

SENATE, No. 2810

STATE OF NEW JERSEY 217th LEGISLATURE

INTRODUCED NOVEMBER 14, 2016

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Assemblywoman HOLLY SCHEPISI

District 39 (Bergen and Passaic)

Co-Sponsored by:

Senators Gordon and Greenstein

SYNOPSIS

Requires State to pay its pension contributions on quarterly basis by September 30, December 31, March 31, and June 30 of each year, beginning July 1, 2017.

CURRENT VERSION OF TEXT

As introduced.

(Sponsorship Updated As Of: 11/22/2016)

1 AN ACT concerning the payment of the State's required
2 contributions to certain State-administered retirement systems
3 and amending P.L.2010, c.1.
4

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

8 1. Section 38 of P.L.2010, c.1 (C.43:3C-14) is amended to read
9 as follows:

10 38. a. Commencing July 1, 2011 and thereafter, the contribution
11 required, by law, to be made by the State to the Teachers' Pension
12 and Annuity Fund, established pursuant to N.J.S.18A:66-1 et seq.,
13 the Judicial Retirement System, established pursuant to P.L.1973,
14 c.140 (C.43:6A-1 et seq.), the Prison Officers' Pension Fund,
15 established pursuant to P.L.1941, c.220 (C.43:7-7 et seq.), the
16 Public Employees' Retirement System, established pursuant to
17 P.L.1954, c.84 (C.43:15A-1 et seq.), the Consolidated Police and
18 Firemen's Pension Fund, established pursuant to R.S.43:16-1 et
19 seq., the Police and Firemen's Retirement System, established
20 pursuant to P.L.1944, c.255 (C.43:16A-1 et seq.), and the State
21 Police Retirement System, established pursuant to P.L.1965, c.89
22 (C.53:5A-1 et seq.), shall be made in full each year to each system
23 or fund in the manner and at the time provided by law. The
24 contribution shall be computed by actuaries for each system or fund
25 based on an annual valuation of the assets and liabilities of the
26 system or fund pursuant to consistent and generally accepted
27 actuarial standards and shall include the normal contribution and
28 the unfunded accrued liability contribution. The State with regard
29 to its obligations funded through the annual appropriations act shall
30 be in compliance with this requirement provided the State makes a
31 payment, to each State-administered retirement system or fund, of
32 at least 1/7th of the full contribution, as computed by the actuaries,
33 in the State fiscal year commencing July 1, 2011 and a payment in
34 each subsequent fiscal year that increases by at least an additional
35 1/7th until payment of the full contribution is made in the seventh
36 fiscal year and thereafter.

37 b. In the State fiscal year commencing July 1, 2017 and in each
38 State fiscal year thereafter, the contribution required to be made by
39 the State pursuant to subsection a. of this section shall be made to
40 each system on the following schedule: at least 25 percent by
41 September 30, at least 50 percent by December 31, at least 75
42 percent by March 31, and at least 100 percent by June 30. The
43 amount of the contribution shall be net of the amount of any
44 increase in the interest on the tax and revenue anticipation notes
45 attributable solely to the need to borrow an increased amount in

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 order to make the quarterly payments.

2 (cf: P.L.2010, c.1, s.38)

3

4 2. This act shall take effect immediately.

5

6

7

STATEMENT

8

9 This bill requires the State to make its required contributions to
10 the State-administered defined benefit retirement systems each State
11 fiscal year on a quarterly basis on the following schedule: at least
12 25 percent by September 30, at least 50 percent by December 31, at
13 least 75 percent by March 31, and at least 100 percent by June 30.
14 The State-administered defined benefit retirement systems are the
15 Teachers' Pension and Annuity Fund, the Judicial Retirement
16 System, the Prison Officers' Pension Fund, the Public Employees'
17 Retirement System, the Consolidated Police and Firemen's Pension
18 Fund, the Police and Firemen's Retirement System, and the State
19 Police Retirement System. The quarterly payment requirement will
20 commence in State fiscal year 2018, which starts July 1, 2017.