

ASSEMBLY, No. 2421

STATE OF NEW JERSEY

INTRODUCED APRIL 9, 1973

By Assemblymen DE KORTE, J. J. HORN, WEIDEL, FORAN,
PARETI and LITTELL

(Without Reference)

AN ACT to amend the "Public Employees' Retirement System Act," approved June 28, 1954 (P. L. 1954, c. 84) as said short title was amended by P. L. 1971, c. 213.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. Section 41 of P. L. 1954, c. 84 (C. 43:15A-41) is amended to
2 read as follows:

3 41. a. A member who withdraws from service or ceases to be an
4 employee for any cause other than death or retirement shall, upon
5 the filing of an application therefor, receive all of his accumu-
6 lated deductions standing to the credit of his individual account in
7 the annuity savings fund, plus regular interest, less any outstanding
8 loan, except that for any period after June 30, 1944, the interest
9 payable shall be such proportion of the interest determined at the
10 regular rate of 2% per annum bears to the regular rate of interest,
11 and except that no interest shall be payable in the case of a member
12 who has less than 3 years of membership credit for which he has
13 made contributions. He shall cease to be a member 2 years from the
14 date he discontinued service as an eligible employee, or, if prior
15 thereto, upon payment to him of his accumulated deductions. If any
16 such person or member shall die before withdrawing or before
17 endorsing the check constituting the return of his accumulated
18 deductions, such deductions shall be paid to the member's bene-
19 ficiary. No member shall be entitled to withdraw the amounts
20 contributed by his employer covering his military leave unless he
21 shall have returned to the payroll and contributed to the retirement
22 system for a period of 90 days.

23 b. Should a member resign after having established 25 years of
24 creditable service before reaching age 60, he may elect "early

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25 retirement," provided, that such election is communicated by such
26 member to the retirement system by filing a written application,
27 duly attested, stating at what time subsequent to the execution and
28 filing thereof he desires to be retired. He shall receive, in lieu
29 of the payment provided in subsection a. of this section, an annuity
30 which is the actuarial equivalent of his accumulated deductions
31 together with regular interest, and a pension in the amount which,
32 when added to the member's annuity, will provide a total retirement
33 allowance of one-seventieth of his final compensation for each year
34 of service credited as Class A service and one-sixtieth of his final
35 compensation for each year of service credited as Class B service,
36 calculated in accordance with section 48 (C. 43:15A-48) of this act,
37 reduced by $\frac{1}{4}$ of 1% for each month that the member lacks of being
38 age [60] 55; provided, however, that upon the receipt of proper
39 proofs of the death of such a member there shall be paid to his
40 beneficiary an amount equal to three-sixteenth of the compensation
41 upon which contributions by the member to the annuity savings
42 fund were based in the last year of creditable service.

43 The board of trustees shall retire him at the time specified or at
44 such other time within 1 month after the date so specified as the
45 board finds advisable.

46 c. Upon the receipt of proper proofs of the death of a member in
47 service on account of which no accidental death benefit is payable
48 under section 49 there shall be paid to such member's beneficiary:

49 (1) The member's accumulated deductions at the time of death
50 together with regular interest; and

51 (2) An amount equal to one and one-half times the compensation
52 upon which contributions by the member to the annuity savings
53 fund were based in the last year of creditable service; provided,
54 however, that if such death shall occur after the member shall have
55 attained age 70, the amount payable shall equal three-sixteenth of
56 such compensation instead of one and one-half times such compen-
57 sation.

1 2. This act shall take effect January 1, 1974.

STATEMENT

This bill amends the "early retirement" provisions of the Public Employees' Retirement System Act. Presently, a member who has completed 25 years of service may retire prior to the "normal retirement" age of 60, subject however to a reduction in his pension computed at the rate of $\frac{1}{4}$ of 1% per month (3% annually) for each

month he lacks of being 60 years of age. Under the provisions of this bill, members of PERS who are 55 years of age or more and have completed 25 years of service would incur no reduction in pension benefits upon retirement prior to age 60. Persons with 25 years' service retiring prior to age 55 would incur a reduction in benefits based upon $\frac{1}{4}$ of 1% per month (3% annually) for each month they lack of age 55.

ASSEMBLY AMENDMENT TO
ASSEMBLY, No. 2421

—◆—
STATE OF NEW JERSEY
—◆—

ADOPTED APRIL 16, 1973

Amend page 2, section 2, line 1, omit "January 1, 1974", insert
"July 1, 1973".

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[OFFICIAL COPY REPRINT]

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24 creditable service before reaching age 60, he may elect "early

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1 2. This act shall take effect ***[January 1, 1974*]** *July 1, 1973*.

NOTATIONS

- A 2389 Megaro**
Apr. 9—Designated the "Local Property Tax Base Stabilization Act of 1973," provides for local property tax base stabilization.
Apr. 9—Taxation Com.
- A 2390 Orechio**
Apr. 9—Authorizes municipalities to enact ordinances giving preference to lifelong residents when making appointments to the police and fire departments.
Apr. 9—Municipal Gov't Com.
- A 2391 Esposito, Wallace, Wilkerson, Gallo, Jackman, Megaro, Dennis, Orechio, LeFante**
Apr. 9—Increases the pensions of retired employees in 1st class cities having a population of less than 400,000; effective January 1, 1974.
Apr. 9—Municipal Gov't Com.
- A 2392 (S 589-1972 w/c) Higgins, Gallo**
Apr. 9—Grants tenure to clerks of municipal courts who have served full time continuously for 3 years or more.
Apr. 9—Municipal Gov't Com.
- A 2393 Higgins, Menza, Owens, Gallo, Kiehn**
Apr. 9—Designates the clerk of a municipal court as municipal court administrator.
Apr. 9—Municipal Gov't Com.
- A 2394 H. Klein**
Apr. 9—Provides for the reporting of contributions and expenditures by political information organizations.
Apr. 9—Judiciary Com.
- A 2395 Jackman, Gallo, Wilkerson, Sinsimer, Bedell**
Apr. 12—Prohibits the installation of asbestos or fiberglass lining in interior of air duct system in any building in the State; effective July 1, 1973.
Apr. 12—Air, Water Pollution & Public Health Com.
- A 2396 Chinnici, Hurley**
Apr. 12—Validates certain proceedings for the issuance of bonds of school districts and any bonds issued or to be issued in pursuance of such proceedings.
Apr. 30—Passed in Assembly under emerg. resolution. (63-0)
Nov. 12—Passed in Senate. (33-0)
Dec. 18—Approved, Chapter 323, 1973.
- A 2397 Perskie, Hurley, Chinnici**
Apr. 12—Prescribes the salaries of mayors and commissioners in municipalities governed by the commission form of government.
Apr. 12—Municipal Gov't Com.
- A 2398 Kaltenbacher, Kean, McDonough, Margetts, Apy, Russo**
Apr. 12—Prescribes unfair claims settlement practices in the business of insurance.
Apr. 12—Insurance Com.
Nov. 12—Reported, 2nd reading.
Jan. 8, 1974—Recommitted.
- A 2399 Hawkins, Hynes**
Apr. 12—Permits municipalities to regulate the parking of vehicles on streets.
Apr. 12—Transportation & Pub. Util. Com.
- A 2400 Littell, J. Horn, Woodson, Megaro, Foran, Weidel, Friedland, Rizzolo, Mancini, Kiehn, Hynes, Imperiale, McManimon, Owens, Pellicchia, Deverin, Fay, Sinsimer, Hicke, H. Klein, Hamilton, Froude, Bornheimer, Kolodziej, Barbour, Gewertz, Perskie, Gorman, Burstein, Yates, Bedell, Black, M. Horn, P. Stewart**
Apr. 9—Designated the "Urban Development Bond Act 1973", provides for a \$750,000,000 bond issue for urban development.
Apr. 9—State Gov't Com.
- A 2401 Dickey, Raymond, Gorman, Gewertz**
Apr. 12—Authorizes Bellmawr to make permanent the appointment of R. J. Boals to the police department.
June 7—Withdrawn from the files.
- A 2402 (A 1102-1972 w/c) Robertson**
Apr. 9—Suspends until June 30, 1974 the statutory maximum rate of interest, limitations applicable to borrowings by counties, municipalities, school districts, State agencies and other public authorities and agencies.
Apr. 16—Passed in Assembly. (49-0)
Apr. 26—Passed in Senate. (31-0)
May 22—Approved, Chapter 144, 1973.
- A 2403 Hynes, Baer, Burstein, Bedell**
Apr. 12—Permits pension benefits to certain member of volunteer fire companies and 1st aid or rescue squads.
Apr. 12—Municipal Gov't Com.
- A 2404 Littell**
Apr. 12—Requires an annual license fee for distribution of soil conditioners and commercial fertilizers by non-manufacturers.
Apr. 12—Agric., Cons. & Natural Resources Com.
Nov. 12—Reported, 2nd reading.
Jan. 8, 1974—Recommitted.
- A 2405 Littell**
Apr. 12—Increases the registration fees for distribution of agricultural liming materials.
Apr. 12—Agric., Cons. & Natural Resources Com.
Nov. 12—Reported, 2nd reading.
Jan. 8, 1974—Recommitted.
- A 2406 Kiehn, Bassano**
Apr. 12—Provides for the election of a deputy director of the board of freeholders.
Apr. 12—County Gov't Com.
- A 2407 Florio, Fay, Gallo, Colasurdo, Jackman, H. Stewart, Mabie, Littell, Kennedy, Dickey**
Apr. 12—Prohibits the suspension or probation of a sentence of a crime committed while in possession of any firearm.
Apr. 12—Law, Public Safety & Defense Com.
- A 2408 Kiehn, Manner**
Apr. 12—Requires an insurance company to pay actual cash value of a vehicle lost by theft or is a total loss by an accident.
Apr. 12—Insurance Com.
- A 2409 Bornheimer, Froude, Hamilton, Kolodziej, Deverin, Fay**
Apr. 12—Requires all frozen desserts sold in containers to show the weight per unit of volume expressed in pounds per gallon.
Apr. 12—Air, Water Pollution & Public Health Com.
- A 2410 Fay**
Apr. 12—Transfers all the powers, functions and duties pursuant to the "Natural Gas Safety Act" (P.L. 1952, c. 166) from the Board of Public Utility Commissioners to the Commissioner of Labor and Industry.
Apr. 12—State Gov't Com.
- A 2411 Veit, Spizziri, Rizzolo, Hurley, M. Horn, Bornheimer, Pareti**
Apr. 12—Prohibits certain interlocking relationships among financial institutions located in the same municipality or in contiguous or adjacent municipalities.
Apr. 12—Banking Com.
- A 2412 (S 2237-1973) Hawkins, Bedell**
Apr. 12—Appropriates \$3,000,000 for emergency aid to East Orange.
Apr. 12—Appropriations Com.
- A 2413 Dawes**
Apr. 12—Requires persons licensing their dogs after January 31 to pay a prorated amount for the number of months in the licensing year in which the dog is licensed.
Apr. 12—Agric., Cons. & Natural Resources Com.
- A 2414 Baer, Burstein, Hynes, Merck, Barbour**
Apr. 12—Designated "The Gifted Child Development Act", provides for quality educational programs for gifted and talented children; appropriates \$240,000; effective 60 days after enactment.
Apr. 12—Education Com.
- A 2415 Rys, Pareti**
Apr. 12—Provides the proceedings to bar the right of redemption in the case of property sold for municipal tax liens and containing abandoned and hazardous structures.
Apr. 12—Rev. & Amend. of Laws Com.
- A 2416 Manner**
Apr. 12—Permits the installation of gas pipes and electric cables 1 foot apart.
Nov. 12—Passed in Assembly. (65-0)
Nov. 19—Passed Senate under emergency resolution. (31-2)
Dec. 27—Approved, Chapter 349, 1973.
- A 2417 Merck, Perskie, Dawes**
Apr. 12—Abolishes railroad passes.
Apr. 12—State Gov't Com.
- A 2418 Menza**
Apr. 12—Establishes mental competency standards to stand trial on criminal charges.
Apr. 12—Law, Public Safety & Defense Com.
- A 2419 (S 934-1972) Orechio**
Apr. 16—Extends the Public Employees Retirement System to members of the Essex County Employees Retirement Annuity Fund System.
Apr. 16—County Gov't Com.
- A 2420 Menza, Megaro, Fay, Baer**
Apr. 9—Establishes a mental treatment standards committee and patient treatment review board.
Apr. 9—Air, Water Pollution & Public Health Com.
Nov. 12—Reported, 2nd reading.
Jan. 8, 1974—Recommitted.
- A 2421 DeKorte, J. Horn, Weidel, Foran, Pareti, Littell, Hurley, Dennis, Jackman**
Apr. 9—Reduces from 60 to 55 the age that a member of the Public Employees Retirement System, with 25 years of service, may retire without loss of benefits; effective July 1, 1973.
Apr. 16—Passed Assem. under emerg. res., amended. (54-0)
Apr. 26—Passed in Senate. (32-2)
May 16—Approved, Chapter 129, 1973.
- A 2422 DeKorte, J. Horn, Weidel, Foran, Pareti, Littell, Hurley, Dennis, Jackman**
Apr. 9—Provides for a lump sum payment of accumulated sick leave to all state employees upon their retirement; effective July 1, 1973.
Apr. 16—Passed in Assembly. (56-4)
Apr. 26—Passed in Senate. (30-0)
May 16—Approved, Chapter 130, 1973.
- A 2423 Bedell**
Apr. 12—Permits Higher Education Tuition Aid to be used at out-of-State institutions; eliminates income earned by the student in calculating "effective income".
Apr. 12—Education Com.
- A 2424 Orechio**
Apr. 16—Reduces from 5 to 3 years the time to vest rights by members of a pension fund in counties having a population exceeding 800,000 inhabitants.
Apr. 16—County Gov't Com.
- A 2425 Apy**
Apr. 16—Provides that when the required date for the organization meeting of a board of education falls on a public holiday, the meeting shall be held 3 days thereafter.
Apr. 16—Education Com.
- A 2426 Orechio**
Apr. 16—Amends the "Local Public Contracts Law" (P.L. 1971, c. 198) to require where possible, that the purchase of products and services be from vendors who have their principal place of business in the State.
Apr. 16—Municipal Gov't Com.
- A 2427 Menza**
Apr. 16—Provides for periodic court review of the care of foster children.
Apr. 16—Judiciary Com.
- A 2428 DeKorte**
Apr. 16—Permits 18 year olds to be licensed as a real estate salesman; revises certain statutes concerning the licensing of real estate brokers and salesmen.
Apr. 16—Insurance Com.
June 7—Commerce, Ind. & Professions Com.