemblyman WAYNE P. DEANGELO

District 14 (Mercer and Middlesex)

Assemblyman VINCENT MAZZEO

District 2 (Atlantic)

Assemblywoman SHAVONDA E. SUMTER

District 35 (Bergen and Passaic)

Co-Sponsored by:

Assemblyman Armato and Assemblywoman Timberlake

SYNOPSIS

Permits service credit transferred from another State-administered retirement system to apply toward creditable service requirement for retirement in SPRS.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 3/12/2019)

1 AN ACT concerning creditable service in the State Police
2 Retirement System, and amending various parts of the statutory
3 law.

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

7
8 1. Section 6 of P.L.1965, c.89 (C.53:5A-6) is amended to read
9 as follows:

10 6. a. (1) Service as a full-time commissioned officer,
11 noncommissioned officer or trooper rendered as a member, and
12 service credit which was transferred from the former "State Police
13 Retirement and Benevolent Fund," or transferred from any other
14 State-administered retirement system, shall, if the required
15 contributions are made by the State and the member, be considered
16 as creditable service.

17 In addition, service as a chief inspector, deputy chief inspector,
18 inspector and special inspector in the Motor Vehicle Commission or
19 equivalent Civil Service classifications, including Chief, Highway
20 Patrol Bureau; Assistant Chief (Major), Highway Patrol Bureau;
21 Captain, Highway Patrol Bureau; Lieutenant, Highway Patrol
22 Bureau; Sergeant, Highway Patrol Bureau; and Officer, Highway
23 Patrol Bureau, and service credit may be transferred from the Police
24 and Firemen's Retirement System and the Public Employees'
25 Retirement System and shall, if the required contributions are made
26 by the State and the member, be considered as creditable service.

27 In addition, service as a member of the State Capitol Police
28 Force, or as a Supervising Inspector, Principal Inspector, Senior
29 Inspector, or Inspector Recruit in the Alcoholic Beverage Control
30 Enforcement Bureau or as a Principal Marine Law Enforcement
31 Officer, Senior Marine Law Enforcement Officer, or Marine Law
32 Enforcement Officer in the Bureau of Marine Law Enforcement and
33 service credit transferred from the Police and Firemen's Retirement
34 System or the Public Employees' Retirement System shall, if the
35 required contributions are made by the State and the member, be
36 considered as creditable service.

37 A member on suspension shall be considered in service for the
38 period of the suspension, but the period of suspension shall not be
39 considered as creditable service unless the member receives salary
40 therefor.

41 (2) If an employee's membership has been terminated and he is
42 re-enrolled as a member of the retirement system, he may purchase
43 credit for all of his previous membership service by paying into the
44 annuity savings fund the amount required by applying the factor,
45 supplied by the actuary, as being applicable to his age at the time of

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 the purchase, to his salary at that time. Such purchase may be made
2 in regular installments equal to at least 1/2 the normal contribution
3 to the retirement system, over a maximum period of 10 years. [In
4 order to give to such person the same credit for such service as he
5 had at the time of termination, his pension credit shall be restored as
6 it was at the time of his termination, upon the completion of one
7 year of membership after his election to make the purchase and the
8 payment of at least 1/2 the total amount due, except that in the case
9 of retirement pursuant to sections 8, 27 and 28 of chapter 89 of the
10 laws of 1965, the credit granted for the service being purchased
11 shall be in direct proportion as the amount paid bears to the total
12 amount of the arrearage obligation.]

13 Any member electing to purchase service credit hereunder who
14 retires prior to completing the payments as agreed with the
15 retirement system will receive pro rata credit for service purchased
16 prior to the date of retirement, but if the member so elects at the
17 time of retirement, the member may make the additional lump sum
18 payment required at that time to provide full credit.

19 b. Any member of the retirement system, who, prior to
20 becoming a member, had established service credits in another
21 retirement system supported in whole or in part by the State, or who
22 had rendered service to the State prior to becoming a member, or
23 had purchased service credits while in another State-administered
24 retirement system or in the Police and Firemen's Retirement System
25 or the Public Employees' Retirement System, while serving as chief
26 inspector, deputy chief inspector, inspector or special inspector in
27 the Enforcement Bureau, Motor Vehicle Commission, or as a
28 member of the State Capitol Police Force, or as a Supervising
29 Inspector, Principal Inspector, Senior Inspector, Inspector, or
30 Inspector Recruit in the Alcoholic Beverage Control Enforcement
31 Bureau, or as a Principal Marine Law Enforcement Officer, Senior
32 Marine Law Enforcement Officer, or Marine Law Enforcement
33 Officer in the Bureau of Marine Law Enforcement, for which he
34 desires to establish credit in this retirement system, shall be
35 permitted to purchase such credit or to transfer such previously
36 purchased credit. [If such credit is established and except as
37 provided in subsection f., it shall be included in the computation of
38 a retirement allowance on the basis of 1% of final compensation for
39 each year of such service credit]

40 c. Not more than one year shall be credited for all service in a
41 calendar year.

42 d. In computing service, time during which a member was
43 absent on an official leave without pay shall be credited if such
44 leave was for a period of: (1) less than three months; or (2) up to a
45 maximum of two years, if the leave was due to the member's
46 personal illness and the period of leave is allowed for retirement
47 purposes within one year following his return to service after the
48 termination of such leave.

1 e. The method of computation and the terms of the purchase of
2 service permitted by subsections b. and d. of this section shall be
3 identical to those stipulated for the purchase of previous
4 membership service by members of the system, as provided by
5 subsection a. of this section.

6 f. For any person who becomes a member of the retirement
7 system pursuant to P.L.1997, c.19 (C.53:1-8.2 et al.) and is required
8 to retire pursuant to section 8 of P.L.1965, c.89 (C.53:5A-8) with
9 less than 20 years of creditable service in the retirement system, an
10 amount of service credit transferred or purchased pursuant to
11 subsection b. which when added to the amount of creditable service
12 in the retirement system equals 20 years shall be considered
13 creditable service in the retirement system. Transferred or
14 purchased service credit in excess of the amount necessary to
15 provide 20 years of creditable service in the retirement system shall
16 be included in the computation of a retirement allowance on the
17 basis 【provided in subsection b.】 of one percent of final
18 compensation for each year of such service credit.

19 g. In the case of a member for whom compensation is defined
20 in paragraph (2) of subsection u. of section 3 of P.L.1965, c.89
21 (C.53:5A-3), the retirement system shall credit the member with the
22 time of all service rendered by the member during the part of any
23 year that the member was a participant of the Defined Contribution
24 Retirement Program, pursuant to paragraph (5) of subsection a. of
25 section 2 of P.L.2007, c.92 (C.43:15C-2) as amended by section 7
26 of P.L.2010, c.1, and making contributions to that program.
27 (cf: P.L.2010, c.1, s.19)

28

29 2. Section 8 of P.L.1965, c.89 (C.53:5A-8) is amended to read
30 as follows:

31 8. a. The Legislature finds and declares that the public health,
32 safety and welfare require the ongoing health and fitness of all
33 members of the New Jersey State Police so that they may safely and
34 efficiently protect the public. The Legislature further finds and
35 declares that such continued health and fitness cannot be
36 determined except with reference to age, and therefore finds and
37 concludes that retirement of all members of the State Police at age
38 55, except as provided for in subsection c. of this section, shall
39 constitute a bona fide occupational qualification which is
40 reasonably necessary to the normal operation of the State Police,
41 which qualification the Legislature hereby promulgates and
42 establishes.

43 b. Any member of the retirement system may retire on a
44 service retirement allowance upon 【the completion of】 having
45 established at least 20 years of creditable service 【as a State
46 policeman】 in the retirement system, which includes the creditable
47 service of those members appointed to the Division of State Police
48 under section 3 of P.L.1983, c.403 (C.39:2-9.3) and the creditable

1 service of those members appointed to the Division of State Police
2 under section 1 of P.L.1997, c.19 (C.53:1-8.2). Upon the filing of a
3 written and duly executed application with the retirement system,
4 setting forth at what time, not less than one month subsequent to the
5 filing thereof, he desires to be retired, any such member retiring for
6 service shall receive a service retirement allowance which shall
7 consist of:

8 (1) An annuity which shall be the actuarial equivalent of his
9 aggregate contributions; and

10 (2) A pension in the amount which, when added to the member's
11 annuity, will provide a total retirement allowance of 50% of his
12 final compensation.

13 c. Except for the Superintendent of State Police, any member
14 of the retirement system, including a member appointed to the
15 State Police under section 3 of P.L.1983, c.403 (C.39:2-9.3) and a
16 member appointed to the State Police under section 1 of P.L.1997,
17 c.19 (C.53:1-8.2), who has attained the age of 55 years, shall be
18 retired forthwith on the first day of the next calendar month
19 following the effective date of this 1985 amendatory act. Any
20 member of the retirement system so retired shall receive a service
21 retirement allowance pursuant to this section or section 27 of
22 P.L.1965, c.89 (C.53:5A-27), as appropriate.

23 d. Any member of the retirement system who is required to
24 retire pursuant to subsection c. of this section and who has more
25 than 20 but fewer than 25 years of creditable service at the time of
26 retirement shall be entitled to continued health benefits coverage
27 during retirement as provided in the "New Jersey State Health
28 Benefits Program Act," P.L.1961, c.49 (C.52:14-17.25 et seq.).
29 Notwithstanding the provisions of section 8 of P.L.1961, c.49
30 (C.52:14-17.32), the State shall pay the premium or periodic charge
31 for the benefits provided under this subsection to a member retiring
32 under subsection c. of this section with fewer than 25 years of
33 service credited in the retirement system, and the member's
34 dependents covered under the program, but not including survivors.

35 e. Any member of the retirement system as of the effective date
36 of P.L.1985, c.175 who is required to retire pursuant to subsection
37 c. of this section shall be entitled to the retirement allowance
38 provided for by subsection b. of this section, notwithstanding that
39 the member shall have fewer than 20 years' creditable service.

40 f. Any member of the retirement system as of the effective date
41 of P.L.1985, c.175 who is required to retire pursuant to subsection
42 c. of this section and who has more than 20 but less than 25 years of
43 creditable service at the time of retirement shall be entitled to the
44 retirement allowance provided for by subsection b. of this section
45 plus 3% of his final compensation multiplied by the number of
46 years of creditable service over 20 but not over 25.

47 g. Upon the receipt of proper proofs of the death of a member
48 who has retired on a service retirement allowance, there shall be

1 paid to the member's beneficiary an amount equal to one-half of the
2 final compensation received by the member.

3 (cf: P.L.2001, c.316, s.1)

4

5 3. Section 27 of P.L.1965, c.89 (C.53:5A-27) is amended to
6 read as follows:

7 27. a. Should a member resign after having established 25 years
8 of creditable service [as a full-time commissioned officer,
9 noncommissioned officer or trooper of the Division of State Police
10 or] in the retirement system or as a member appointed to the State
11 Police under section 3 of P.L.1983, c.403 (C.39:2-9.3) or a member
12 appointed to the State Police under section 1 of P.L.1997, c.19
13 (C.53:1-8.2), he may elect "special" retirement; provided that such
14 election is communicated by such member to the retirement system
15 by filing a written application, duly attested, stating at what time
16 subsequent to the execution and filing thereof he desires to be
17 retired. He shall receive, in lieu of the payment provided in section
18 26, a retirement allowance which shall consist of:

19 (1) An annuity which shall be the actuarial equivalent of his
20 aggregate contributions; and

21 (2) A pension in the amount which, when added to the member's
22 annuity, will provide a total retirement allowance of 65% of his
23 final compensation, plus 1% of his final compensation multiplied
24 by the number of years of creditable service over 25, but not over
25 30.

26 The board of trustees shall retire him at the time specified or at
27 such other time within one month after the date so specified, as the
28 board finds advisable.

29 b. Upon the receipt of proper proofs of the death of such a
30 retired member, there shall be paid to the member's beneficiary
31 an amount equal to one-half of the final compensation received by
32 the member.

33 (cf: P.L.1997, c.19, s.11)

34

35 4. This act shall take effect immediately.

36

37

38

STATEMENT

39

40 This bill concerns members of the State Police Retirement
41 System (SPRS) who transfer service credit earned in other State-
42 administered retirement systems.

43 Under current law, a member of SPRS who established service
44 credit in another State-administered retirement system prior to
45 becoming a member is permitted to purchase credit or transfer
46 credit previously purchased while in that system. The credit is
47 included in the computation of a retirement allowance on the basis
48 of one percent of final compensation for each year of that service

A3976 DEANGELO, MAZZEO

7

1 credit. However, only service rendered as a member of the State
2 Police may be used to satisfy the minimum creditable service
3 requirement for retirement on a service or special service
4 retirement, which requires a certain number of years of creditable
5 service to qualify for those retirement benefits.

6 This bill provides that members who transfer service credit
7 earned in another retirement system, or transfer previously
8 purchased credit, will have that credit recognized as creditable
9 service for the purposes of service and special retirement.

10 The bill eliminates the requirement that a member complete one
11 year of membership and pay at least half of the total amount due in
12 order to purchase credit for previous membership earned prior to
13 termination. The bill also provides that a member electing to
14 purchase service credit who retires before completing the payments
15 will receive pro rata credit for service purchased before retirement,
16 unless the member chooses to may make the additional lump sum
17 payment required at retirement to provide full credit.

ASSEMBLY STATE AND LOCAL GOVERNMENT
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3976

with committee amendments

STATE OF NEW JERSEY

DATED: MARCH 11, 2019

The Assembly State and Local Government Committee reports favorably and with committee amendments Assembly Bill No. 3976.

As amended, this bill concerns members of the State Police Retirement System (SPRS) who transfer service credit earned in other State-administered retirement systems.

Under current law, a member of SPRS who established service credit in another State-administered retirement system prior to becoming a member is permitted to purchase credit or transfer credit previously purchased while in that system. The credit is included in the computation of a retirement allowance on the basis of one percent of final compensation for each year of that service credit. However, only service rendered as a member of the State Police may be used to satisfy the minimum creditable service requirement for retirement on a service or special service retirement, which requires a certain number of years of creditable service to qualify for those retirement benefits.

This bill provides that members who transfer service credit earned in another retirement system, or transfer previously purchased credit, will have that credit recognized as creditable service for the purposes of service and special retirement.

The bill, as amended, requires that a member complete one year of membership and pay at least half of the total amount due in order to purchase service credit earned or purchased prior to termination of membership in a State-administered retirement system. A member electing to purchase service credit who retires before completing the payments will receive pro rata credit for service purchased before retirement, unless the member chooses to make the additional lump sum payment required at retirement to provide full credit.

COMMITTEE AMENDMENTS:

The amendments clarify that transferred and purchased service credit in the SPRS will be deemed the same as creditable service in the SPRS rendered as an officer or trooper member of the system. The amendments also reinsert the requirement that a member

complete one year of membership and pay at least half of the total amount due in order to purchase service credit earned or purchased prior to termination of membership and applies that requirement to purchased credit for service in all other State-administered retirement systems.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 3976

with committee amendments

STATE OF NEW JERSEY

DATED: MARCH 18, 2019

The Assembly Appropriations Committee reports favorably Assembly Bill No. 3976 (1R), with committee amendments.

As amended, this bill concerns members of the State Police Retirement System (SPRS) who transfer service credit earned in other State-administered retirement systems.

Under current law, a member of SPRS who established service credit in another State-administered retirement system prior to becoming a member is permitted to purchase credit or transfer credit previously purchased while in that system. The credit is included in the computation of a retirement allowance on the basis of one percent of final compensation for each year of that service credit. However, only service rendered as a member of the State Police may be used to satisfy the minimum creditable service requirement for retirement on a service or special service retirement, which requires a certain number of years of creditable service to qualify for those retirement benefits.

This bill provides that members who transfer service credit earned in another retirement system, or transfer previously purchased credit, will have that credit recognized as creditable service for the purposes of service and special retirement.

The bill, as amended, eliminates the requirement that a member complete one year of membership and pay at least half of the total amount due in order to purchase credit for previous membership earned prior to termination. A member transferring or electing to purchase service credit who retires under a service, special, or deferred retirement option before completing the required payments will receive pro rata credit for service earned or purchased before retirement, unless the member chooses to may make the additional lump sum payment required at retirement to provide full credit.

As reported, this bill is identical to Senate Bill No. 1403 (4R), as also reported by the committee.

COMMITTEE AMENDMENTS

The committee amended the bill:

to eliminate the requirement that a member complete one year of membership and pay at least half of the total amount due in order to purchase credit for previous membership earned prior to termination;

to clarify that the member must pay the amount that is owed, as determined by the actuary, with regard to the member's contribution when transferring or purchasing service credit from other State-administered retirement systems with different benefit factors;

to clarify that certain members who were transferred into the system pursuant to N.J.S.A.39:2-9.3 or N.J.S.A.53:1-8.2 as a result of the abolishment of their positions were and are not required to pay that differential; and

to amend the effective date to be on the 60th day following enactment.

FISCAL IMPACT:

The bill will result in an indeterminate increase in State contributions to the State Police Retirement System, by reducing members' payments toward service credit purchase when transferring service from other retirement systems, and in crediting service transferred from other systems toward SPRS service and special retirement. The OLS does not have information on the number of SPRS members with service accumulated in other retirement systems or the total years of that service, nor does it have a basis for projecting the future accumulation of transferrable service, so it cannot estimate the magnitude of the impact on the income and liabilities of the SPRS, and the resultant impact on State contributions.

STATEMENT TO
[Second Reprint]
ASSEMBLY, No. 3976

with Assembly Floor Amendments
(Proposed by Assemblyman DEANGELO)

ADOPTED: MAY 23, 2019

These Assembly amendments remove a provision clarifying that certain members who were transferred into the system pursuant to N.J.S.A.39:2-9.3 or N.J.S.A.53:1-8.2 as a result of the abolishment of their positions were not required to pay the amount otherwise owed to account for any unfunded liability created as a result of their transfer. The amendments also remove from section 1 of the bill the phrase “transfer or.”

LEGISLATIVE FISCAL ESTIMATE

[Second Reprint]

ASSEMBLY, No. 3976

STATE OF NEW JERSEY 218th LEGISLATURE

DATED: APRIL 3, 2019

SUMMARY

- Synopsis:** Permits service credit transferred from another State-administered retirement system to apply toward creditable service requirement for retirement in SPRS.
- Type of Impact:** Expenditure Increase - State General Fund
- Agencies Affected:** Department of Treasury, Division of Pensions and Benefits

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Cost Increase		Indeterminate	

- The bill provides that members of the State Police Retirement system (SPRS) who transfer service credit earned in another retirement system, or transfer previously purchased credit, will have that credit recognized as creditable service for the purposes of retirement and benefits.
- The bill will result in an indeterminate increase in State contributions to the SPRS for the additional benefits available as a result of the recognition of credit transferred from other State-administered retirement systems as creditable service in the SPRS when regular contributions by the member and employer have not been made for that transferred service credit.

BILL DESCRIPTION

This bill provides that service credit transferred from another State-administered retirement system into the State Police Retirement System (SPRS) will be considered the same for retirement and benefit purposes as creditable service rendered as a full-time commissioned officer, noncommissioned officer, or trooper.

Under current law, a member of SPRS who established service credit in another State-administered retirement system prior to becoming a member is permitted to purchase credit or transfer credit previously purchased while in that system. The credit is included in the computation of a retirement allowance on the basis of one percent of final compensation for each year of that service credit. However, only service rendered as a member of the State Police may be used to satisfy the minimum creditable service requirement for retirement on a service or special service retirement, which requires a certain number of years of creditable service to qualify for those retirement benefits.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None

OFFICE OF LEGISLATIVE SERVICES

The bill will result in an indeterminate increase in State contributions to the SPRS for the additional benefits available to members as a result of the recognition of credit transferred from other State-administered retirement systems as creditable service in the SPRS when regular contributions by the member and employer have not been made to the SPRS for that transferred service credit. The OLS does not have information on the number of SPRS members with service accumulated in other retirement systems or the total years of that service, nor does it have a basis for projecting the future accumulation of transferrable service, so it cannot estimate the magnitude of the impact on the revenue and liabilities of the SPRS, and the resultant impact on State contributions.

Section: State Government

*Analyst: Aggie Szilagy
Section Chief*

*Approved: Frank W. Haines III
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

LEGISLATIVE FISCAL ESTIMATE

[Third Reprint]

ASSEMBLY, No. 3976

STATE OF NEW JERSEY 218th LEGISLATURE

DATED: JUNE 20, 2019

SUMMARY

- Synopsis:** Permits service credit transferred from another State-administered retirement system to apply toward creditable service requirement for retirement in SPRS.
- Type of Impact:** Potentially No Expenditure Increase - State General Fund
- Agencies Affected:** Department of Treasury, Division of Pensions and Benefits

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Cost Increase		Indeterminate	

- The bill provides that members of the State Police Retirement System (SPRS) who purchase service credit earned in another retirement system, or transfer previously purchased credit, will have that credit recognized as creditable service for the purposes of retirement and benefits.
- The bill requires a member to purchase prior service credit to have it recognized as creditable service in the SPRS. If such purchases cover the full cost of the credit established, there is potentially no additional cost to the State.

BILL DESCRIPTION

This bill provides that service credit transferred from another State-administered retirement system into the SPRS will be considered the same for retirement and benefit purposes as creditable service rendered as a full-time commissioned officer, noncommissioned officer, or trooper.

Under current law, a member of SPRS who established service credit in another State-administered retirement system prior to becoming a member is permitted to purchase credit or transfer credit previously purchased while in that system. The credit is included in the

computation of a retirement allowance on the basis of one percent of final compensation for each year of that service credit. However, only service rendered as a member of the State Police may be used to satisfy the minimum creditable service requirement for retirement on a service or special service retirement, which requires a certain number of years of creditable service to qualify for those retirement benefits.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None

OFFICE OF LEGISLATIVE SERVICES

The bill requires a member to purchase prior service credit to have it recognized as creditable service in the SPRS. If such purchases cover the full cost of the credit established, there is potentially no additional cost to the State. The bill may result in an indeterminate increase in State contributions to the SPRS for the additional benefits available to members as a result of the recognition of prior service credit as creditable service in the SPRS if the purchase and transfer does not cover the full cost of the credit. The OLS does not have information on the number of SPRS members with service accumulated in other retirement systems or the total years of that service, nor does it have a basis for projecting the future accumulation of transferrable service.

Section: State Government

Analyst: Aggie Szilagyi
Section Chief

Approved: Frank W. Haines III
Legislative Budget and Finance Officer

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

Governor Murphy Takes Action on Legislation

08/23/2019

Governor Murphy Takes Action on Legislation

TRENTON – Today, Governor Phil Murphy signed the following bills and resolutions into law:

A3118 (Burzichelli, Schepisi, Jasey/Bucco, Thompson) - Establishes licensure for master hearth specialists.

A4420 (Holley/Scutari) - Modifies certain fees charged by check casher licensees.

A4482 (Verrelli, Murphy, Downey/Greenstein) - Establishes "Task Force on the Prevention of Sexual Violence Against Persons with Developmental Disabilities" in DHS.

A5293 (Pinkin, Zwicker, Lopez, McKeon/Smith, Bateman, Greenstein) - Makes various changes to laws governing remediation of contaminated sites.

A5390 (Tucker, Mukherji, Timberlake/Gopal, Oroho) - Provides in-State tuition at public institutions of higher education to individuals living in NJ who are entitled to educational assistance under US Department of Veterans Affairs' Vocational Rehabilitations and Employment Program.

S499 (Vitale, Madden/Downey, Houghtaling, Zwicker) - Provides for improved system for eligibility determination for Medicaid and NJ FamilyCare.

[Copy of Statement on S499](#)

S785 (Sarlo, Lagana/Calabrese, Mukherji) - Requires Police Training Commission to develop supplemental training course for certain county corrections officers.

S1014 (Rice/Wimberly, Mukherji) - Changes composition of State Employment and Training Commission.

S1126 (Bucco, Doherty, Bucco/Coughlin, Webber) - Requires public school districts to provide instruction on "New Jersey Safe Haven Infant Protection Act" as part of New Jersey Student Learning Standards.

S1403 (Diegnan, Singleton/DeAngelo, Mazzeo, Sumter) - Permits service credit transferred from another State-administered retirement system to apply toward creditable service requirement for retirement in SPRS.

S1887 (Singleton, Greenstein/DeAngelo, Wirths, Space) - Directs Commissioner of Labor and Workforce Development to establish pilot program to assist certain unemployed and underemployed individuals to complete industry-valued Credentials in 12 months.

S1948 (Vitale/Quijano, Holley, Lopez) - Makes Supplemental Nutrition Assistance Program Employment and Training Provider Demonstration Project permanent and renames program.

S2507 (Singleton, Pou/Danielsen, DeCroce) - Prohibits sale or lease of access to certain dental provider network contracts.

S2538 (Singleton, Pennacchio/Kean, Murphy, DeCroce, Armato) - Makes New Jersey National Guard members with NGB-22 form eligible for certain veterans' benefits.

S2660 (Gopal, Sarlo/Downey, Houghtaling, Schaer) - Establishes grant program and tuition reimbursement program for certain teachers of science, technology, engineering, and mathematics; appropriates \$5 million to DOE.

[Copy of Statement on S2660](#)

S2690 (Ruiz, Cryan, Beach, Turner, Andrzejczak/McKeon, Dancer, Land) - Prohibits pharmacy benefits managers and carriers from engaging in "clawback" and "gag clause" practices; requires certain disclosures by pharmacists; requires Director of Division of Consumer Affairs to conduct public information campaign.

S2691 (Kean, Cunningham/Quijano, Vainieri Huttle, Reynolds-Jackson) - Makes supplemental appropriation of \$100,000 to Commission on Human Trafficking.

[Copy of Statement on S2691](#)

S3100 (Weinberg, Addiego/Benson, Vainieri Huttle, Mukherji) - Revises definition of hemophilia and expands hemophilia treatment program.

SJR73 (Singleton/Murphy, Verrelli, Dancer) - Urges U.S. Congress to pass "Military Hunger Prevention Act."

Governor Murphy conditionally vetoed the following bills:

A3717 (Mukherji, Downey, Houghtaling/Greenstein, Gopal) - Prohibits pharmacy benefits managers from making certain retroactive reductions in claims payments to pharmacies; requires pharmacy benefits managers to disclose certain product information to pharmacies.

[Copy of Statement on A3717](#)

A5363 (Burzichelli, Benson, Murphy/Gopal) - Requires carriers that offer health benefits plans to provide new or existing subscribers with notification of certain hospital and health system contract expirations.

[Copy of Statement on A5363](#)

S834 (Scutari, Greenstein/Jones, Pintor Marin) - Prohibits resale of non-prescription diabetes test devices by pharmacists.

[Copy of Statement on S834](#)

S2804 (Ruiz, Turner/Lopez, McKnight, Verrelli) - Requires young children entering public schools or Head Start Programs for first time to have comprehensive eye examination completed.

[Copy of Statement on S2804](#)

S3075 (Weinberg, Ruiz/Lampitt, Mukherji, Vainieri Huttle) - Requires DOH to regulate and license embryo storage facilities.

[Copy of Statement on S3075](#)

S3309 (Vitale, Greenstein/Greenwald, Pintor Marin, Reynolds-Jackson) - Establishes New Jersey Violence Intervention Program to fund violence reduction initiatives.

[Copy of Statement on S3309](#)

S3330 (Addiego, Singleton/Jones, Vainieri Huttle, Lampitt, Murphy) - Establishes pilot program in DCF to study impact of child care services provided by community providers operating in public school facilities; requires community providers to meet certain criteria.

[Copy of Statement on S3330](#)

S3661 (Singleton, Oroho/Jasey, Wirths, Webber) - Clarifies assessment payment and election participation requirements in planned real estate developments.

[Copy of Statement on S3661](#)

Governor Murphy absolute vetoed the following bills and resolutions:

A4135 (Land, Taliaferro/Sweeney, Andrzejczak) - Concerns use of digital parking meters to monitor parking compliance; establishes fund to encourage designated drivers.

[Copy of Statement on A4135](#)

AJR158 (Houghtaling, Downey, Mosquera/Gopal) - Establishes New Jersey Task Force on Medicaid Financial

Resource Limits.

[Copy of Statement on AJR158](#)

S1364 (Andrzejczak/Land, Milam) - Provides funding from the General Fund to the Greater Wildwoods Tourism Improvement and Development Authority; appropriates \$4 million.

[Copy of Statement on S1364](#)