

43:16A-5

LEGISLATIVE HISTORY CHECKLIST

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LAWS OF: 2005 **CHAPTER:** 381

NJSA: 43:16A-5 (Extends mandatory retirement age in PFRS in certain circumstances)

BILL NO: A4164 (Substituted for S2599)

SPONSOR(S): Panter and Quigley

DATE INTRODUCED: June 13, 2005

COMMITTEE: **ASSEMBLY:** Appropriations

SENATE:

AMENDED DURING PASSAGE: No

DATE OF PASSAGE: **ASSEMBLY:** January 9, 2006

SENATE: January 9, 2006

DATE OF APPROVAL: January 12, 2006

FOLLOWING ARE ATTACHED IF AVAILABLE:

[FINAL TEXT OF BILL](#) (Original version of bill enacted)

A4164

[SPONSOR'S STATEMENT](#): (Begins on page 3 of original bill) [Yes](#)

COMMITTEE STATEMENT: **ASSEMBLY:** [Yes](#)

SENATE: No

FLOOR AMENDMENT STATEMENT: No

[LEGISLATIVE FISCAL NOTE:](#) [Yes](#)

S2599

[SPONSOR'S STATEMENT](#): (Begins on page 3 of original bill) [Yes](#)

COMMITTEE STATEMENT: **ASSEMBLY:** No

SENATE: No

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL NOTE: No

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: No

FOLLOWING WERE PRINTED:

To check for circulating copies, contact New Jersey State Government Publications at the State Library (609) 278-2640 ext.103 or <mailto:refdesk@njstatelib.org>

REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: No

P.L. 2005, CHAPTER 381, *approved January 12, 2006*
Assembly, No. 4164

1 **AN ACT** extending the mandatory retirement age in the Police and
2 Firemen's Retirement System of New Jersey in certain
3 circumstances and amending 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 5 of P.L.1944, c.255 (C.43:16A-5) is amended to read
9 as follows:

10 5. (1) Any member in service who has attained age 55 years may
11 retire on a service retirement allowance upon filing a written and duly
12 executed application to the retirement system, setting forth at what
13 time, not less than one month subsequent to the filing thereof, he
14 desires to be retired. Any member in service who attains age 65 years
15 shall be retired on a service retirement allowance forthwith on the first
16 day of the next calendar month, except that a member hired prior to
17 January 1, 1987 may remain a member of the system until the member
18 attains age 68 years or 25 years of creditable service, whichever comes
19 first.

20 (2) Upon retirement for service a member shall receive a service
21 retirement allowance which shall consist of:

22 (a) An annuity which shall be the actuarial equivalent of his
23 aggregate contributions and

24 (b) A pension in the amount which, when added to the member's
25 annuity, will provide a total retirement allowance of one-sixtieth of his
26 average final compensation multiplied by the number of years of his
27 creditable service, or 2% of his average final compensation multiplied
28 by the number of years of his creditable service up to 30 plus 1% of his
29 average final compensation multiplied by the number of years of
30 creditable service over 30, or 50% of his final compensation if the
31 member has established 20 or more years of creditable service,
32 whichever is greater.

33 (3) Any member of the retirement system as of the effective date
34 of P.L.1999, c.428 who has 20 or more years of creditable service at
35 the time of retirement shall be entitled to receive a retirement
36 allowance equal to 50% of the member's final compensation plus, in
37 the case of a member required to retire pursuant to the provisions of
38 subsection (1) of this section, 3% of final compensation multiplied by
39 the number of years of creditable service over 20 but not over 25.

40 (4) Upon the receipt of proper proofs of the death of a member
41 who has retired on a service retirement allowance, there shall be paid

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 to his beneficiary an amount equal to one-half of the compensation
2 upon which contributions by the member to the annuity savings fund
3 were based in the last year of creditable service.

4 (cf: P.L.1999, c.428, s.2)

5
6 2. This act shall take effect immediately.

7
8
9 STATEMENT

10
11 New Jersey police officers and firefighters are subject to mandatory
12 retirement at the age of 65 under the Police and Fireman's Retirement
13 System (PFRS). For a brief period in the 1980's, however, federal law
14 prohibited states from imposing a maximum age at time of
15 appointment (age 35 years) or mandatory retirement requirements
16 based on age. Once federal law was amended in 1986 to permit such
17 requirements, New Jersey's mandatory police officer and firefighter
18 appointment and retirement ages were reinstated.

19 Unfortunately, one consequence of the reinstatement of the
20 mandatory retirement age is that police officers and firefighters hired
21 when the maximum appointment age was suspended are today are
22 being forced to retire due to age without the ability to achieve certain
23 retirement benefits. In some cases, PFRS members are being forced
24 to retire just weeks before becoming eligible for certain PFRS
25 retirement benefits. This bill provides a limited window of opportunity
26 to PFRS members to remain in employment for a reasonable period in
27 order to gain certain benefits upon retirement.

28
29
30 _____
31
32 Allows members of PFRS hired during certain periods to serve until
33 attainment of age 68 or 25 years of creditable service, whichever
34 comes first.

ASSEMBLY, No. 4164

STATE OF NEW JERSEY 211th LEGISLATURE

INTRODUCED JUNE 13, 2005

Sponsored by:

Assemblyman MICHAEL PANTER

District 12 (Mercer and Monmouth)

Assemblywoman JOAN M. QUIGLEY

District 32 (Bergen and Hudson)

SYNOPSIS

Allows members of PFRS hired during certain periods to serve until attainment of age 68 or 25 years of creditable service, whichever comes first.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 11/14/2005)

A4164 PANTER, QUIGLEY

2

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43 upon which contributions by the member to the annuity savings fund

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18 mandatory retirement age is that police officers and firefighters hired
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21 retirement benefits. In some cases, PFRS members are being forced
22 to retire just weeks before becoming eligible for certain PFRS
23 retirement benefits. This bill provides a limited window of opportunity
24 to PFRS members to remain in employment for a reasonable period in
25 order to gain certain benefits upon retirement.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4164

STATE OF NEW JERSEY

DATED: JANUARY 5, 2006

The Assembly Appropriations Committee reports favorably Assembly Bill No. 4164.

Assembly Bill No. 4164 concerns New Jersey police officers and firefighters subject to mandatory retirement at the age of 65 under the Police and Fireman's Retirement System (PFRS). For a brief period in the 1980's, however, federal law prohibited states from imposing a maximum age at time of appointment (age 35 years) or mandatory retirement requirements based on age. Once federal law was amended in 1986 to permit such requirements, New Jersey's mandatory police officer and firefighter appointment and retirement ages were reinstated.

Unfortunately, one consequence of the reinstatement of the mandatory retirement age is that police officers and firefighters hired when the maximum appointment age was suspended are today are being forced to retire due to age without the ability to achieve certain retirement benefits. In some cases, PFRS members are being forced to retire just weeks before becoming eligible for certain PFRS retirement benefits. This bill provides a limited window of opportunity to PFRS members to remain in employment for a reasonable period in order to gain certain benefits upon retirement.

FISCAL IMPACT:

The Division of Pensions and Benefits estimates a minimal fiscal impact to the State and local government funds, due to limited number of individuals eligible.

However, the division notes, this bill would undermine rationale requiring age limitations and subsequently increase State and local employer costs in the future.

FISCAL NOTE
ASSEMBLY, No. 4164
STATE OF NEW JERSEY
211th LEGISLATURE

DATED: FEBRUARY 14, 2006

SUMMARY

Synopsis: Allows members of Police and Firemen's Retirement System hired during certain periods to serve until attainment of age 68 or 25 years of creditable service, whichever comes first.

Type of Impact: Expenditure increase: Local government funds.

Agencies Affected: Department of the Treasury, Division of Pensions and Benefits; Local government entities.

Executive Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Cost	Minimal - See Comments Below		
Local Cost	Minimal - See Comments Below		

- ! The Office of Legislative Services **concurs** with the Executive estimate.
- ! Allows members of the Police and Firemen's Retirement System (PFRS) hired during certain periods to serve until attainment of age 68 or 25 years of creditable service, whichever comes first.
- ! Due to the specific individual or small number of individuals eligible for this benefit, this legislation would have a minimal fiscal impact.

BILL DESCRIPTION

Assembly Bill No. 4164 of 2005 provides a limited window of opportunity to PFRS members to remain in employment for a reasonable period in order to gain certain benefits upon retirement.

New Jersey law subjects police officers and firefighters to mandatory retirement at the age of 65 under the PFRS.

FISCAL ANALYSIS

EXECUTIVE BRANCH

The Division of Pensions and Benefits in the Department of the Treasury estimates that this bill would have a minimal fiscal impact on State and local government funds, due to the limited number of individuals who would be eligible for this benefits.

The division notes that if this bill is enacted, it will undermine the rationale for requiring age limitations for public safety officers and there would be an increase in State and local employer benefit costs.

OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services concurs with the Executive estimate.

Section: *State Government*

Analyst: *James F. Vari*
Lead 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. 2599

STATE OF NEW JERSEY
211th LEGISLATURE

INTRODUCED JUNE 9, 2005

Sponsored by:
Senator JOSEPH V. DORIA, JR.
District 31 (Hudson)

SYNOPSIS

Allows members of PFRS hired during certain periods to serve until attainment of age 68 or 25 years of creditable service, whichever comes first.

CURRENT VERSION OF TEXT

As introduced.



S2599 DORIA

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