

ASSEMBLY, No. 1878

STATE OF NEW JERSEY 217th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2016 SESSION

Sponsored by:

Assemblyman BENJIE E. WIMBERLY

District 35 (Bergen and Passaic)

Assemblyman PATRICK J. DIEGNAN, JR.

District 18 (Middlesex)

SYNOPSIS

Increases to under \$15,000 from under \$10,000 amount of permitted annual compensation paid to TPAF retiree reemployed as athletic coach by former school district within 180 days of retirement.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



A1878 WIMBERLY, DIEGNAN

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1 AN ACT concerning the reemployment of a retired member of the
2 Teachers' Pension and Annuity Fund as a coach and amending
3 N.J.S.18A:66-53.2.
4

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

8 1. N.J.S.18A:66-53.2 is amended to read as follows:

9 18A:66-53.2. a. Except as provided in subsection b. of this
10 section, if a former member of the retirement system who has been
11 granted a retirement allowance for any cause other than disability,
12 becomes employed again in a position which makes him eligible to
13 be a member of the retirement system, his retirement allowance and
14 the right to any death benefit as a result of his former membership,
15 shall be canceled until he again retires.

16 Such person shall be reenrolled in the retirement system and
17 shall contribute thereto at a rate based on his age at the time of
18 reenrollment. Such person shall be treated as an active member for
19 determining disability or death benefits while in service and no
20 benefits pursuant to an optional selection with respect to his former
21 membership shall be paid if his death shall occur during the period
22 of such reenrollment.

23 Upon subsequent retirement of such member, his former
24 retirement allowance shall be reinstated together with any optional
25 selection, based on his former membership. In addition, he shall
26 receive an additional retirement allowance based on his subsequent
27 service as a member computed in accordance with applicable
28 provisions of this article; provided, however, that his total
29 retirement allowance upon such subsequent retirement shall not be a
30 greater proportion of his final compensation than the proportion to
31 which he would have been entitled had he remained in service
32 during the period of his prior retirement. Any death benefit to
33 which such member shall be eligible shall be based on his latest
34 retirement, but shall not be less than the death benefit that was
35 applicable to his former retirement.

36 b. The cancellation, reenrollment, and additional retirement
37 allowance provisions of subsection a. of this section shall not apply
38 to a former member of the retirement system who is a certificated
39 superintendent or a certificated administrator and who, after having
40 been granted a retirement allowance, becomes employed by the
41 State Department of Education in a position of critical need as
42 determined by the State Commissioner of Education, or becomes
43 employed by a board of education as a certificated superintendent
44 or a certificated administrator on a contractual basis for a term of
45 not more than one year; except that the cancellation, reenrollment,

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 and additional retirement allowance provisions shall apply if the
2 former member becomes employed within 120 days of retirement
3 with the employer from which the member retired. Nothing herein
4 shall preclude a former member so reemployed with a board of
5 education from renewing a contract for one additional year,
6 provided that the total period of employment with any individual
7 board of education does not exceed a two-year period.

8 c. A former member of the retirement system who has been
9 granted a retirement allowance, for any cause other than disability,
10 may become employed again with the former employer in a position
11 as a coach of an athletics activity if: (1) the employment
12 commences after the retirement allowance becomes due and
13 payable; (2) the former member had attained the service retirement
14 age, applicable to that member, as of the date of retirement; and (3)
15 the compensation for the employment is less than **[\$10,000]**
16 \$15,000 per year. This subsection shall be effective if the qualified
17 status of the retirement system under federal law can be maintained
18 upon its application, and such modifications to the system as may
19 be available shall be made to allow for its application. As used in
20 this section, "former employer" means the employer with which the
21 former member held employment immediately prior to retirement.

22 (cf: P.L.2014, c.21, s.1)

23
24 2. This act shall take effect immediately.

25 26 27 STATEMENT

28
29 P.L.2014, c.21 created an exception to current regulations to
30 allow a retired member of the Teachers' Pension and Annuity Fund
31 (TPAF) to become employed again with the former employer in a
32 position as a coach of an athletics activity if the employment begins
33 after the retirement allowance becomes due and payable; the retired
34 member had attained service retirement age as of the date of
35 retirement, which for most current members of the TPAF is age 60;
36 and the compensation for the employment is less than \$10,000 per
37 year. This bill increases the amount of annual compensation to less
38 than \$15,000 for TPAF retirees who are reemployed under this
39 exception.

40 The TPAF regulations require a "bona fide" severance from
41 employment before a retiree can return to any employment with the
42 former employer. A "bona fide" severance from employment
43 means a complete termination of the employee's employment
44 relationship with the employer for a period of at least 180 days.
45 These regulations were promulgated to maintain the qualified status
46 of the retirement system under federal law.