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REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: No

IS 3/12/08

§2 - C.40A:9-7.3
§3 - C.43:15A-39.1
§4 - T&E

P.L. 2005, CHAPTER 368, *approved January 12, 2006*
Assembly, No. 2095

1 **AN ACT** concerning leaves of absence for certain public employees,
2 service credit in the Public Employees' Retirement System of New
3 Jersey during a leave of absence, amending N.J.S.11A:6-12 and
4 supplementing Title 40A of the New Jersey Statutes and P.L.1954,
5 c.84.

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

9
10 1. N.J.S.11A:6-12 is amended to read as follows:
11 11A:6-12. Leaves of absence for elected and appointed union
12 officials. An appointing authority may grant an unpaid leave of absence
13 to any employee elected or appointed as an [official of the employee's
14 union] officer or representative of a local, county or State labor
15 organization which represents, or is affiliated with a local, county or
16 State labor organization which represents, public employees.

17 An appointing authority may grant a paid leave of absence to any
18 such employee, (1) provided the employer is reimbursed in advance for
19 compensation and benefit costs including retirement system
20 contributions and health benefit premiums or periodic charges paid
21 during the period of absence, or (2) in accordance with the terms of a
22 collective bargaining agreement.

23 The maximum period for such paid and unpaid leaves shall be a
24 subject of negotiation between the employer and union.

25 (cf: N.J.S.11A:6-12)

26
27 2. (New Section) Any employee, except a policeman or firefighter,
28 elected or appointed as an officer or representative of a local, county
29 or State labor organization which represents, or is affiliated with a
30 local, county or State labor organization which represents, public
31 employees may be granted, by a county, municipality or agency
32 thereof, an unpaid leave of absence.

33 A county, municipality or agency thereof may grant a paid leave of
34 absence to any such employee, (1) provided the employer is
35 reimbursed in advance for compensation and benefit costs including
36 retirement system contributions and health benefit premiums or
37 periodic charges paid during the period of absence, or (2) in
38 accordance with the terms of a collective bargaining agreement.

39 The maximum period for such paid and unpaid leaves shall be a
40 subject of negotiation between the employer and union.

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 3. (New Section) Any member who serves, while on an approved
2 leave of absence from regular duties, as an officer or representative of
3 a local, county or State labor organization which represents, or is
4 affiliated with an organization which represents, public employees shall
5 have the option to receive credit in the retirement system for the
6 service. Any member who chooses to receive the credit shall be liable,
7 with respect to the service to be credited, for payment to the
8 retirement system of both the contributions that would have been
9 required under section 25 of P.L.1954, c.84 (C.43:15A-25) and
10 section 30 of P.L.1954, c.84 (C.43:15A-30) and the contributions that
11 would have been required under section 24 of P.L.1954, c.84
12 (C.43:15A-24) if that service had been rendered as regular service to
13 the employer granting the leave of absence. The contributions shall be
14 based upon the compensation that would have been received by the
15 member under the negotiated salary guide of the employer granting the
16 leave had that member remained in service with that employer,
17 including applicable normal increments and negotiated wage increases
18 occurring during the period of the leave.

19

20 4. (New Section) Any member who, prior to the effective date of
21 P.L. , c. (now pending before the Legislature as this bill), had been
22 granted and had taken an approved unpaid leave of absence and who
23 has not received credit in the Public Employees' Retirement System,
24 established pursuant to P.L.1954, c.84 (C.43:15A-1 et seq.), for that
25 service may elect, within one year after that effective date, to purchase
26 credit for the service. The cost of the purchase shall be computed by
27 applying the factor, supplied by the actuary as being applicable to the
28 member's age at the time of the purchase and necessary to provide for
29 the full cost, as considered in developing the purchase factors for
30 military service, attributable to the purchased credit, to the member's
31 salary at that time for a member in regular service with the employer.
32 All other terms of the purchase and the credit granted shall be as
33 stipulated for the purchase of previous membership service by section
34 8 of P.L.1954, c.84 (C.43:15A-8).

35

36 5. This act shall take effect immediately.

37

38

39

STATEMENT

40

41 This bill permits a State, county or municipal employer to grant a
42 paid or unpaid leave of absence to public employees, excluding police
43 officers and firefighters outside the civil service, who are elected or
44 appointed as officers or representatives of a local, county or State
45 labor organization. A paid leave may be granted provided the
46 employer is reimbursed in advance for compensation and benefit costs

1 including retirement system contributions and health benefit costs, or
2 in accordance with the terms of a collective bargaining agreement.
3 The length of a leave is subject to negotiation between the employer
4 and the union.

5 The bill provides a member of the Public Employees' Retirement
6 System (PERS) with the option of receiving PERS service credit for
7 the period of an approved leave of absence, if the member pays PERS
8 the full cost, employer and employee contributions, for the credit.

9 In addition, the bill permits a public employee who had been
10 granted and had taken an approved unpaid leave of absence in the past
11 and who has not received PERS credit for that service to purchase the
12 credit within one year after its effective date.

13

14

15

16

17 Provides paid and unpaid leaves of absence for service with public
18 employee unions and allows full cost purchase of PERS credit for
19 period of leave.

ASSEMBLY, No. 2095

STATE OF NEW JERSEY 211th LEGISLATURE

INTRODUCED FEBRUARY 9, 2004

Sponsored by:

Assemblywoman LINDA R. GREENSTEIN

District 14 (Mercer and Middlesex)

Assemblyman HERBERT CONAWAY, JR.

District 7 (Burlington and Camden)

Co-Sponsored by:

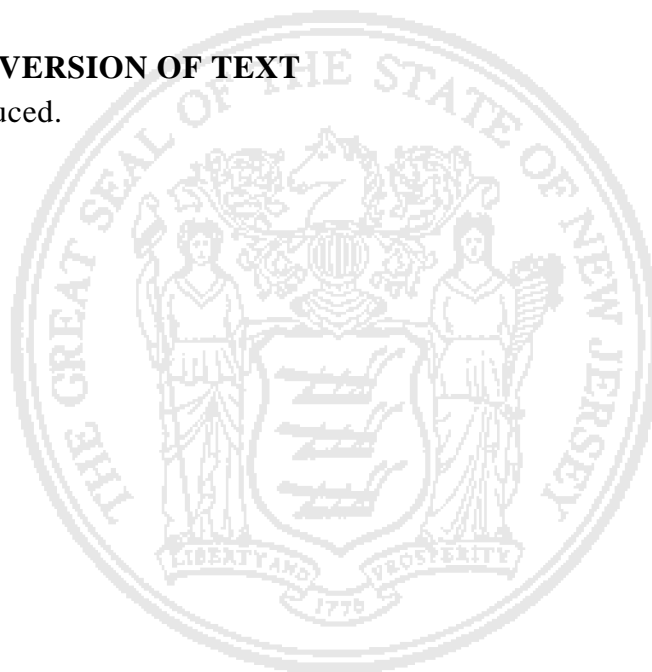
**Assemblywoman Cruz-Perez, Assemblyman Gusciora, Senators Buono,
Sweeney and Turner**

SYNOPSIS

Provides paid and unpaid leaves of absence for service with public employee unions and allows full cost purchase of PERS credit for period of leave.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 1/10/2006)

1 **AN ACT** concerning leaves of absence for certain public employees,
2 service credit in the Public Employees' Retirement System of New
3 Jersey during a leave of absence, amending N.J.S.11A:6-12 and
4 supplementing Title 40A of the New Jersey Statutes and P.L.1954,
5 c.84.

6

7 **BE IT ENACTED** *by the Senate and General Assembly of the State*
8 *of New Jersey:*

9

10 1. N.J.S.11A:6-12 is amended to read as follows:

11 11A:6-12. Leaves of absence for elected and appointed union
12 officials. An appointing authority may grant an unpaid leave of absence
13 to any employee elected or appointed as an **[official of the employee's**
14 **union]** officer or representative of a local, county or State labor
15 organization which represents, or is affiliated with a local, county or
16 State labor organization which represents, public employees.

17 An appointing authority may grant a paid leave of absence to any
18 such employee, (1) provided the employer is reimbursed in advance for
19 compensation and benefit costs including retirement system
20 contributions and health benefit premiums or periodic charges paid
21 during the period of absence, or (2) in accordance with the terms of a
22 collective bargaining agreement.

23 The maximum period for such **paid and unpaid** leaves shall be a
24 subject of negotiation between the employer and union.
25 (cf: N.J.S.11A:6-12)

26

27 2. (New Section) Any employee, except a policeman or firefighter,
28 elected or appointed as an officer or representative of a local, county
29 or State labor organization which represents, or is affiliated with a
30 local, county or State labor organization which represents, public
31 employees may be granted, by a county, municipality or agency
32 thereof, an unpaid leave of absence.

33 A county, municipality or agency thereof may grant a paid leave of
34 absence to any such employee, (1) provided the employer is
35 reimbursed in advance for compensation and benefit costs including
36 retirement system contributions and health benefit premiums or
37 periodic charges paid during the period of absence, or (2) in
38 accordance with the terms of a collective bargaining agreement.

39 The maximum period for such paid and unpaid leaves shall be a
40 subject of negotiation between the employer and union.

41

42 3. (New Section) Any member who serves, while on an approved
43 leave of absence from regular duties, as an officer or representative 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 a local, county or State labor organization which represents, or is
2 affiliated with an organization which represents, public employees shall
3 have the option to receive credit in the retirement system for the
4 service. Any member who chooses to receive the credit shall be liable,
5 with respect to the service to be credited, for payment to the
6 retirement system of both the contributions that would have been
7 required under section 25 of P.L.1954, c.84 (C.43:15A-25) and
8 section 30 of P.L.1954, c.84 (C.43:15A-30) and the contributions that
9 would have been required under section 24 of P.L.1954, c.84
10 (C.43:15A-24) if that service had been rendered as regular service to
11 the employer granting the leave of absence. The contributions shall be
12 based upon the compensation that would have been received by the
13 member under the negotiated salary guide of the employer granting the
14 leave had that member remained in service with that employer,
15 including applicable normal increments and negotiated wage increases
16 occurring during the period of the leave.

17

18 4. (New Section) Any member who, prior to the effective date of
19 P.L. , c. (now pending before the Legislature as this bill), had been
20 granted and had taken an approved unpaid leave of absence and who
21 has not received credit in the Public Employees' Retirement System,
22 established pursuant to P.L.1954, c.84 (C.43:15A-1 et seq.), for that
23 service may elect, within one year after that effective date, to purchase
24 credit for the service. The cost of the purchase shall be computed by
25 applying the factor, supplied by the actuary as being applicable to the
26 member's age at the time of the purchase and necessary to provide for
27 the full cost, as considered in developing the purchase factors for
28 military service, attributable to the purchased credit, to the member's
29 salary at that time for a member in regular service with the employer.
30 All other terms of the purchase and the credit granted shall be as
31 stipulated for the purchase of previous membership service by section
32 8 of P.L.1954, c.84 (C.43:15A-8).

33

34 5. This act shall take effect immediately.

35

36

37

STATEMENT

38

39 This bill permits a State, county or municipal employer to grant a
40 paid or unpaid leave of absence to public employees, excluding police
41 officers and firefighters outside the civil service, who are elected or
42 appointed as officers or representatives of a local, county or State
43 labor organization. A paid leave may be granted provided the
44 employer is reimbursed in advance for compensation and benefit costs
45 including retirement system contributions and health benefit costs, or
46 in accordance with the terms of a collective bargaining agreement.

A2095 GREENSTEIN, CONAWAY

1 The length of a leave is subject to negotiation between the employer
2 and the union.

3 The bill provides a member of the Public Employees' Retirement
4 System (PERS) with the option of receiving PERS service credit for
5 the period of an approved leave of absence, if the member pays PERS
6 the full cost, employer and employee contributions, for the credit.

7 In addition, the bill permits a public employee who had been
8 granted and had taken an approved unpaid leave of absence in the past
9 and who has not received PERS credit for that service to purchase the
10 credit within one year after its effective date.

ASSEMBLY STATE GOVERNMENT COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2095

STATE OF NEW JERSEY

DATED: DECEMBER 6, 2004

The Assembly State Government Committee reports favorably Assembly, No. 2095.

This bill permits a State, county or municipal employer to grant a paid or unpaid leave of absence to public employees, excluding police officers and firefighters outside the civil service, who are elected or appointed as officers or representatives of a local, county or State labor organization. A paid leave may be granted provided the employer is reimbursed in advance for compensation and benefit costs including retirement system contributions and health benefit costs, or in accordance with the terms of a collective bargaining agreement. The length of a leave is subject to negotiation between the employer and the union.

The bill provides a member of the Public Employees' Retirement System (PERS) with the option of receiving PERS service credit for the period of an approved leave of absence, if the member pays PERS the full cost, employer and employee contributions, for the credit.

In addition, the bill permits a public employee who had been granted and had taken an approved unpaid leave of absence in the past and who has not received PERS credit for that service to purchase the credit within one year after its effective date.

This bill is the same as Senate, No. 1336 of 2004.

FISCAL NOTE
ASSEMBLY, No. 2095
STATE OF NEW JERSEY
211th LEGISLATURE

DATED: APRIL 12, 2005

SUMMARY

Synopsis: Provides paid and unpaid leaves of absence for service with public employee unions and allows full cost purchase of PERS credit for period of leave.

Type of Impact: None.

Agencies Affected: Department of the Treasury, Division of Pensions and Benefits; County and Municipal Governing Bodies.

Executive Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Cost	None - See Comments Below		
Local Cost	None - See Comments Below		

- ! The Office of Legislative Services (OLS) **concurs** with the Executive estimate.
- ! Permits a State, county or municipal employer to allow a paid or unpaid leave of absence to certain public employees who are elected or appointed union officials, provided the employer is reimbursed for salary and benefit costs prior to a paid leave of absence.
- ! Permits employees who took approved unpaid leaves of absence before enactment of this bill to elect to purchase Public Employees' Retirement System (PERS) service credit for the time they were on leave of absence. The employee would pay both the employee and employer share of the cost of purchasing PERS service credit and the employer would not be liable for any costs of purchasing service.

BILL DESCRIPTION

Assembly Bill No. 2095 of 2004 permits a State, county or municipal employer (whether in the civil service system or not) to grant a paid or unpaid leave of absence to public employees, excluding police officers and firefighters in non-civil service employment, who are elected or appointed as officers or representatives of a State, county or local labor organization. Paid leave may only be granted provided that the employer is reimbursed in advance for compensation and benefit costs, including retirement system contributions and health benefit premiums or periodic charges, incurred by the employer during the period of absence.

The bill permits public employees who took an approved unpaid leave of absence prior to the bill's enactment to elect to purchase PERS service credit for the time they were on leave of absence. The bill provides that the employer would not be liable for any costs of purchasing service. Therefore, the employee would pay both the employee and employer share of the cost.

FISCAL ANALYSIS

EXECUTIVE BRANCH

The Division of Pensions and Benefits in the Department of the Treasury estimates there will be no State or local cost as a result of this bill because the employer would be reimbursed for both the employee and employer share of required pension contributions and health benefit premiums while the employee is on paid leave of absence and the employee must pay the full cost of purchasing service credit in the PERS for previously approved unpaid leaves.

OFFICE OF LEGISLATIVE SERVICES

The OLS concurs with the Executive estimate. The OLS notes that the bill requires the employer to be reimbursed in advance for salary and benefit costs, including retirement system contributions and health benefit premiums, incurred by the employer during the period of paid leave of absence.

Section: *State Government*

Analyst: *James F. Vari*
Senior Fiscal Analyst

Approved: *David J. Rosen*
Legislative Budget and Finance Officer

This fiscal note has been prepared pursuant to P.L.1980, c.67.

SENATE, No. 1336

STATE OF NEW JERSEY 211th LEGISLATURE

INTRODUCED MARCH 22, 2004

Sponsored by:

Senator BARBARA BUONO

District 18 (Middlesex)

Senator STEPHEN M. SWEENEY

District 3 (Salem, Cumberland and Gloucester)

Co-Sponsored by:

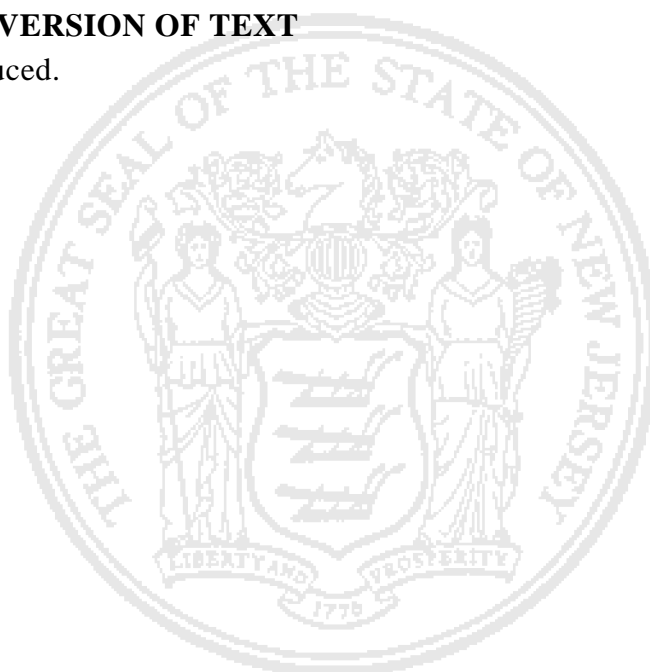
Senator Turner

SYNOPSIS

Provides paid and unpaid leaves of absence for service with public employee unions and allows full cost purchase of PERS credit for period of leave.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 2/8/2005)

S1336 BUONO, SWEENEY

2

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2 service credit in the Public Employees' Retirement System of New
3 Jersey during a leave of absence, amending N.J.S.11A:6-12 and
4 supplementing Title 40A of the New Jersey Statutes and P.L.1954,
5 c.84.

6

7 **BE IT ENACTED** by the Senate and General Assembly of the State
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12 officials. An appointing authority may grant an unpaid leave of absence
13 to any employee elected or appointed as an **[official of the employee's**
14 **union]** officer or representative of a local, county or State labor
15 organization which represents, or is affiliated with a local, county or
16 State labor organization which represents, public employees.

17 An appointing authority may grant a paid leave of absence to any
18 such employee, (1) provided the employer is reimbursed in advance for
19 compensation and benefit costs including retirement system
20 contributions and health benefit premiums or periodic charges paid
21 during the period of absence, or (2) in accordance with the terms of a
22 collective bargaining agreement.

23 The maximum period for such paid and unpaid leaves shall be a
24 subject of negotiation between the employer and union.

25 (cf: N.J.S.11A:6-12)

26

27 2. (New Section) Any employee, except a policeman or firefighter,
28 elected or appointed as an officer or representative of a local, county
29 or State labor organization which represents, or is affiliated with a
30 local, county or State labor organization which represents, public
31 employees may be granted, by a county, municipality or agency
32 thereof, an unpaid leave of absence.

33 A county, municipality or agency thereof may grant a paid leave of
34 absence to any such employee, (1) provided the employer is
35 reimbursed in advance for compensation and benefit costs including
36 retirement system contributions and health benefit premiums or
37 periodic charges paid during the period of absence, or (2) in
38 accordance with the terms of a collective bargaining agreement.

39 The maximum period for such paid and unpaid leaves shall be a
40 subject of negotiation between the employer and union.

41

42 3. (New Section) Any member who serves, while on an approved
43 leave of absence from regular duties, as an officer or representative of

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 a local, county or State labor organization which represents, or is
2 affiliated with an organization which represents, public employees shall
3 have the option to receive credit in the retirement system for the
4 service. Any member who chooses to receive the credit shall be liable,
5 with respect to the service to be credited, for payment to the
6 retirement system of both the contributions that would have been
7 required under section 25 of P.L.1954, c.84 (C.43:15A-25) and
8 section 30 of P.L.1954, c.84 (C.43:15A-30) and the contributions that
9 would have been required under section 24 of P.L.1954, c.84
10 (C.43:15A-24) if that service had been rendered as regular service to
11 the employer granting the leave of absence. The contributions shall be
12 based upon the compensation that would have been received by the
13 member under the negotiated salary guide of the employer granting the
14 leave had that member remained in service with that employer,
15 including applicable normal increments and negotiated wage increases
16 occurring during the period of the leave.

17

18 4. Any member who, prior to the effective date of P.L. , c. (now
19 pending before the Legislature as this bill), had been granted and had
20 taken an approved unpaid leave of absence and who has not received
21 credit in the Public Employees' Retirement System, established
22 pursuant to P.L.1954, c.84 (C.43:15A-1 et seq.), for that service may
23 elect, within one year after that effective date, to purchase credit for
24 the service. The cost of the purchase shall be computed by applying
25 the factor, supplied by the actuary as being applicable to the member's
26 age at the time of the purchase and necessary to provide for the full
27 cost, as considered in developing the purchase factors for military
28 service, attributable to the purchased credit, to the member's salary at
29 that time for a member in regular service with the employer. All other
30 terms of the purchase and the credit granted shall be as stipulated for
31 the purchase of previous membership service by section 8 of P.L.1954,
32 c.84 (C.43:15A-8).

33

34 5. This act shall take effect immediately.

35

36

37

STATEMENT

38

39 This bill permits a State, county or municipal employer to grant a
40 paid or unpaid leave of absence to public employees, excluding police
41 officers and firefighters outside the civil service, who are elected or
42 appointed as officers or representatives of a local, county or State
43 labor organization. A paid leave may be granted provided the
44 employer is reimbursed in advance for compensation and benefit costs
45 including retirement system contributions and health benefit costs, or
46 in accordance with the terms of a collective bargaining agreement.

S1336 BUONO, SWEENEY

4

1 The length of a leave is subject to negotiation between the employer
2 and the union.

3 The bill provides a member of the Public Employees' Retirement
4 System (PERS) with the option of receiving PERS service credit for
5 the period of an approved leave of absence, if the member pays PERS
6 the full cost, employer and employee contributions, for the credit.

7 In addition, the bill permits a public employee who had been
8 granted and had taken an approved unpaid leave of absence in the past
9 and who has not received PERS credit for that service to purchase the
10 credit within one year after its effective date.

SENATE STATE GOVERNMENT COMMITTEE

STATEMENT TO

SENATE, No. 1336

STATE OF NEW JERSEY

DATED: OCTOBER 18, 2004

The Senate State Government Committee reports without recommendation Senate, No. 1336.

This bill permits a State, county or municipal employer to grant a paid or unpaid leave of absence to public employees, excluding police officers and firefighters outside the civil service, who are elected or appointed as officers or representatives of a local, county or State labor organization. A paid leave may be granted provided the employer is reimbursed in advance for compensation and benefit costs including retirement system contributions and health benefit costs, or in accordance with the terms of a collective bargaining agreement. The length of a leave is subject to negotiation between the employer and the union.

The bill provides a member of the Public Employees' Retirement System (PERS) with the option of receiving PERS service credit for the period of an approved leave of absence, if the member pays PERS the full cost, employer and employee contributions, for the credit.

In addition, the bill permits a public employee who had been granted and had taken an approved unpaid leave of absence in the past and who has not received PERS credit for that service to purchase the credit within one year after its effective date.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 1336

STATE OF NEW JERSEY

DATED: FEBRUARY 7, 2005

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 1336.

This bill permits a State, county or municipal employer to grant a paid or unpaid leave of absence to certain public employees, and provides for the allowance of pension credit for the period of leave.

Employer authority to grant leave. Current law authorizes a State employer, and any county or municipal employer operating its personnel system under the civil service statute, to grant an unpaid leave of absence to an employee who becomes an official of the employee's union. This bill expands that authorization to permit these employers to grant *paid* leave to an employee who becomes a union officer or representative, but requires that when such paid leave is granted, either (1) the employer be reimbursed in advance for compensation and benefit costs including retirement system contributions and health benefit costs, or (2) the arrangement be covered by the terms of a collective bargaining agreement.

The bill also gives *non-civil* service local employers the power to grant either unpaid or paid leave to employees other than police and fire officers, subject to the same conditions set forth under the bill for civil service employers.

Pension credit. The bill permits a member of the Public Employees' Retirement System (PERS) to receive PERS service credit for any period of an approved leave of absence for service with a labor organization, provided the member pays PERS the full cost (employer and employee contributions) for the credit.

Finally, the bill permits a public employee who had been granted and had taken an approved unpaid leave of absence in the past, but who has not received PERS credit for that service, to purchase the credit within one year after the bill takes effect as law.

FISCAL IMPACT

The Executive estimates that the enactment of this bill will not result in any cost to the State or to local governments, because the employer is to be reimbursed for both the employee and employer share of required pension contributions and health benefit premiums while the employee is on paid leave, and the employee must pay the full cost of purchasing service credit in the PERS for previously

approved unpaid leave. The Office of Legislative Services (OLS) concurs and notes that the bill also provides for an employer that opts to grant paid leave to be reimbursed for salary costs.

FISCAL NOTE
SENATE, No. 1336
STATE OF NEW JERSEY
211th LEGISLATURE

DATED: FEBRUARY 22, 2005

SUMMARY

Synopsis: Provides paid and unpaid leaves of absence for service with public employee unions and allows full cost purchase of PERS credit for period of leave.

Type of Impact: None.

Agencies Affected: Department of the Treasury, Division of Pensions and Benefits; County and Municipal Governing Bodies.

Executive Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Cost	None - See Comments Below		
Local Cost	None - See Comments Below		

- ! The Office of Legislative Services (OLS) **concurs** with the Executive estimate.
- ! Permits a State, county or municipal employer to allow a paid or unpaid leave of absence to certain public employees who are elected or appointed union officials, provided the employer is reimbursed for salary and benefit costs prior to a paid leave of absence.
- ! Permits employees who took approved unpaid leaves of absence before enactment of this bill to elect to purchase Public Employees' Retirement System (PERS) service credit for the time they were on leave of absence. The employee would pay both the employee and employer share of the cost of purchasing PERS service credit and the employer would not be liable for any costs of purchasing service.

BILL DESCRIPTION

Senate Bill No. 1336 of 2004 permits a State, county or municipal employer (whether in the civil service system or not) to grant a paid or unpaid leave of absence to public employees, excluding police officers and firefighters in non-civil service employment, who are elected or appointed as officers or representatives of a State, county or local labor organization. Paid leave may only be granted provided that the employer is reimbursed in advance for compensation and benefit costs, including retirement system contributions and health benefit premiums or periodic charges, incurred by the employer during the period of absence.

The bill permits public employees who took an approved unpaid leave of absence prior to the bill's enactment to elect to purchase PERS service credit for the time they were on leave of absence. The bill provides that the employer would not be liable for any costs of purchasing service. Therefore, the employee would pay both the employee and employer share of the cost.

FISCAL ANALYSIS

EXECUTIVE BRANCH

The Division of Pensions and Benefits in the Department of the Treasury estimates there will be no State or local cost as a result of this bill because the employer would be reimbursed for both the employee and employer share of required pension contributions and health benefit premiums while the employee is on paid leave of absence and the employee must pay the full cost of purchasing service credit in the PERS for previously approved unpaid leaves.

OFFICE OF LEGISLATIVE SERVICES

The OLS concurs with the Executive estimate. The OLS notes that the bill requires the employer to be reimbursed in advance for salary and benefit costs, including retirement system contributions and health benefit premiums, incurred by the employer during the period of paid leave of absence.

Section: *State Government*

Analyst: *James F. Vari*
Senior Fiscal Analyst

Approved: *David J. Rosen*
Legislative Budget and Finance Officer

This fiscal note has been prepared pursuant to P.L.1980, c.67.