



LEGISLATIVE HISTORY CHECKLIST

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LAWS OF: 1998

CHAPTER: 52

NJSA:43:15A-111

"Passaic County Retirement System -- amendment"

BILL NO: S652 (Substituted for A502)

SPONSOR(S): Robertson and McNamara

DATE INTRODUCED: February 23, 1998

COMMITTEE:

ASSEMBLY: State Government

SENATE: State Government, Banking and Financial Institutions

AMENDED DURING PASSAGE:No

DATE OF PASSAGE:

ASSEMBLY: May 28, 1998

SENATE: March 30, 1998

DATE OF APPROVAL: July 10, 1998

THE FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL: Original

(Amendments during passage denoted by superscript numbers)

S652

SPONSORS STATEMENT: *Yes* (Begins on page 2 of original bill)

COMMITTEE STATEMENT:

ASSEMBLY: *Yes*

SENATE: *Yes*

FLOOR AMENDMENT STATEMENTS: *No*

LEGISLATIVE FISCAL ESTIMATE: *Yes*

A502

SPONSORS STATEMENT: *Yes* (Begins on page 2 of original bill)
(Bill and Sponsors Statement identical to S652)

COMMITTEE STATEMENT:

ASSEMBLY: *Yes*

(Identical to Assembly Statement for S652)

SENATE:*No*

FLOOR AMENDMENT STATEMENTS: *No*

LEGISLATIVE FISCAL ESTIMATE: *Yes*

(Identical to Legislative Fiscal Estimate for S652)

VETO MESSAGE: *No*

GOVERNOR'S PRESS RELEASE ON SIGNING: *Yes*

THE FOLLOWING WERE PRINTED:

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REPORTS: *No*

HEARINGS: *No*

NEWSPAPER ARTICLES: *No*

SENATE, No. 652

STATE OF NEW JERSEY
208th LEGISLATURE

INTRODUCED FEBRUARY 23, 1998

Sponsored by:

Senator NORMAN M. ROBERTSON

District 34 (Essex and Passaic)

Senator HENRY P. MCNAMARA

District 40 (Bergen and Passaic)

Co-Sponsored by:

Assemblyman Zecker and Assemblywoman Pou

SYNOPSIS

Allows members of Passaic County Employees' Retirement System to remain in retirement system if they adopt Social Security.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 5/29/1998)

1 AN ACT concerning certain county pension funds and amending
2 P.L.1956, c.169.

3

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

6

7 1. Section 1 of P.L.1956, c.169 (C.43:15A-111) is amended to
8 read as follows:

9 1. This act shall become operative with regard to a pension fund,
10 other than the Public Employees' Retirement System, the Teachers'
11 Pension and Annuity Fund **[and]**, a county pension fund established
12 pursuant to R.S.43:10-1 et seq. for employees of a county of the first
13 class having a population of less than 800,000 according to the 1980
14 federal decennial census, or a county pension fund established
15 pursuant to P.L.1948, c.310 (C.43:10-18.50 et seq.) for employees of
16 a county having a population of from 300,000 to 325,000 inhabitants
17 according to the Federal census of 1940, supported in whole or in part
18 by the State or by 1 or more counties, municipalities, or school
19 districts, 60 days after a majority of the members of such pension fund
20 qualified to vote in a referendum as required by 218(d)(3) of the Social
21 Security Act shall have voted to be covered under the terms of that
22 act, provided that the conditions for holding such referendum as set
23 forth in P.L.1951, c.253, as amended and supplemented have been
24 met.

25 (cf: P.L.1995, c.71, s.1)

26

27 2. This act shall take effect immediately.

28

29

30

STATEMENT

31

32 Under current law, if members of the Employees' Retirement
33 System (ERS) of Passaic County choose to join Social Security, their
34 retirement system would be terminated and they would be forced to
35 enroll in the Public Employees' Retirement System (PERS). This bill
36 would allow members of the Passaic County ERS to vote to join
37 Social Security without having that county fund terminated if they so
38 choose. The pension fund would be divided into two divisions, one to
39 be composed of positions of members who desire Social Security
40 coverage and the other to be composed of positions of members who
41 do not desire that coverage.

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.

SENATE, No. 652

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14 federal decennial census, or a county pension fund established
15 pursuant to P.L.1948, c.310 (C.43:10-18.50 et seq.) for employees of
16 a county having a population of from 300,000 to 325,000 inhabitants
17 according to the Federal census of 1940, supported in whole or in part
18 by the State or by 1 or more counties, municipalities, or school
19 districts, 60 days after a majority of the members of such pension fund
20 qualified to vote in a referendum as required by 218(d)(3) of the Social
21 Security Act shall have voted to be covered under the terms of that
22 act, provided that the conditions for holding such referendum as set
23 forth in P.L.1951, c.253, as amended and supplemented have been
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37 Social Security without having that county fund terminated if they so
38 choose. The pension fund would be divided into two divisions, one to
39 be composed of positions of members who desire Social Security
40 coverage and the other to be composed of positions of members who
41 do not desire that coverage.

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Matter underlined thus is new matter.

ASSEMBLY STATE GOVERNMENT COMMITTEE

STATEMENT TO

SENATE, No. 652

STATE OF NEW JERSEY

DATED: MAY 7, 1998

The Assembly State Government Committee reports favorably Senate, No. 652.

This bill allows members of the Employees' Retirement System of Passaic County to vote to join Social Security without termination of their retirement system. Under current law, if members of a pension fund choose to join Social Security, their retirement system would terminate and they would become members of the Public Employees' Retirement System. As a result of this bill, upon adoption of Social Security coverage, the retirement system would be divided into two divisions, one composed of positions of members who desire Social Security coverage and the other composed of positions of members who do not desire that coverage.

As reported, this bill is identical to Assembly, No. 502.

SENATE STATE GOVERNMENT, BANKING AND FINANCIAL
INSTITUTIONS COMMITTEE

STATEMENT TO

SENATE, No. 652

STATE OF NEW JERSEY

DATED: MARCH 26, 1998

The Senate State Government, Banking and Financial Institutions Committee reports favorably Senate Bill No. 652.

Under current law, if the members of the Employees' Retirement System (ERS) of Passaic County opt to join the Social Security system, the Passaic County ERS would be terminated and they would be forced to enroll in the Public Employees' Retirement System (PERS).

This bill would allow members of the Passaic County ERS to join the Social Security system without having their county fund terminated. The Passaic County ERS would be divided into two divisions, one composed of members who desire Social Security coverage and the other composed of members who do not want that coverage.

This bill is the same as Assembly Bill No. 502.

LEGISLATIVE FISCAL ESTIMATE

SENATE, No. 652

STATE OF NEW JERSEY

208th LEGISLATURE

DATED: APRIL 29, 1998

Senate Bill No. 652 of 1998 would allow the remaining members of the Passaic County Employees' Retirement System to remain in the county retirement system if they become covered by Social Security (Old Age, Survivors, and Disability Insurance). Under current law, if members of the Passaic County retirement system choose to join Social Security, their retirement system would be terminated and they would be forced to enroll in the Public Employees' Retirement System (PERS). Federal law requires that eligible members of the retirement system vote as a group. This bill permits the members to authorize a Social Security referendum which would allow members of the Passaic County retirement system to vote to join Social Security without having the fund terminated if they so choose.

Social Security is a worker-employer-government insurance program, covering retirement, survivors', disability, and Medicare benefits. Participating employees and employers make two contributions: one for Social Security benefits and one for Medicare benefits. (Employees not participating in Social Security still contribute to Medicare.) The current tax rate for Social Security contributions is 6.2 percent of salary, up to a wage base of \$65,400. In general, a Social Security benefit is based on the participants earnings averaged over the participants' working lifetime.

According to the most recent actuarial valuation of the retirement system, dated January 1, 1995, there are 24 remaining active members of the Passaic County retirement system. The salaries of these 24 members total \$1,383,918 for an average salary of \$57,663. Based on the current Social Security tax rate of 6.2 percent, the first-year cost to Passaic County of enrolling the remaining 24 members, assuming they all earn less than \$65,400 (the current Social Security wage base), would be \$85,803 ($6.2\% \times \$1,383,918 = \$85,803$). This cost would change each year, increasing as salaries and the Social Security wage base increase and decreasing as the remaining active members (who all have 29 or more years of service) retire.

Enrollment in Social Security would affect different members of the Passaic County retirement system differently and would not be equally attractive to all of them. Under federal law, 40 credits (ten

years of work) are required in most cases to qualify for Social Security retirement benefits. Employees who have accumulated time in their Social Security account from prior employment or part-time employment would probably be interested in enrolling in Social Security if they need additional credits to meet the 40 credits to qualify. Employees already meeting the 40-credit minimum would also enroll to earn additional credits or to enhance their Social Security benefits; the formula for calculating benefits is based on the employee's average annual lifetime salary.

Currently, members of the Passaic County retirement system would have to work part-time in a position covered by Social Security or retire from the county system and seek reemployment in a position covered by Social Security to meet the 40-credit minimum requirement or to enhance their average annual earnings.

Employees nearing retirement with little or no time accumulated in their Social Security accounts probably will not be interested in paying Social Security taxes for a benefit they will not qualify for.

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.

ASSEMBLY, No. 502

STATE OF NEW JERSEY 208th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 1998 SESSION

Sponsored by:

Assemblyman GERALD H. ZECKER

District 34 (Essex and Passaic)

Assemblywoman NELLIE POU

District 35 (Passaic)

SYNOPSIS

Allows members of Passaic County Employees' Retirement System to remain in retirement system if they adopt Social Security.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 ANACT concerning certain county pension funds and amending P.L.1956,
2 c.169.

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

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7 1. Section 1 of P.L.1956, c.169 (C.43:15A-111) is amended to
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13 class having a population of less than 800,000 according to the 1980
14 federal decennial census, or a county pension fund established
15 pursuant to P.L.1948, c.310 (C.43:10-18.50 et seq.) for employees of
16 a county having a population of from 300,000 to 325,000 inhabitants
17 according to the Federal census of 1940, supported in whole or in part
18 by the State or by 1 or more counties, municipalities, or school
19 districts, 60 days after a majority of the members of such pension fund
20 qualified to vote in a referendum as required by 218(d)(3) of the Social
21 Security Act shall have voted to be covered under the terms of that
22 act, provided that the conditions for holding such referendum as set
23 forth in P.L.1951, c.253, as amended and supplemented have been
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41 do not desire that coverage.

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ASSEMBLY STATE GOVERNMENT COMMITTEE

STATEMENT TO

ASSEMBLY, No. 502

STATE OF NEW JERSEY

DATED: MAY 7, 1998

The Assembly State Government Committee reports favorably Assembly, No. 502.

This bill allows members of the Employees' Retirement System of Passaic County to vote to join Social Security without termination of their retirement system. Under current law, if members of a pension fund choose to join Social Security, their retirement system would terminate and they would become members of the Public Employees' Retirement System. As a result of this bill, upon adoption of Social Security coverage, the retirement system would be divided into two divisions, one composed of positions of members who desire Social Security coverage and the other composed of positions of members who do not desire that coverage.

As reported, this bill is identical to Senate, No. 652.

This bill was prefiled for introduction in the 1998 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

LEGISLATIVE FISCAL ESTIMATE

ASSEMBLY, No. 502

STATE OF NEW JERSEY

208th LEGISLATURE

DATED: JUNE 3, 1998

Assembly Bill No. 502 of 1998 would allow the remaining members of the Passaic County Employees' Retirement System to remain in the county retirement system if they become covered by Social Security (Old Age, Survivors, and Disability Insurance). Under current law, if members of the Passaic County retirement system choose to join Social Security, their retirement system would be terminated and they would be forced to enroll in the Public Employees' Retirement System (PERS). Federal law requires that eligible members of the retirement system vote as a group. This bill permits the members to authorize a Social Security referendum which would allow members of the Passaic County retirement system to vote to join Social Security without having the fund terminated if they so choose.

Social Security is a worker-employer-government insurance program, covering retirement, survivors', disability, and Medicare benefits. Participating employees and employers make two contributions: one for Social Security benefits and one for Medicare benefits. (Employees not participating in Social Security still contribute to Medicare.) The current tax rate for Social Security contributions is 6.2 percent of salary, up to a wage base of \$68,400. In general, a Social Security benefit is based on the participants earnings averaged over the participants' working lifetime.

According to the most recent actuarial valuation of the retirement system, dated January 1, 1995, there are 24 remaining active members of the Passaic County retirement system. The salaries of these 24 members total \$1,383,918 for an average salary of \$57,663. Based on the current Social Security tax rate of 6.2 percent, the first-year cost to Passaic County of enrolling the remaining 24 members, assuming they all earn less than \$68,400 (the current Social Security wage base), would be \$85,803 ($6.2\% \times \$1,383,918 = \$85,803$). This cost would change each year, increasing as salaries and the Social Security wage base increase and decreasing as the remaining active members (who all have 29 or more years of service) retire.

Enrollment in Social Security would affect different members of the Passaic County retirement system differently and would not be equally attractive to all of them. Under federal law, 40 credits (ten

years of work) are required in most cases to qualify for Social Security retirement benefits. Employees who have accumulated time in their Social Security account from prior employment or part-time employment would probably be interested in enrolling in Social Security if they need additional credits to meet the 40 credits to qualify. Employees already meeting the 40-credit minimum would also enroll to earn additional credits or to enhance their Social Security benefits; the formula for calculating benefits is based on the employee's average annual lifetime salary.

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Employees nearing retirement with little or no time accumulated in their Social Security accounts probably will not be interested in paying Social Security taxes for a benefit they will not qualify for.

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.

Office of the Governor
NEWS RELEASE

PO BOX 004
TRENTON, NJ 08625

CONTACT: Jayne O'Connor
609-777-2600

RELEASE: July 10, 1998

Gov. Christie Whitman today signed the following pieces of legislation:

A-726, sponsored by Assembly members Paul Kramer (R- Mercer/Middlesex) and Alex De Croce (R-Essex/Morris/Passaic) and Senator Peter Inverso (R-Mercer/Middlesex), increases penalties for stealing or damaging airport, traffic, or railroad crossing signs or equipment. The bill which originated in response to a rash of incidents at Robbinsville Airport, is intended to appropriately punish acts that have potentially dangerous consequences. The bill will make it a crime of the fourth degree to deface, injure or remove an official traffic sign, light or safety device at any airport, landing field or similar facility. If the actor recklessly causes bodily injury or property damage, the offense would be a crime of the third degree. If the actor recklessly causes death, it would be a crime of the second degree. Previous law provided that such criminal mischief was punishable based upon the cost of property damage, with punishment ranging from disorderly conduct to a third-degree charge for the most severe offense.

The bill also upgrades penalties for vandalism of railroad warning signals to crimes of the fourth degree. The bill also makes such actions a crime of the third degree in cases causing bodily injury or property damage and a crime of the second degree for cases causing death.

The bill shifts the violation of tampering with a traffic signal or sign from the jurisdiction of motor vehicle law to the criminal code, and makes the offense punishable as a disorderly persons offense.

SCS-351, sponsored by Senator Louis Bassano (R-Essex/Union), eliminates late filing penalty for motor fuel use tax returns showing no liability. The bill is intended to ensure that individuals who are not liable for any tax during the stated period are exempted from penalties imposed for late filings. Additionally, the bill gives the Director of the Division of Motor Vehicles the ability to waive late fees in cases where there is reasonable cause for a late filing or underpayment.

A-2065, sponsored by Assembly Members David Wolfe (R- Monmouth/Ocean) and Joseph doria (D-Hudson) and Senators Joseph Palaia (R-Monmouth) and Robert Martin (R-Essex/Morris/ Passaic), authorizes boards of education to enter into sale and lease-back contracts on certain instructional materials. The bill will apply to textbooks and non-consumable instructional materials. The bill is intended to provide boards of education with more contractual and fiscal flexibility to ensure the efficient management of school resources.

S-652, sponsored by Senators Norm Robertson (R-Essex/Passaic) and Henry McNamara (R-Bergen/Passaic) and Assembly Members Gerald Zecker (R-

Essex/Passaic) and Nelli Pou (D-Passaic), allows members of the Passaic County Employees' Retirement System who elect to participate in Social Security to remain in the retirement system.

A-176, sponsored by Assembly Members George Geist (R- Camden/Gloucester) and Gerald Luongo (R-Camden/Gloucester), transfers a small, unpopulated parcel of land from the Township of Washington in Gloucester County to the Township of Gloucester in Camden County. The transfer of the land, owned by the New Jersey Water Company, clears the way for the historical preservation and recreational use of Blackwood Lake. Under an agreement between the two municipalities, Gloucester Township will take control of the lake in order to clean and restore it for recreational use.

S-233, sponsored by Senator James Cafiero, (R-Cape May/Atlantic/Cumberland), Assembly Members John Gibson (R-Cape May/Atlantic/Cumberland), and Assemblyman Nicholas Asselta (R-Cape May/Atlantic/Cumberland), requires the Uniform Crime Report to include, in addition to the regular statistics, an alternative calculation that takes into account the seasonal population of resort municipalities. The law was proposed by several beach communities which feel their per capita crime statistics are superficially high because only year-round residents were considered when calculating statistics in the Uniform Crime Report. The alternative calculation will be published in addition to the normal per capita crime statistics.

A-2294, sponsored by Assembly members Kip Bateman (R- Morris/Somerset) and Pete Biondi (R-Morris/ Somerset) and Senators Walter Kavanaugh (R- Morris/Somerset) and Diane Allen (R- Burlington/Camden), authorizes the sale of certain surplus state real property in Montgomery Township, Somerset County. The bill will allow for the sale of the state's interest in land and improvements known as the North Princeton Developmental Center. A 12- acre portion of the property, including four buildings, will be purchased by the Montgomery Township Department of Education. The remaining property will be sold by the Department of Treasury. The Department of Treasury will work with Montgomery Township to identify appropriate uses and purchasers.