

SENATE STATE GOVERNMENT, WAGERING, TOURISM &
HISTORIC PRESERVATION COMMITTEE

STATEMENT TO

SENATE, No. 1392

STATE OF NEW JERSEY

DATED: JULY 15, 2010

The Senate State Government, Wagering, Tourism & Historic Preservation Committee reports favorably Senate Bill No. 1392.

The bill amends the statutes concerning the Public Employees' Retirement System (PERS) to require a certifying officer to complete training on eligibility for enrollment requirements in the PERS. "Certifying officer" is defined in the bill to mean an officer or employee of the State or an employer other than the State who is responsible for submitting to the retirement system information, and for performing the duties relating to matters concerning the retirement system with respect to each of the employees of the employer, as required of the employer by law, the PERS board of trustees, and the division. The Division of Pensions and Benefits will develop, and the board of trustees of the PERS will approve, the form and content of the training and the board will determine when a certifying officer will complete the training. The training will be provided through the Internet and accessible from the official Internet site of the State. A certifying officer required to complete the training must submit to the division an acknowledgement of such completion in the manner required by the division. The board may require the training to include such additional retirement system matters as the board deems necessary to ensure compliance.

The bill requires each certifying officer and the officer's immediate supervisor to certify in writing, at the time of an enrollment of a member and annually for each member of the retirement system, that the person enrolled is eligible for enrollment in the retirement system. The certification must include a statement that it is a crime of the fourth degree, under N.J.S.A.43:15A-55, to knowingly make a false statement, or falsify or permit the falsification of any record, application, form, or report of the retirement system, in an attempt to defraud the system as a result of such act. The board may require a similar certification for any record, report, form, or application as the board may deem necessary to ensure compliance.

The bill requires the Division of Pensions and Benefits to assign at least one investigator to work full time reviewing and analyzing information submitted to the board and division for enrollments,

reports, and applications, and investigating such other matters regarding the retirement system as may be required by the board or the division, to ensure compliance with the law. In the alternative, the board may enter into an agreement with another State agency to perform such duties.

Finally, the bill clarifies that it is a crime of the fourth degree to knowingly make a false statement, or falsify or permit to be falsified any record, application, form, or report of the retirement system, in an attempt to defraud the system as a result of such act. The law, enacted in 1954 and not changed since then, uses the term “misdemeanor” which is now a crime of the fourth degree, as revised with the changes to the criminal code. This bill adds “application, form, or report” to the penalty provision as items that are not to be falsified.

This bill is based on the recommendations of the Office of the Inspector General, as set forth in the report “Professional Services Provider Enrollment in the PERS,” issued December 15, 2009.