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IS 12/5/07

P.L. 2005, CHAPTER 256, *approved January 4, 2006*
Assembly, No. 1400

1 AN ACT concerning the Supplemental Annuity Collective Trust of
2 New Jersey and amending P.L.1963, c.123 and P.L.1965, c.90.

3

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

6

7 1. Section 7 of P.L.1963, c.123 (C.52:18A-113) is amended to
8 read as follows:

9 7. Contributions by a participant shall be made through payroll
10 deductions of integral dollar amounts not in excess of [10% of the
11 participant's salary] the maximum contribution amount permitted
12 under the federal Internal Revenue Code of 1986, as amended.
13 Participants who are making contributions through payroll deductions
14 may also make lump-sum contributions by direct payments in integral
15 dollar amounts of not less than \$50.00, provided, however, that the
16 total contributions for any [1] one year may not exceed [10% of the
17 participant's annual salary] the maximum contribution amount
18 permitted by federal law.

19 Contributions by a participant shall cease upon retirement, death,
20 or upon termination of membership in a State administered retirement
21 system.

22 (cf: P.L.1965, c.90, s.3)

23

24 2. Section 4 of P.L.1965, c.90 (C.52:18A-113.1) is amended to
25 read as follows:

26 4. Any employee who is a member of a State administered
27 retirement system may enter into an agreement with [his] the
28 employee's employer whereby the employee agrees to a reduction in
29 salary in return for [his] the employer's agreement to use the amount
30 of such reduction in salary to purchase on behalf of such employee
31 from the Supplemental Annuity Collective Trust of New Jersey an
32 annuity, provided that any such annuity qualifies under section 403(b)
33 of the Internal Revenue Code of [1954] 1986, as amended. The
34 amount of the reduction in salary under any agreement entered into
35 between an employee and [his] the employee's employer pursuant to
36 this section shall not exceed [10% of the employee's salary prior to
37 such reduction] the maximum contribution amount permitted under
38 section 403(b) of the federal Internal Revenue Code, 26 U.S.C.
39 s.403(b). Any such agreement shall remain in effect for at least one
40 year. If an agreement is entered into between an employee and [his]
41 the employee's employer pursuant to this section, the employer shall

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 pay the premiums for the annuity purchased directly to the
2 Supplemental Annuity Collective Trust in accordance with rules and
3 regulations promulgated by the council.

4 Amounts payable pursuant to this section by an employer on behalf
5 of an employee for a pay period shall be transmitted and credited not
6 later than the fifth business day after the date on which the employee
7 is paid for that pay period.

8 (cf: P.L.1999, c.247, s.3)

9

10 3. This act shall take effect immediately.

11

12

13

STATEMENT

14

15 Currently, active members of the State-administered retirement
16 systems are eligible to participate in the Supplemental Annuity
17 Collective Trust (SACT) Regular Plan. Additionally, active members
18 of the State-administered retirement systems who are employed by a
19 public educational institution are eligible to participate in the SACT
20 Tax-Sheltered Plan. Participants in either plan are only permitted to
21 contribute 10 percent of their annual salary into the SACT each year.

22 This bill would amend current law to allow participants in either
23 SACT plan to contribute the maximum amount permitted under the
24 Internal Revenue Code. The maximum for 403(b) plans, such as the
25 Tax-Sheltered SACT, is \$12,000 in 2003. This change would allow
26 participants to save more money in their SACT by taking advantage of
27 the higher caps recently instituted by the federal government.

28

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32 _____
33 Increases maximum public employees may contribute to Supplemental
Annuity Collective Trust plans.

ASSEMBLY, No. 1400

STATE OF NEW JERSEY 211th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2004 SESSION

Sponsored by:

Assemblyman JACK CONNERS

District 7 (Burlington and Camden)

Assemblyman HERBERT CONAWAY, JR.

District 7 (Burlington and Camden)

Co-Sponsored by:

Assemblywoman Greenstein and Senator Adler

SYNOPSIS

Increases maximum public employees may contribute to Supplemental Annuity Collective Trust plans.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 12/16/2005)

A1400 CONNERS, CONAWAY

2

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30 of such reduction in salary to purchase on behalf of such employee
31 from the Supplemental Annuity Collective Trust of New Jersey an
32 annuity, provided that any such annuity qualifies under section 403(b)
33 of the Internal Revenue Code of [1954] 1986, as amended. The
34 amount of the reduction in salary under any agreement entered into
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36 this section shall not exceed [10% of the employee's salary prior to
37 such reduction] the maximum contribution amount permitted under
38 section 403(b) of the federal Internal Revenue Code, 26 U.S.C.
39 s.403(b). Any such agreement shall remain in effect for at least one
40 year. If an agreement is entered into between an employee and [his]
41 the employee's employer pursuant to this section, the employer shall
42 pay the premiums for the annuity purchased directly to the

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4 of an employee for a pay period shall be transmitted and credited not
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20 contribute 10 percent of their annual salary into the SACT each year.

21 This bill would amend current law to allow participants in either
22 SACT plan to contribute the maximum amount permitted under the
23 Internal Revenue Code. The maximum for 403(b) plans, such as the
24 Tax-Sheltered SACT, is \$12,000 in 2003. This change would allow
25 participants to save more money in their SACT by taking advantage of
26 the higher caps recently instituted by the federal government.

ASSEMBLY STATE GOVERNMENT COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1400

STATE OF NEW JERSEY

DATED: FEBRUARY 14, 2005

The Assembly State Government Committee reports favorably Assembly, No. 1400.

Currently, active members of the State-administered retirement systems are eligible to participate in the voluntary investment Supplemental Annuity Collective Trust (SACT) Regular Plan. Additionally, active members of the State-administered retirement systems who are employed by a public educational institution are eligible to participate in the SACT Tax-Sheltered Plan. Participants in either plan are permitted to contribute only 10 percent of their annual salary into the SACT each year.

This bill amends current law to allow participants in either SACT plan to contribute the maximum amount permitted under the Internal Revenue Code. An individual's maximum for all 403(b) plans, such as the Tax-Sheltered SACT, is \$14,000 in 2005.

SENATE STATE GOVERNMENT COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1400

STATE OF NEW JERSEY

DATED: DECEMBER 5, 2005

The Senate State Government Committee reports favorably Assembly, No. 1400.

Currently, active members of the State-administered retirement systems are eligible to participate in the voluntary investment Supplemental Annuity Collective Trust (SACT) Regular Plan. Additionally, active members of the State-administered retirement systems who are employed by a public educational institution are eligible to participate in the SACT Tax-Sheltered Plan. Participants in either plan are permitted to contribute only 10 percent of their annual salary into the SACT each year.

This bill amends current law to allow participants in either SACT plan to contribute the maximum amount permitted under the Internal Revenue Code. An individual's maximum for all 403(b) plans, such as the Tax-Sheltered SACT, is \$14,000 in 2005.

This bill is identical to Senate, No. 2755 of 2004.

SENATE, No. 2755

STATE OF NEW JERSEY
211th LEGISLATURE

INTRODUCED SEPTEMBER 26, 2005

Sponsored by:
Senator JOHN H. ADLER
District 6 (Camden)

SYNOPSIS

Increases maximum public employees may contribute to Supplemental Annuity Collective Trust plans.

CURRENT VERSION OF TEXT

As introduced.



S2755 ADLER

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26 the higher caps recently instituted by the federal government.

SENATE STATE GOVERNMENT COMMITTEE

STATEMENT TO

SENATE, No. 2755

STATE OF NEW JERSEY

DATED: DECEMBER 5, 2005

The Senate State Government Committee reports favorably Senate No. 2755.

Currently, active members of the State-administered retirement systems are eligible to participate in the voluntary investment Supplemental Annuity Collective Trust (SACT) Regular Plan. Additionally, active members of the State-administered retirement systems who are employed by a public educational institution are eligible to participate in the SACT Tax-Sheltered Plan. Participants in either plan are permitted to contribute only 10 percent of their annual salary into the SACT each year.

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