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P.L. 2005, CHAPTER 326, *approved January 12, 2006*
Senate, No. 1315 (*Second Reprint*)

1 AN ACT concerning membership in the Police and Firemen's
2 Retirement System of New Jersey and ²[amending and]²
3 supplementing P.L.1944, c.255.

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

7
8 ²[1. Section 3 of P.L.1944, c.255 (C.43:16A-3) is amended to read
9 as follows:

10 3. (1) After the date of the establishment of this retirement system,
11 any person becoming a full-time policeman or fireman in a county or
12 municipality or fire district located in a township where, prior to the
13 date this act takes effect, a pension under chapter 16 of Title 43 or
14 article 4 of chapter 10 of Title 43 of the Revised Statutes for
15 policemen or firemen has been established, shall become a member of
16 this retirement system as a condition of his employment; he will be
17 enrolled provided, that (a) his age at becoming such full-time
18 policeman or fireman is not over 35 years, except that any member of
19 a municipal volunteer fire company or force who is appointed to a paid
20 position as a fireman pursuant to N.J.S.40A:14-42 through 40A:14-44
21 shall be not more than 40 years of age at the time of the appointment,
22 or [if] (b) such person shall have met the requirements at the
23 announced closing date of a civil service examination for such position
24 and was appointed during the existence of the civil service list
25 promulgated as a result of such examination; and further provided,
26 that he shall furnish such evidence of good health at the time of
27 becoming a member as the retirement system shall require.

28 (2) After the date upon which this act becomes effective in any
29 county, municipality or political subdivision thereof, pursuant to a
30 referendum as hereinafter provided (a) any person becoming a
31 full-time policeman or fireman in any such county, municipality or
32 political subdivision shall become a member of this retirement system
33 as a condition of his employment; he will be enrolled provided, that his
34 age at becoming such full-time policeman or fireman is not over
35 35 years, except that any member of a municipal volunteer fire
36 company or force who is appointed to a paid position as a fireman
37 pursuant to N.J.S.40A:14-42 through 40A:14-44 shall be not more
38 than 40 years of age at the time of the appointment; and provided
39 further, that he shall furnish such evidence of good health at the time

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Senate SBA committee amendments adopted January 5, 2006.

² Senate floor amendments adopted January 9, 2006.

1 of becoming a member as the retirement system shall require; and (b)
2 any person in service as a full-time policeman or fireman in any such
3 county, municipality or political subdivision on the date this act
4 becomes effective therein who, within the time and in the manner
5 permitted by this act, elects to become a member of this retirement
6 system, shall become such member.

7 (3) Should any member withdraw his aggregate contributions, or
8 become a beneficiary or die, or if more than 2 years have elapsed from
9 the date of his last contributions to the system, he shall thereupon
10 cease to be a member.

11 (4) Should any member resign or be dismissed from the police or
12 fire service of the employing agency and not make application for the
13 return of his aggregate contributions, the retirement system shall upon
14 receiving conclusive advice of such separation, terminate the
15 membership. The employees' contributions from memberships so
16 terminated shall be held by the retirement system and returned to the
17 employee without interest when application for such return is made.

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

25 ¹(6) The State shall not be liable for any costs incurred by a local
26 employer as a result of the amendment to this section by P.L. , c.
27 (pending before the Legislature as this bill).¹
28 (cf: P.L.1980, c.129, s.1)]²

29
30 ²[2.] 1. ² (New section) a. ¹[Any] Upon the approval by the
31 municipal governing body, any¹ fireman employed by a municipality on
32 the effective date of this act who (1) was not eligible for membership
33 in the Police and Firemen's Retirement System (PFRS), established
34 pursuant to P.L.1944, c.255 (C.43:16A-1 et seq.), at the time of
35 appointment to a paid position pursuant to N.J.S.40A:14-42 through
36 40A:14-44, (2) meets the requirements for membership in the
37 retirement system as set forth in the definition of "fireman" in section
38 1 of P.L.1944, c.255 (C.43:16A-1) ²[, as amended and
39 supplemented,]² and (3) is enrolled in the Public Employees'
40 Retirement System of New Jersey (PERS), established pursuant to
41 P.L.1954, c.84 (C.43:15A-1 et seq.), on the effective date of this act,
42 is eligible to become a member of PFRS, regardless of age, and may
43 transfer membership from PERS to PFRS in accordance with the
44 provisions of the law and regulations governing the retirement system
45 relative to interfund transfers by waiving, within 90 days of the
46 effective date of this act, all rights and benefits which would otherwise

1 be provided by PERS. If an eligible person does not file a timely
2 waiver of PERS benefits, the person's pension status shall remain
3 unchanged and the person's membership shall not be transferred to
4 PFRS. Transfers under this section shall take effect on the first day of
5 the first full calendar month following the effective date of this act by
6 at least 180 days. PERS shall transmit to PFRS an amount equal to
7 the present value of the benefit under PERS accrued to the date of
8 transfer by each person transferring to PFRS. The service credit
9 accrued in PERS to the date of transfer shall be transferred to PFRS
10 and may be used to meet any service credit requirement for benefits
11 under PFRS. Any benefit of a member who transfers membership from
12 PERS to PFRS under this act based upon service credit shall be the
13 amount of benefit determined as provided under PFRS based upon the
14 total amount of service credit multiplied by the ratio of the service
15 credit under PFRS from the date of transfer to the total amount of
16 service credit, plus a benefit comparable to a PERS deferred, early or
17 regular service retirement benefit, as appropriate, based upon the age
18 of the member at the time of retirement and the amount of PERS
19 service credit transferred to PFRS, determined as provided under the
20 law and regulations governing PERS for the benefit. The total amount
21 of service credit in PFRS, including the transferred PERS service
22 credit, may be used to meet the service credit requirement for the
23 benefit comparable to a PERS deferred or early retirement benefit, but
24 the benefit shall be calculated only on the transferred PERS service
25 credit.

26 Active and retired death benefits, accidental death benefits, and
27 ordinary and accidental disability retirement benefits for members
28 transferring to PFRS under this act shall be the benefits provided
29 under PFRS.

30 For members transferring to PFRS under this act, the widows' or
31 widowers' pensions provided under section 26 of P.L.1967, c.250
32 (C.43:16A-12.1) shall be the amount of the benefit determined as
33 provided in section 26 multiplied by the ratio of the service credit
34 under PFRS from the date of transfer to the total amount of service
35 credit. Transferring members shall be entitled to elect optional
36 retirement allowances for the portions of their retirement benefits
37 based upon their PERS service credit as provided under the laws and
38 regulations governing selection of optional retirement allowances
39 under PERS.

40 b. Notwithstanding the provisions of subsection a. of this section,
41 a fireman who transfers membership from PERS to PFRS may receive
42 full credit toward benefits under PFRS for the transferred PERS
43 service credit if the member agrees to pay the full cost of the accrued
44 liability for the transferred PERS service credit in the same manner and
45 subject to the same terms and conditions provided for the purchase of
46 credit for military service under section 3 of P.L.1991, c.153

1 (C.43:16A-11.11).

2 ¹[c. The State shall be liable, during their membership following
3 transfer from PERS to PFRS, for the difference between what the
4 employer would pay under PERS and what the employer would pay
5 under PFRS for the members of PERS who transfer membership from
6 PERS to PFRS pursuant to subsection a. of this section.]¹

7 ²c. The State shall not be liable for additional costs incurred by a
8 local employer as a result of the transfers permitted by this section.²

9
10 ²[3.] 2.² This act shall take effect immediately.

11

12

13

14

15 Makes certain volunteer firefighters who were appointed to paid
16 positions and currently in PERS eligible for transfer to PFRS.

SENATE, No. 1315

STATE OF NEW JERSEY 211th LEGISLATURE

INTRODUCED MARCH 8, 2004

Sponsored by:

Senator JOHN A. GIRGENTI
District 35 (Bergen and Passaic)
Senator ANTHONY R. BUCCO
District 25 (Morris)

Co-Sponsored by:

Senator Asselta

SYNOPSIS

Makes volunteer firefighter appointed to paid position eligible for PFRS membership through age 40.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 1/25/2005)

S1315 GIRGENTI, BUCCO

2

1 AN ACT concerning membership in the Police and Firemen's
2 Retirement System of New Jersey and amending and supplementing
3 P.L.1944, c.255.

4

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

7

8 1. Section 3 of P.L.1944, c.255 (C.43:16A-3) is amended to read
9 as follows:

10 3. (1) After the date of the establishment of this retirement system,
11 any person becoming a full-time policeman or fireman in a county or
12 municipality or fire district located in a township where, prior to the
13 date this act takes effect, a pension under chapter 16 of Title 43 or
14 article 4 of chapter 10 of Title 43 of the Revised Statutes for
15 policemen or firemen has been established, shall become a member of
16 this retirement system as a condition of his employment; he will be
17 enrolled provided, that (a) his age at becoming such full-time
18 policeman or fireman is not over 35 years, except that any member of
19 a municipal volunteer fire company or force who is appointed to a paid
20 position as a fireman pursuant to N.J.S.40A:14-42 through 40A:14-44
21 shall be not more than 40 years of age at the time of the appointment,
22 or [if] (b) such person shall have met the requirements at the
23 announced closing date of a civil service examination for such position
24 and was appointed during the existence of the civil service list
25 promulgated as a result of such examination; and further provided,
26 that he shall furnish such evidence of good health at the time of
27 becoming a member as the retirement system shall require.

28 (2) After the date upon which this act becomes effective in any
29 county, municipality or political subdivision thereof, pursuant to a
30 referendum as hereinafter provided (a) any person becoming a
31 full-time policeman or fireman in any such county, municipality or
32 political subdivision shall become a member of this retirement system
33 as a condition of his employment; he will be enrolled provided, that his
34 age at becoming such full-time policeman or fireman is not over
35 35 years, except that any member of a municipal volunteer fire
36 company or force who is appointed to a paid position as a fireman
37 pursuant to N.J.S.40A:14-42 through 40A:14-44 shall be not more
38 than 40 years of age at the time of the appointment; and provided
39 further, that he shall furnish such evidence of good health at the time
40 of becoming a member as the retirement system shall require; and (b)
41 any person in service as a full-time policeman or fireman in any such
42 county, municipality or political subdivision on the date this act
43 becomes effective therein who, within the time and in the manner

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

Matter underlined thus is new matter.

1 permitted by this act, elects to become a member of this retirement
2 system, shall become such member.

3 (3) Should any member withdraw his aggregate contributions, or
4 become a beneficiary or die, or if more than 2 years have elapsed from
5 the date of his last contributions to the system, he shall thereupon
6 cease to be a member.

7 (4) Should any member resign or be dismissed from the police or
8 fire service of the employing agency and not make application for the
9 return of his aggregate contributions, the retirement system shall upon
10 receiving conclusive advice of such separation, terminate the
11 membership. The employees' contributions from memberships so
12 terminated shall be held by the retirement system and returned to the
13 employee without interest when application for such return is made.

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

21 (cf: P.L.1980, c.129, s.1)

22

23 2. (New section) a. Any fireman employed by a municipality on
24 the effective date of this act who (1) was not eligible for membership
25 in the Police and Firemen's Retirement System (PFRS), established
26 pursuant to P.L.1944, c.255 (C.43:16A-1 et seq.), at the time of
27 appointment to a paid position pursuant to N.J.S.40A:14-42 through
28 40A:14-44, (2) meets the requirements for membership in the
29 retirement system as set forth in the definition of "fireman" in section
30 1 of P.L.1944, c.255 (C.43:16A-1), as amended and supplemented,
31 and (3) is enrolled in the Public Employees' Retirement System of New
32 Jersey (PERS), established pursuant to P.L.1954, c.84 (C.43:15A-1 et
33 seq.), on the effective date of this act, is eligible to become a member
34 of PFRS, regardless of age, and may transfer membership from PERS
35 to PFRS in accordance with the provisions of the law and regulations
36 governing the retirement system relative to interfund transfers by
37 waiving, within 90 days of the effective date of this act, all rights and
38 benefits which would otherwise be provided by PERS. If an eligible
39 person does not file a timely waiver of PERS benefits, the person's
40 pension status shall remain unchanged and the person's membership
41 shall not be transferred to PFRS. Transfers under this section shall
42 take effect on the first day of the first full calendar month following
43 the effective date of this act by at least 180 days. PERS shall transmit
44 to PFRS an amount equal to the present value of the benefit under
45 PERS accrued to the date of transfer by each person transferring to
46 PFRS. The service credit accrued in PERS to the date of transfer shall

1 be transferred to PFRS and may be used to meet any service credit
2 requirement for benefits under PFRS. Any benefit of a member who
3 transfers membership from PERS to PFRS under this act based upon
4 service credit shall be the amount of benefit determined as provided
5 under PFRS based upon the total amount of service credit multiplied
6 by the ratio of the service credit under PFRS from the date of transfer
7 to the total amount of service credit, plus a benefit comparable to a
8 PERS deferred, early or regular service retirement benefit, as
9 appropriate, based upon the age of the member at the time of
10 retirement and the amount of PERS service credit transferred to PFRS,
11 determined as provided under the law and regulations governing PERS
12 for the benefit. The total amount of service credit in PFRS, including
13 the transferred PERS service credit, may be used to meet the service
14 credit requirement for the benefit comparable to a PERS deferred or
15 early retirement benefit, but the benefit shall be calculated only on the
16 transferred PERS service credit.

17 Active and retired death benefits, accidental death benefits, and
18 ordinary and accidental disability retirement benefits for members
19 transferring to PFRS under this act shall be the benefits provided
20 under PFRS.

21 For members transferring to PFRS under this act, the widows' or
22 widowers' pensions provided under section 26 of P.L.1967, c.250
23 (C.43:16A-12.1) shall be the amount of the benefit determined as
24 provided in section 26 multiplied by the ratio of the service credit
25 under PFRS from the date of transfer to the total amount of service
26 credit. Transferring members shall be entitled to elect optional
27 retirement allowances for the portions of their retirement benefits
28 based upon their PERS service credit as provided under the laws and
29 regulations governing selection of optional retirement allowances
30 under PERS.

31 b. Notwithstanding the provisions of subsection a. of this section,
32 a fireman who transfers membership from PERS to PFRS may receive
33 full credit toward benefits under PFRS for the transferred PERS
34 service credit if the member agrees to pay the full cost of the accrued
35 liability for the transferred PERS service credit in the same manner and
36 subject to the same terms and conditions provided for the purchase of
37 credit for military service under section 3 of P.L.1991, c.153
38 (C.43:16A-11.11).

39 c. The State shall be liable, during their membership following
40 transfer from PERS to PFRS, for the difference between what the
41 employer would pay under PERS and what the employer would pay
42 under PFRS for the members of PERS who transfer membership from
43 PERS to PFRS pursuant to subsection a. of this section.

44

45 3. This act shall take effect immediately.

STATEMENT

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This bill provides that a municipal volunteer firefighter who is appointed to a paid position as a firefighter by the municipality pursuant to N.J.S.A.40A:14-42 through 40A:14-44 will be eligible for membership in the Police and Firemen's Retirement System (PFRS), if the person's actual age is not more than 40 years at the time of the appointment.

Current law requires that when a municipality in which there is a volunteer fire company and no paid firefighters establishes a paid firefighter position (N.J.S.A.40A:14-42) or a paid fire department (N.J.S.A.40A:14-43), or when a municipality has a volunteer fire company and a part-paid fire department composed of both paid and volunteer firefighters (N.J.S.A.40A:14-44), any appointment to a paid position will be made from the members of the volunteer fire company who have at least two years active service, or are exempt firefighters, and are not under 21 nor over 40 years of age, unless there is no such person available for appointment.

Current law also provides that firefighters appointed after the age of 35 are not eligible for PFRS membership. Volunteer firefighters appointed to a paid position after age 35 are enrolled in the Public Employees' Retirement System (PERS).

In addition, the bill allows any firefighter employed by a municipality on its effective date who (1) was not eligible for PFRS membership at the time of appointment to a paid position pursuant to N.J.S.A.40A:14-42 through 40A:14-44, (2) meets the PFRS definition of "fireman", and (3) is enrolled in PERS to transfer membership, regardless of age, from PERS to PFRS. The calculation of any PFRS benefit based upon service credit of a member who transfers from PERS to PFRS will be based on the ratio of PFRS service credit to the total amount of service credit. A firefighter may receive full credit toward benefits under PFRS for the transferred PERS service credit, however, if the member agrees to pay the full cost of the accrued liability for the transferred PERS service credit.

Under the bill, the State will be liable for the difference between what the employer would pay under PERS and what the employer would pay under PFRS for the PERS members who transfer to PFRS pursuant to the bill during their PFRS membership.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 1315

with committee amendments

STATE OF NEW JERSEY

DATED: JANUARY 5, 2006

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 1315, with committee amendments.

As amended, the bill provides that a municipal volunteer firefighter who is appointed to a paid position as a firefighter by the municipality will be eligible for membership in the Police and Firemen's Retirement System (PFRS), if the person's actual age is not more than 40 years at the time of the appointment.

Current law provides that firefighters appointed after the age of 35 are not eligible for PFRS membership. Volunteer firefighters appointed to a paid position after age 35 are enrolled in the Public Employee's Retirement System (PERS).

In addition, the bill allows, subject to the approval of the municipal governing body, any firefighter employed by a municipality on the effective date of this legislation who (1) was not eligible for PFRS membership at the time of appointment to a paid position, (2) meets the PFRS definition of "fireman", and (3) is enrolled in PERS, to transfer membership regardless of age, from PERS to PFRS.

A firefighter may receive full credit toward benefits under PFRS for the transferred PERS service credit if the member agrees to pay the full cost of the accrued liability for the transferred PERS service credit.

Finally, the bill provides that the State shall not be liable for any costs associated with a fireman enrolling or transferring to PFRS under the bill.

COMMITTEE AMENDMENTS:

The committee amendments provide that:

- 1) The eligibility of a municipal volunteer firefighter currently employed for transferred membership to the Police and Firemen's Retirement System (PFRS) under the conditions set forth in the bill be subject to the approval of the municipal governing body; and
- 2) The State is not liable for any costs associated with a fireman enrolling or transferring to PFRS under the bill.

FISCAL IMPACT:

The Division of Pensions and Benefits in the Department of the Treasury cannot determine the fiscal impact of this bill due to the unknown number of volunteer firefighters who may be appointed in future years to a paid firefighter position.

However, the division estimates the additional annual normal pension cost for future hires and transfers from PERS at \$7,380 per enrollment into PFRS. This cost would be borne by the local government appointing authority.

The unfunded actuarial accrued liability (prior) is estimated at \$32,906 per transferred member.

STATEMENT TO

[First Reprint]

SENATE, No. 1315

with Senate Floor Amendments
(Proposed By Senator BRYANT)

ADOPTED: JANUARY 9, 2006

This amendment removes the provision of the bill which would have made a municipal volunteer firefighter, who is appointed by a municipality in the future to a paid position as a firefighter, eligible for membership in the Police and Firemen's Retirement System (PFRS), if the person's actual age is not more than 40 years at the time of the appointment. Current law provides that firefighters appointed after the age of 35 are not eligible for PFRS membership; volunteer firefighters appointed to a paid position after age 35 are enrolled in the Public Employee's Retirement System (PERS).

Following the adoption of the amendment, the bill will provide only that a currently employed firefighter who had been a volunteer appointed to a paid position by a municipality and who (1) was not eligible for PFRS membership at the time of appointment to the paid position, (2) meets the PFRS definition of "fireman", and (3) is currently enrolled in PERS, may transfer, subject to the approval of the municipal governing body, from PERS to PFRS, regardless of age.

The amendment clarifies that the State will not be liable for additional costs to a local employer associated with a firefighter transferring to PFRS under the bill.

ASSEMBLY, No. 2263

STATE OF NEW JERSEY 211th LEGISLATURE

INTRODUCED FEBRUARY 9, 2004

Sponsored by:

Assemblyman JOHN S. WISNIEWSKI

District 19 (Middlesex)

Assemblyman FREDERICK SCALERA

District 36 (Bergen, Essex and Passaic)

Assemblyman GORDON M. JOHNSON

District 37 (Bergen)

Co-Sponsored by:

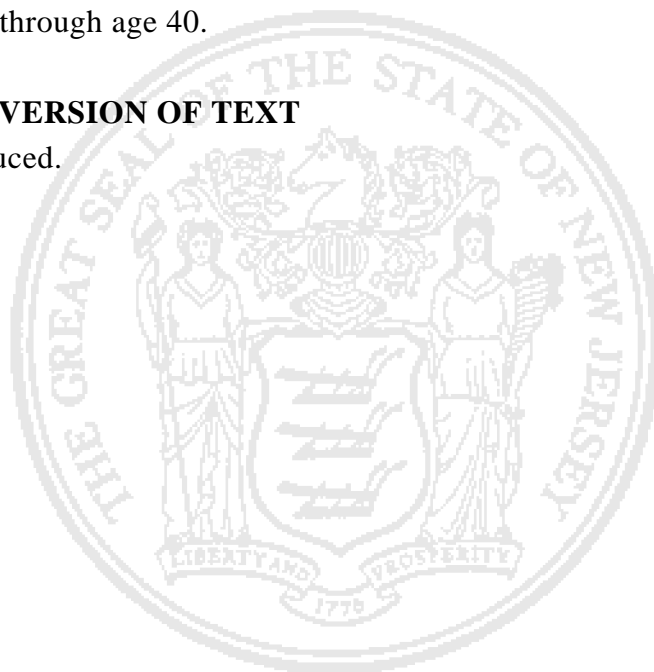
Assemblymen Stack and Vas

SYNOPSIS

Makes volunteer firefighter appointed to paid position eligible for PFRS membership through age 40.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 1/6/2006)

1 AN ACT concerning membership in the Police and Firemen's
2 Retirement System of New Jersey and amending and supplementing
3 P.L.1944, c.255.

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

7
8 1. Section 3 of P.L.1944, c.255 (C.43:16A-3) is amended to read
9 as follows:

10 3. (1) After the date of the establishment of this retirement system,
11 any person becoming a full-time policeman or fireman in a county or
12 municipality or fire district located in a township where, prior to the
13 date this act takes effect, a pension under chapter 16 of Title 43 or
14 article 4 of chapter 10 of Title 43 of the Revised Statutes for
15 policemen or firemen has been established, shall become a member of
16 this retirement system as a condition of his employment; he will be
17 enrolled provided, that (a) his age at becoming such full-time
18 policeman or fireman is not over 35 years, except that any member of
19 a municipal volunteer fire company or force who is appointed to a paid
20 position as a fireman pursuant to N.J.S.40A:14-42 through 40A:14-44
21 shall be not more than 40 years of age at the time of the appointment,
22 or [if] (b) such person shall have met the requirements at the
23 announced closing date of a civil service examination for such position
24 and was appointed during the existence of the civil service list
25 promulgated as a result of such examination; and further provided,
26 that he shall furnish such evidence of good health at the time of
27 becoming a member as the retirement system shall require.

28 (2) After the date upon which this act becomes effective in any
29 county, municipality or political subdivision thereof, pursuant to a
30 referendum as hereinafter provided (a) any person becoming a
31 full-time policeman or fireman in any such county, municipality or
32 political subdivision shall become a member of this retirement system
33 as a condition of his employment; he will be enrolled provided, that his
34 age at becoming such full-time policeman or fireman is not over
35 35 years, except that any member of a municipal volunteer fire
36 company or force who is appointed to a paid position as a fireman
37 pursuant to N.J.S.40A:14-42 through 40A:14-44 shall be not more
38 than 40 years of age at the time of the appointment; and provided
39 further, that he shall furnish such evidence of good health at the time
40 of becoming a member as the retirement system shall require; and (b)
41 any person in service as a full-time policeman or fireman in any such
42 county, municipality or political subdivision on the date this act
43 becomes effective therein who, within the time and in the manner

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

Matter underlined thus is new matter.

1 permitted by this act, elects to become a member of this retirement
2 system, shall become such member.

3 (3) Should any member withdraw his aggregate contributions, or
4 become a beneficiary or die, or if more than 2 years have elapsed from
5 the date of his last contributions to the system, he shall thereupon
6 cease to be a member.

7 (4) Should any member resign or be dismissed from the police or
8 fire service of the employing agency and not make application for the
9 return of his aggregate contributions, the retirement system shall upon
10 receiving conclusive advice of such separation, terminate the
11 membership. The employees' contributions from memberships so
12 terminated shall be held by the retirement system and returned to the
13 employee without interest when application for such return is made.

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

21 (cf: P.L.1980, c.129, s.1)

22

23 2. (New section) a. Any fireman employed by a municipality on
24 the effective date of this act who (1) was not eligible for membership
25 in the Police and Firemen's Retirement System (PFRS), established
26 pursuant to P.L.1944, c.255 (C.43:16A-1 et seq.), at the time of
27 appointment to a paid position pursuant to N.J.S.40A:14-42 through
28 40A:14-44, (2) meets the requirements for membership in the
29 retirement system as set forth in the definition of "fireman" in section
30 1 of P.L.1944, c.255 (C.43:16A-1), as amended and supplemented,
31 and (3) is enrolled in the Public Employees' Retirement System of New
32 Jersey (PERS), established pursuant to P.L.1954, c.84 (C.43:15A-1 et
33 seq.), on the effective date of this act, is eligible to become a member
34 of PFRS, regardless of age, and may transfer membership from PERS
35 to PFRS in accordance with the provisions of the law and regulations
36 governing the retirement system relative to interfund transfers by
37 waiving, within 90 days of the effective date of this act, all rights and
38 benefits which would otherwise be provided by PERS. If an eligible
39 person does not file a timely waiver of PERS benefits, the person's
40 pension status shall remain unchanged and the person's membership
41 shall not be transferred to PFRS. Transfers under this section shall
42 take effect on the first day of the first full calendar month following
43 the effective date of this act by at least 180 days. PERS shall transmit
44 to PFRS an amount equal to the present value of the benefit under
45 PERS accrued to the date of transfer by each person transferring to
46 PFRS. The service credit accrued in PERS to the date of transfer shall

1 be transferred to PFRS and may be used to meet any service credit
2 requirement for benefits under PFRS. Any benefit of a member who
3 transfers membership from PERS to PFRS under this act based upon
4 service credit shall be the amount of benefit determined as provided
5 under PFRS based upon the total amount of service credit multiplied
6 by the ratio of the service credit under PFRS from the date of transfer
7 to the total amount of service credit, plus a benefit comparable to a
8 PERS deferred, early or regular service retirement benefit, as
9 appropriate, based upon the age of the member at the time of
10 retirement and the amount of PERS service credit transferred to PFRS,
11 determined as provided under the law and regulations governing PERS
12 for the benefit. The total amount of service credit in PFRS, including
13 the transferred PERS service credit, may be used to meet the service
14 credit requirement for the benefit comparable to a PERS deferred or
15 early retirement benefit, but the benefit shall be calculated only on the
16 transferred PERS service credit.

17 Active and retired death benefits, accidental death benefits, and
18 ordinary and accidental disability retirement benefits for members
19 transferring to PFRS under this act shall be the benefits provided
20 under PFRS.

21 For members transferring to PFRS under this act, the widows' or
22 widowers' pensions provided under section 26 of P.L.1967, c.250
23 (C.43:16A-12.1) shall be the amount of the benefit determined as
24 provided in section 26 multiplied by the ratio of the service credit
25 under PFRS from the date of transfer to the total amount of service
26 credit. Transferring members shall be entitled to elect optional
27 retirement allowances for the portions of their retirement benefits
28 based upon their PERS service credit as provided under the laws and
29 regulations governing selection of optional retirement allowances
30 under PERS.

31 b. Notwithstanding the provisions of subsection a. of this section,
32 a fireman who transfers membership from PERS to PFRS may receive
33 full credit toward benefits under PFRS for the transferred PERS
34 service credit if the member agrees to pay the full cost of the accrued
35 liability for the transferred PERS service credit in the same manner and
36 subject to the same terms and conditions provided for the purchase of
37 credit for military service under section 3 of P.L.1991, c.153
38 (C.43:16A-11.11).

39 c. The State shall be liable, during their membership following
40 transfer from PERS to PFRS, for the difference between what the
41 employer would pay under PERS and what the employer would pay
42 under PFRS for the members of PERS who transfer membership from
43 PERS to PFRS pursuant to subsection a. of this section.

44

45 3. This act shall take effect immediately.

1 STATEMENT

2

3 This bill provides that a municipal volunteer firefighter who is
4 appointed to a paid position as a firefighter by the municipality
5 pursuant to N.J.S.A.40A:14-42 through 40A:14-44 will be eligible for
6 membership in the Police and Firemen's Retirement System (PFRS), if
7 the person's actual age is not more than 40 years at the time of the
8 appointment.

9 Current law requires that when a municipality in which there is a
10 volunteer fire company and no paid firefighters establishes a paid
11 firefighter position (N.J.S.A.40A:14-42) or a paid fire department
12 (N.J.S.A.40A:14-43), or when a municipality has a volunteer fire
13 company and a part-paid fire department composed of both paid and
14 volunteer firefighters (N.J.S.A.40A:14-44), any appointment to a paid
15 position will be made from the members of the volunteer fire company
16 who have at least two years active service, or are exempt firefighters,
17 and are not under 21 nor over 40 years of age, unless there is no such
18 person available for appointment.

19 Current law also provides that firefighters appointed after the age
20 of 35 are not eligible for PFRS membership. Volunteer firefighters
21 appointed to a paid position after age 35 are enrolled in the Public
22 Employees' Retirement System (PERS).

23 In addition, the bill allows any firefighter employed by a
24 municipality on its effective date who (1) was not eligible for PFRS
25 membership at the time of appointment to a paid position pursuant to
26 N.J.S.A.40A:14-42 through 40A:14-44, (2) meets the PFRS definition
27 of "fireman", and (3) is enrolled in PERS to transfer membership,
28 regardless of age, from PERS to PFRS. The calculation of any PFRS
29 benefit based upon service credit of a member who transfers from
30 PERS to PFRS will be based on the ratio of PFRS service credit to the
31 total amount of service credit. A firefighter may receive full credit
32 toward benefits under PFRS for the transferred PERS service credit,
33 however, if the member agrees to pay the full cost of the accrued
34 liability for the transferred PERS service credit.

35 Under the bill, the State will be liable for the difference between
36 what the employer would pay under PERS and what the employer
37 would pay under PFRS for the PERS members who transfer to PFRS
38 pursuant to the bill during their PFRS membership.

ASSEMBLY STATE GOVERNMENT COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2263

STATE OF NEW JERSEY

DATED: NOVEMBER 22, 2004

The Assembly State Government Committee reports favorably Assembly, No. 2263.

This bill provides that a municipal volunteer firefighter who is appointed to a paid position as a firefighter by the municipality pursuant to N.J.S.A. 40A:14-42 through 40A:14-44 will be eligible for membership in the Police and Firemen's Retirement System (PFRS), if the person's actual age is not more than 40 years at the time of the appointment.

Current law requires that when a municipality in which there is a volunteer fire company and no paid firefighters establishes a paid firefighter position (N.J.S.A. 40A:14-42) or a paid fire department (N.J.S.A. 40A:14-43), or when a municipality has a volunteer fire company and a part-paid fire department composed of both paid and volunteer firefighters (N.J.S.A. 40A:14-44), any appointment to a paid position will be made from the members of the volunteer fire company who have at least two years active service, or are exempt firefighters, and are not under 21 nor over 40 years of age, unless there is no such person available for appointment.

Current law also provides that firefighters appointed after the age of 35 are not eligible for PFRS membership. Volunteer firefighters appointed to a paid position after age 35 are enrolled in the Public Employees' Retirement System (PERS).

In addition, the bill allows any firefighter employed by a municipality on its effective date who (1) was not eligible for PFRS membership at the time of appointment to a paid position pursuant to N.J.S.A. 40A:14-42 through 40A:14-44, (2) meets the PFRS definition of "fireman", and (3) is enrolled in PERS to transfer membership, regardless of age, from PERS to PFRS. The calculation of any PFRS benefit based upon service credit of a member who transfers from PERS to PFRS will be based on the ratio of PFRS service credit to the total amount of service credit. A firefighter may receive full credit toward benefits under PFRS for the transferred PERS service credit, however, if the member agrees to pay the full cost of the accrued liability for the transferred PERS service credit.

Under the bill, the State will be liable for the difference between what the employer would pay under PERS and what the employer would pay under PFRS for the PERS members who transfer to PFRS pursuant to the bill during their PFRS membership.

This bill is the same as Senate, No. 1315 of 2004.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2263

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: JANUARY 5, 2006

The Assembly Appropriations Committee reports favorably Assembly Bill No. 2263, with committee amendments.

Assembly Bill No. 2263, as amended, provides that a municipal volunteer firefighter who is appointed to a paid position as a firefighter by the municipality will be eligible for membership in the Police and Firemen's Retirement System (PFRS), if the person's actual age is not more than 40 years at the time of the appointment.

Current law provides that firefighters appointed after the age of 35 are not eligible for PFRS membership. Volunteer firefighters appointed to a paid position after age 35 are enrolled in the Public Employee's Retirement System (PERS).

In addition, the bill allows, subject to the approval of the municipal governing body, any firefighter employed by a municipality on the effective date of this legislation who (1) was not eligible for PFRS membership at the time of appointment to a paid position, (2) meets the PFRS definition of "fireman", and (3) is enrolled in PERS, to transfer membership regardless of age, from PERS to PFRS.

A firefighter may receive full credit toward benefits under PFRS for the transferred PERS service credit if the member agrees to pay the full cost of the accrued liability for the transferred PERS service credit.

Finally, the bill provides that the State shall not be liable for any costs associated with a fireman enrolling or transferring to PFRS under the bill.

FISCAL IMPACT:

The Division of Pensions and Benefits in the Department of the Treasury cannot determine the fiscal impact of this bill due to the unknown number of volunteer firefighters who may be appointed in future years to a paid firefighter position.

However, the division estimates the additional annual normal pension cost for future hires and transfers from PERS at \$7,380 per enrollment in PFRS. This cost would be borne by the local government appointing authority.

The unfunded actuarial accrued liability (prior) is estimated at \$32,906 per transferred member.

COMMITTEE AMENDMENTS:

The committee amendments provide that:

- 1) The eligibility of a municipal volunteer firefighter currently employed for transferred membership to the Police and Firemen's Retirement System (PFRS) under the conditions set forth in the bill be subject to the approval of the municipal governing body; and
- 2) The State is not liable for any costs associated with a fireman enrolling or transferring to PFRS under the bill.