

ASSEMBLY, No. 4176

STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED JUNE 14, 2018

Sponsored by:

Assemblyman JOHN F. MCKEON

District 27 (Essex and Morris)

SYNOPSIS

Provides for recalculation of retirement allowance without reenrollment for certain elected public officials who have retired from PERS.

CURRENT VERSION OF TEXT

As introduced.

WITHDRAWN



1 AN ACT concerning the benefits of certain elected public officials
2 who have retired from the Public Employees' Retirement System
3 and amending P.L.2017, c.344.
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:
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8 1. Section 5 of P.L.2017, c.344 (C.43:15A-7.5) is amended to
9 read as follows:

10 5. a. The Division of Pensions and Benefits in the Department
11 of the Treasury shall reenroll in the Public Employees' Retirement
12 System, established pursuant to P.L.1954, c.84 (C.43:15A-1 et
13 seq.), any person holding elective public office on the effective date
14 of this act, P.L.2017, c.344, who was a member of the retirement
15 system as of the effective date of sections 1 through 19 of P.L.2007,
16 c.92 (C.43:15C-1 through C.43:15C-15, C.43:3C-9, C.43:15A-7,
17 C.43:15A-75 and C.43:15A-135) on the basis of holding an elective
18 public office and who was elected to another elective public office
19 after that effective date, provided the person has at least 15 years of
20 continuous service in elective public offices of this State. The
21 person shall be eligible for membership in the retirement system
22 based on service in another elective office pursuant to sections 7
23 and 75 of P.L.1954, c.84 (C.43:15A-7 and C.43:15A-75), or section
24 1 of P.L.1972, c.167 (C.43:15A-135), as amended by P.L.2017,
25 c.344. This reenrollment provision shall include any person holding
26 elective public office on the effective date of this act, P.L.2017,
27 c.344, who is receiving a retirement allowance from the retirement
28 system on that effective date. For the purposes of this section, a
29 person shall be deemed to have met the requirement for holding
30 elective public office on the effective date of this act, P.L.2017,
31 c.344, if the person's term of office expired within 30 days before
32 that effective date.

33 As of the date of enrollment in the system, the elected official's
34 participation, if any, in another State-administered retirement
35 program on the basis of that elective public office shall be
36 suspended. The elected public official may elect to waive
37 enrollment in the Public Employees' Retirement System by signing
38 a form prepared by the division.

39 b. An elected public official eligible for enrollment in the
40 Public Employees' Retirement System pursuant to subsection a. of
41 this section may request, in writing, within 180 days of the effective
42 date of this act, P.L.2017, c.344, that the official's enrollment in the
43 system be made retroactive to the date of his or her assumption of
44 another elective office without a break in service as required by
45 sections 7 and 75 of P.L.1954, c.84 (C.43:15A-7 and 43:15A-75), or

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 section 1 of P.L.1972, c. 167 (C.43:15A-135), as amended by
2 P.L.2017, c.344. The division shall grant the request only if the
3 elected official complies with such terms and conditions as may be
4 imposed by the division to ensure compliance with federal law, to
5 ensure that the elected official will not be eligible to receive a
6 benefit from both the Public Employee's Retirement System and
7 another State-administered retirement program for the same period
8 of service in the elective public office, and to ensure that the
9 employer is reimbursed for any contributions made to the other
10 program by either the program or the elected official unless those
11 contributions may be rolled over into the PERS. Before fulfilling
12 the request, the division shall inform the elected official, in writing,
13 of the terms and conditions for granting the request, and shall
14 include an estimate of any resulting loss of contributions and
15 earnings, penalties that may be imposed by federal or State law, and
16 contributions to be paid to the system by the employee and
17 employer or former employer for the period of retroactive
18 enrollment.

19 c. Any person holding elective public office who was subject
20 to reenrollment pursuant to subsection a. of this section while
21 receiving a retirement allowance from the retirement system shall
22 be provided with an option to request, in writing, that the person's
23 service credit in and retirement allowance from the system be
24 recalculated without the cancellation of the retirement, and
25 reenrollment, of the person. Upon receipt of the request, the
26 division shall recalculate the service credit and retirement
27 allowance of that person as if the person had been reenrolled in the
28 system and the reenrollment made retroactive to the date of his or
29 her assumption of another elective office without a break in service
30 as permitted in subsection b. of this section. The recalculation shall
31 include the additional service credit in the system that would have
32 been available prior to the retirement of the person if that person
33 had been a member of the system until retirement and the additional
34 compensation that the person received during that period of
35 additional service credit until the date of retirement.

36 The person shall be granted a retroactive payment for the amount
37 of the retirement allowance that the retiree of the system would
38 have received if that recalculated retirement allowance had been the
39 retirement allowance from the date of retirement.

40 No additional contributions shall be required to be made by the
41 person or the person's employer to the system for the recalculation
42 of the service credit and retirement allowance. The division shall
43 make such adjustments and transfers of funds with regard to the
44 person's participation in the Defined Contribution Retirement
45 Program as shall be deemed necessary due to the recalculation of
46 the service credit and retirement allowance in the system to ensure
47 that the person does not receive a benefit from the program and the
48 system for the same period of time and the same position held.

1 This subsection shall apply only if the person making the request
2 was qualified for reenrollment pursuant to subsection a. of this
3 section. This subsection shall apply even if the person was
4 reenrolled in the system pursuant to subsection a. of this section,
5 and even if the enrollment was made retroactive pursuant to
6 subsection b. of this section, prior to the effective date of P.L. ,
7 c. (pending before the Legislature as this bill), in which event
8 the division shall make such adjustments as necessary to comply
9 with the request.

10 The request provided for under this subsection shall be submitted
11 no later than 180 days after the effective date of
12 P.L. , c. (pending before the Legislature as this bill).
13 (cf: P.L.2017, c.344, s.5)

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15 2. This act shall take effect immediately.

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STATEMENT

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20 This bill permits an elected public official who has retired from
21 the Public Employees' Retirement System (PERS), but who is
22 eligible to reenroll in the PERS as an elected public official
23 according to N.J.S.A.43:15A-7.5, enacted in 2017, to submit a
24 written request to have the person's service credit and the
25 retirement allowance in the PERS recalculated without
26 reenrollment. The person's service credit and retirement allowance
27 would be recalculated as if the person had been reenrolled
28 retroactively, but only to the date on which the person had retired.
29 The person would receive a retroactive payment based upon the
30 difference between the original retirement allowance and the
31 recalculated retirement allowance. Neither the person nor the
32 person's employer would have to make any additional payments to
33 the system for the recalculation.