

18A:66-71

LEGISLATIVE HISTORY CHECKLIST
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(TPAF--changes

NJSA: 18A:66-71

LAWS OF: 1995 CHAPTER: 332

BILL NO: S1788

SPONSOR(S): Kosco and others

DATE INTRODUCED: Appropriations

COMMITTEE: ASSEMBLY State Management; Budget
SENATE: Health

AMENDED DURING PASSAGE: No

DATE OF PASSAGE: ASSEMBLY: December 21, 1995
SENATE: June 26, 1995

DATE OF APPROVAL: January 5, 1996

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: ASSEMBLY: Yes
SENATE: Yes 5-8-95 & 6-22-95

FISCAL NOTE: ~~No~~ YES

VETO MESSAGE: No

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: No

KBP:pp

Legislative History Checklist
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Synopsis: Changes basis of retirement allowance for veteran members of TPAF and PERS.

Bill No.: S1788

P.L. 1995, c. 332

Identical to: A3166
Substituted for:
Combined with:
Last Session Bill No.:

See Above Bill(s) for Additional History

NJSA: 18A:66-71

Sponsor(s): Kosco/Casey+2

Date Introduced: 02/09/95

Committee Reference:

Statement:

Public Hearing:

Assembly:

State Government	No	No
Economic Dev., Agriculture, & Military & Appropriations	No	No
	Yes	No

Senate:

State Management, Investments and Finance	Yes	No
Budget and Appropriations	Yes	No

Sponsor Statement: Yes

Fiscal Note: Yes

Dates of Passage:

Assembly:

12/21/95 (74-1)

Senate:

06/26/95 (38-0)

Amended During Passage: No

Governor's Action:

Veto: No

Date of Veto:

Date of Approval: 01/05/96

Message on Signing: No

Additional Information:

1 AN ACT concerning the retirement benefits of veteran members
2 of the Teachers' Pension and Annuity Fund and the Public
3 Employees' Retirement System of New Jersey and amending
4 N.J.S.18A:66-71 and P.L.1954, c.84.

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

8 1. N.J.S.18A:66-71 is amended to read as follows:

9 18A:66-71. a. Any public employee veteran member in office,
10 position or employment of this State or of a county, municipality,
11 or school district, board of education or other employer who (1)
12 has or shall have attained the age of 60 years and has or shall
13 have been for 20 years continuously or in the aggregate in office,
14 position or employment of this State or of a county, municipality
15 or school district, board of education or other employer, or (2)
16 has or shall have attained the age of 55 years and has or shall
17 have been for 25 years continuously or in the aggregate in that
18 office, position or employment, shall have the privilege of
19 retiring for service and of receiving, instead of the retirement
20 allowance provided under N.J.S.18A:66-44, a retirement
21 allowance of one-half of the compensation [received during the
22 last year of employment upon which contributions to the annuity
23 savings fund or contingent reserve fund are made] for which
24 contributions are made during the 12-month period of
25 membership providing the largest possible benefit to the member
26 or the member's beneficiary.

27 b. (Deleted by amendment, P.L.1984, c.69.)

28 c. Any public employee veteran member who has been for 20
29 years in the aggregate in office, position or employment of this
30 State or of a county, municipality or school district, board of
31 education or other employer as of January 1, 1955, shall have the
32 privilege of retiring for ordinary disability and of receiving,
33 instead of the retirement allowance provided under
34 N.J.S.18A:66-41, a retirement allowance of one-half of the
35 compensation received during the last year of employment upon
36 which contributions to the annuity savings fund or contingent
37 reserve fund are made. Such retirement shall be subject to the
38 provisions governing ordinary disability retirement in
39 N.J.S.18A:66-39 and N.J.S.18A:66-40.

40 d. Any public employee veteran member who shall be in office,
41 position or employment of this State or of a county, municipality,
42 school district, board of education or other employer and who

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 shall have attained 60 years of age and who has at least 35 years
2 of aggregate service credit in such office, position or
3 employment, shall have the privilege of retiring for service and
4 receiving a retirement allowance of one-sixtieth of the
5 compensation he received during the last year of employment
6 upon which contributions to the annuity savings fund or
7 contingent reserve fund are made for each year of creditable
8 service.

9 e. The death benefit provided in N.J.S.18A:66-44 shall apply in
10 the case of any member retiring under the provisions of
11 subsections a. and d. of this section and in the case of any
12 member who has previously retired under the provisions of
13 subsection b. of this section before said subsection was amended
14 by this act. The death benefit provided in N.J.S.18A:66-41 shall
15 apply in the case of any member retiring under the provisions of
16 subsection c. of this section.

17 f. A member who purchases service credit pursuant to any
18 provision of the "Teachers' Pension and Annuity Fund Law"
19 (N.J.S.18A:66-1 et seq.) is entitled to apply the credit for the
20 purpose of satisfying any of the service requirements of that act.
21 (cf: P.L.1987, c.97, s.1)

22 2. Section 61 of P.L.1954, c.84 (C.43:15A-61) is amended to
23 read as follows:

24 61. a. [Any public employee veteran member in office,
25 position or employment of this State or of a county, municipality,
26 public agency, school district or board of education on January 2,
27 1955, who remains in continuous service thereafter and who has
28 or shall have attained the age of 60 years and who has or shall
29 have been for 20 years in office, position or employment of this
30 State or of a county, municipality, public agency, school district
31 or board of education, shall have the privilege of retiring for
32 service and of receiving, instead of the retirement allowance
33 provided under section 48 of this act, a retirement allowance of
34 one-half of the compensation received during the last year of
35 employment upon which contributions to the annuity savings fund
36 or contingent reserve fund are made.] (Deleted by amendment,
37 P.L.19 , c. .)

38 b. Any public employee veteran [becoming a member after
39 January 2, 1955, who shall be] member in office, position or
40 employment of this State or of a county, municipality, public
41 agency, school district or board of education and who shall have
42 attained 62 years of age and who has 20 years of aggregate
43 service credit in such office, position or employment, shall have
44 the privilege of retiring for service and receiving, instead of the
45 retirement allowance provided under section 48 of this act, a
46 retirement allowance of one-half of the compensation [received
47 during the last year of employment upon which contributions to
48 the annuity savings fund or contingent reserve fund are made] for
49 which contributions are made during the 12-month period of
50 membership providing the largest possible benefit to the member
51 or the member's beneficiary. [The provisions of this subsection
52 shall also apply to any veteran who was a member on January 2,
53 1955, but whose service was not continuous thereafter.]

54 c. Any public employee veteran member who has been for 20

1 years in the aggregate in office, position or employment of this
2 State or of a county, municipality, public agency, school district
3 or board of education as of January 2, 1955, shall have the
4 privilege of retiring for ordinary disability and of receiving,
5 instead of the retirement allowance provided under section 45 of
6 this act, a retirement allowance of one-half of the compensation
7 received during the last year of employment upon which
8 contributions to the annuity savings fund or contingent reserve
9 fund are made. Such retirement shall be subject to the provisions
10 governing ordinary disability retirement in sections 42 and 44 of
11 this act.

12 d. Any public employee veteran member who shall be in office,
13 position or employment of this State or of a county, municipality,
14 public agency, school district or board of education and who shall
15 have attained 60 years of age and who has at least 35 years of
16 aggregate service credit in such office, position or employment,
17 shall have the privilege of retiring for service and receiving a
18 retirement allowance of one-sixtieth of the compensation he
19 received during the last year of employment upon which
20 contributions to the annuity savings fund or contingent reserve
21 fund are made for each year of creditable service.

22 e. The death benefit provided in section 48 shall apply in the
23 case of any member retiring under the provisions of subsections
24 a., b. and d. of this section. The death benefit provided in section
25 45 shall apply in the case of any member retiring under the
26 provisions of subsection c. of this section.

27 (cf: P.L.1985, c.220, s.1)

28 3. This act shall take effect immediately.

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STATEMENT

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33 This bill changes the basis upon which the retirement allowance
34 for members retiring under the special veterans' benefits of the
35 Teachers' Pension and Annuity Fund or the Public Employees'
36 Retirement System is computed. Under current law, the
37 computation of these veterans' retirement benefits is based upon
38 the compensation received during the last year of service. This
39 bill provides that the basis shall be the compensation received for
40 the 12-month period of membership that provides the largest
41 possible benefit to the member or the member's beneficiary.

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Changes basis of retirement allowance for veteran members of
TPAF and PERS.

SENATE, No. 1788
STATE OF NEW JERSEY

INTRODUCED FEBRUARY 9, 1995

By Senators KOSCO, CASEY, Haines and Singer

1 AN ACT concerning the retirement benefits of veteran members
2 of the Teachers' Pension and Annuity Fund and the Public
3 Employees' Retirement System of New Jersey and amending
4 N.J.S.18A:66-71 and P.L.1954, c.84.

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

8 1. N.J.S.18A:66-71 is amended to read as follows:

9 18A:66-71. a. Any public employee veteran member in office,
10 position or employment of this State or of a county, municipality,
11 or school district, board of education or other employer who (1)
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13 have been for 20 years continuously or in the aggregate in office,
14 position or employment of this State or of a county, municipality
15 or school district, board of education or other employer, or (2)
16 has or shall have attained the age of 55 years and has or shall
17 have been for 25 years continuously or in the aggregate in that
18 office, position or employment, shall have the privilege of
19 retiring for service and of receiving, instead of the retirement
20 allowance provided under N.J.S.18A:66-44, a retirement
21 allowance of one-half of the compensation [received during the
22 last year of employment upon which contributions to the annuity
23 savings fund or contingent reserve fund are made] for which
24 contributions are made during the 12-month period of
25 membership providing the largest possible benefit to the member
26 or the member's beneficiary.

27 b. (Deleted by amendment, P.L.1984, c.69.)

28 c. Any public employee veteran member who has been for 20
29 years in the aggregate in office, position or employment of this
30 State or of a county, municipality or school district, board of
31 education or other employer as of January 1, 1955, shall have the
32 privilege of retiring for ordinary disability and of receiving,
33 instead of the retirement allowance provided under
34 N.J.S.18A:66-41, a retirement allowance of one-half of the
35 compensation received during the last year of employment upon
36 which contributions to the annuity savings fund or contingent
37 reserve fund are made. Such retirement shall be subject to the
38 provisions governing ordinary disability retirement in
39 N.J.S.18A:66-39 and N.J.S.18A:66-40.

40 d. Any public employee veteran member who shall be in office,
41 position or employment of this State or of a county, municipality,
42 school district, board of education or other employer and who

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 shall have attained 60 years of age and who has at least 35 years
2 of aggregate service credit in such office, position or
3 employment, shall have the privilege of retiring for service and
4 receiving a retirement allowance of one-sixtieth of the
5 compensation he received during the last year of employment
6 upon which contributions to the annuity savings fund or
7 contingent reserve fund are made for each year of creditable
8 service.

9 e. The death benefit provided in N.J.S.18A:66-44 shall apply in
10 the case of any member retiring under the provisions of
11 subsections a. and d. of this section and in the case of any
12 member who has previously retired under the provisions of
13 subsection b. of this section before said subsection was amended
14 by this act. The death benefit provided in N.J.S.18A:66-41 shall
15 apply in the case of any member retiring under the provisions of
16 subsection c. of this section.

17 f. A member who purchases service credit pursuant to any
18 provision of the "Teachers' Pension and Annuity Fund Law"
19 (N.J.S.18A:66-1 et seq.) is entitled to apply the credit for the
20 purpose of satisfying any of the service requirements of that act.
21 (cf: P.L.1987, c.97, s.1)

22 2. Section 61 of P.L.1954, c.84 (C.43:15A-61) is amended to
23 read as follows:

24 61. a. [Any public employee veteran member in office,
25 position or employment of this State or of a county, municipality,
26 public agency, school district or board of education on January 2,
27 1955, who remains in continuous service thereafter and who has
28 or shall have attained the age of 60 years and who has or shall
29 have been for 20 years in office, position or employment of this
30 State or of a county, municipality, public agency, school district
31 or board of education, shall have the privilege of retiring for
32 service and of receiving, instead of the retirement allowance
33 provided under section 48 of this act, a retirement allowance of
34 one-half of the compensation received during the last year of
35 employment upon which contributions to the annuity savings fund
36 or contingent reserve fund are made.] (Deleted by amendment,
37 P.L.19 . c. .)

38 b. Any public employee veteran [becoming a member after
39 January 2, 1955, who shall be] member in office, position or
40 employment of this State or of a county, municipality, public
41 agency, school district or board of education and who shall have
42 attained 62 years of age and who has 20 years of aggregate
43 service credit in such office, position or employment, shall have
44 the privilege of retiring for service and receiving, instead of the
45 retirement allowance provided under section 48 of this act, a
46 retirement allowance of one-half of the compensation [received
47 during the last year of employment upon which contributions to
48 the annuity savings fund or contingent reserve fund are made] for
49 which contributions are made during the 12-month period of
50 membership providing the largest possible benefit to the member
51 or the member's beneficiary. [The provisions of this subsection
52 shall also apply to any veteran who was a member on January 2,
53 1955, but whose service was not continuous thereafter.]

54 c. Any public employee veteran member who has been for 20

1 years in the aggregate in office, position or employment of this
2 State or of a county, municipality, public agency, school district
3 or board of education as of January 2, 1955, shall have the
4 privilege of retiring for ordinary disability and of receiving,
5 instead of the retirement allowance provided under section 45 of
6 this act, a retirement allowance of one-half of the compensation
7 received during the last year of employment upon which
8 contributions to the annuity savings fund or contingent reserve
9 fund are made. Such retirement shall be subject to the provisions
10 governing ordinary disability retirement in sections 42 and 44 of
11 this act.

12 d. Any public employee veteran member who shall be in office,
13 position or employment of this State or of a county, municipality,
14 public agency, school district or board of education and who shall
15 have attained 60 years of age and who has at least 35 years of
16 aggregate service credit in such office, position or employment,
17 shall have the privilege of retiring for service and receiving a
18 retirement allowance of one-sixtieth of the compensation he
19 received during the last year of employment upon which
20 contributions to the annuity savings fund or contingent reserve
21 fund are made for each year of creditable service.

22 e. The death benefit provided in section 48 shall apply in the
23 case of any member retiring under the provisions of subsections
24 a., b. and d. of this section. The death benefit provided in section
25 45 shall apply in the case of any member retiring under the
26 provisions of subsection c. of this section.

27 (cf: P.L.1985, c.220, s.1)

28 3. This act shall take effect immediately.

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STATEMENT

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33 This bill changes the basis upon which the retirement allowance
34 for members retiring under the special veterans' benefits of the
35 Teachers' Pension and Annuity Fund or the Public Employees'
36 Retirement System is computed. Under current law, the
37 computation of these veterans' retirement benefits is based upon
38 the compensation received during the last year of service. This
39 bill provides that the basis shall be the compensation received for
40 the 12-month period of membership that provides the largest
41 possible benefit to the member or the member's beneficiary.

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46 Changes basis of retirement allowance for veteran members of
47 TPAF and PERS.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 1788

STATE OF NEW JERSEY

DATED: DECEMBER 14, 1995

The Assembly Appropriations Committee reports favorably Senate Bill No. 1788.

Senate Bill No. 1788 changes the basis upon which the retirement allowance for members retiring under the special veterans' benefits of the Teachers' Pension and Annuity Fund or the Public Employees' Retirement System is computed. Under current law, the computation of these veterans' retirement benefits is based upon the compensation received during the last year of service. This bill provides that the basis shall be the compensation received for the 12-month period of membership that provides the largest possible benefit to the member or the member's beneficiary.

This bill was approved by the Pension and Health Benefits Review Commission at its March 31, 1995 meeting.

FISCAL IMPACT:

In the fiscal note to this bill, the Division of Pensions and Benefits stated that no information was available on the number of pension fund members whose highest annual compensation is not their final-year compensation. The division believes that the final-year is generally the highest compensated year, whereby this change should not have a significant financial impact on the retirement systems.

SENATE STATE MANAGEMENT, INVESTMENTS AND
FINANCIAL INSTITUTIONS COMMITTEE

STATEMENT TO

SENATE, No. 1788

STATE OF NEW JERSEY

DATED: MAY 8, 1995

The Senate State Management, Investments and Financial Institutions Committee reports favorably Senate, No. 1788.

This bill changes the basis upon which the retirement allowance for members retiring under the special veterans' benefits of the Teachers' Pension and Annuity Fund or the Public Employees' Retirement System is computed. Under current law, the computation of these veterans' retirement benefits is based upon the compensation received during the last year of service. This bill provides that the basis shall be the compensation received for the 12-month period of membership that provides the largest possible benefit to the member or the member's beneficiary.

PENSION AND HEALTH BENEFITS REVIEW COMMISSION ACTION

This bill was approved by the Pension and Health Benefits Review Commission at its March 31, 1995 meeting.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 1788

STATE OF NEW JERSEY

DATED: JUNE 22, 1995

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 1788.

Senate Bill No. 1788 changes the basis upon which the retirement allowance for members retiring under the special veterans' benefits of the Teachers' Pension and Annuity Fund or the Public Employees' Retirement System is computed. Under current law, the computation of these veterans' retirement benefits is based upon the compensation received during the last year of service. This bill provides that the basis shall be the compensation received for the 12-month period of membership that provides the largest possible benefit to the member or the member's beneficiary.

This bill was approved by the Pension and Health Benefits Review Commission at its March 31, 1995 meeting.

FISCAL IMPACT

As of the date of this statement, the Office of Legislative Services did not have the information needed to provide an estimate of the cost of this bill to the pension systems.

**FISCAL NOTE TO
SENATE, No. 1788
STATE OF NEW JERSEY**

DATED: October 18, 1995

Senate Bill No. 1788 of 1995 changes the basis upon which the retirement allowance for members retiring under the special veterans' benefits of the Teachers' Pension and Annuity Fund (TPAF) or the Public Employees' Retirement System (PERS) is computed. Under current law, the computation of these veterans' retirement benefits is based upon the compensation received during the last year of service. This bill provides that the basis shall be the compensation received for the 12-month period of membership that provides the largest possible benefit to the member or the member's beneficiary.

Under current law, these individuals have the option of retiring under the special veteran retirement provisions or service retirement (for which most members qualify), whichever provides the largest retirement allowance.

Service retirement is available for members (PERS and TPAF) age 60 or older with no minimum number of years of service. The retirement allowance is the number of years of service, divided by sixty, multiplied by the member's final average salary. (Final average salary is the average salary of the member's three highest years salary.)

Veterans' retirement, for PERS members, is 50 percent of final salary for members age 62 with 20 years of service credit. Veterans' retirement for TPAF members is 50 percent of final salary for members age 60 with 20 years of service credit or 50 percent of final salary for members age 55 with 25 years of service credit.

The Division of Pensions and Benefits states that no information is available on the number of PERS and TPAF members whose highest annual compensation is not their final-year compensation. The division believes that the final year is generally the highest compensated year for members of PERS and TPAF and so this change would not have a significant financial impact on the retirement systems.

The Office of Legislative Services (OLS) concurs with the division's statement.

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