

[First Reprint]

SENATE, No. 1403

STATE OF NEW JERSEY
218th LEGISLATURE

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Sponsored by:

Senator PATRICK J. DIEGNAN, JR.

District 18 (Middlesex)

Senator TROY SINGLETON

District 7 (Burlington)

SYNOPSIS

Permits service credit transferred from another State-administered retirement system to apply toward creditable service requirement for retirement in SPRS.

CURRENT VERSION OF TEXT

As reported by the Senate State Government, Wagering, Tourism & Historic Preservation Committee on January 31, 2019, with amendments.



(Sponsorship Updated As Of: 2/16/2018)

1 AN ACT concerning creditable service in the State Police
2 Retirement System, and amending various parts of the statutory
3 law.

4
5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*

7
8 1. Section 6 of P.L.1965, c.89 (C.53:5A-6) is amended to read
9 as follows:

10 6. a. (1) Service as a full-time commissioned officer,
11 noncommissioned officer or trooper rendered as a member, and
12 service credit which was transferred from the former "State Police
13 Retirement and Benevolent Fund," or transferred from any other
14 State-administered retirement system, shall, if the required
15 contributions are made by the State and the member, be considered
16 as creditable service.

17 In addition, service as a chief inspector, deputy chief inspector,
18 inspector and special inspector in the Motor Vehicle Commission or
19 equivalent Civil Service classifications, including Chief, Highway
20 Patrol Bureau; Assistant Chief (Major), Highway Patrol Bureau;
21 Captain, Highway Patrol Bureau; Lieutenant, Highway Patrol
22 Bureau; Sergeant, Highway Patrol Bureau; and Officer, Highway
23 Patrol Bureau, and service credit may be transferred from the Police
24 and Firemen's Retirement System and the Public Employees'
25 Retirement System and shall, if the required contributions are made
26 by the State and the member, be considered as creditable service.

27 In addition, service as a member of the State Capitol Police
28 Force, or as a Supervising Inspector, Principal Inspector, Senior
29 Inspector, or Inspector Recruit in the Alcoholic Beverage Control
30 Enforcement Bureau or as a Principal Marine Law Enforcement
31 Officer, Senior Marine Law Enforcement Officer, or Marine Law
32 Enforcement Officer in the Bureau of Marine Law Enforcement and
33 service credit transferred from the Police and Firemen's Retirement
34 System or the Public Employees' Retirement System shall, if the
35 required contributions are made by the State and the member, be
36 considered as creditable service.

37 A member on suspension shall be considered in service for the
38 period of the suspension, but the period of suspension shall not be
39 considered as creditable service unless the member receives salary
40 therefor.

41 (2) If an employee's membership has been terminated and he is
42 re-enrolled as a member of the retirement system, he may purchase
43 credit for all of his previous membership service by paying into the
44 annuity savings fund the amount required by applying the factor,

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SSG committee amendments adopted January 31, 2019.

1 supplied by the actuary, as being applicable to his age at the time of
2 the purchase, to his salary at that time. Such purchase may be made
3 in regular installments equal to at least 1/2 the normal contribution
4 to the retirement system, over a maximum period of 10 years. [In
5 order to give to such person the same credit for such service as he
6 had at the time of termination, his pension credit shall be restored as
7 it was at the time of his termination, upon the completion of one
8 year of membership after his election to make the purchase and the
9 payment of at least 1/2 the total amount due, except that in the case
10 of retirement pursuant to sections 8, 27 and 28 of chapter 89 of the
11 laws of 1965, the credit granted for the service being purchased
12 shall be in direct proportion as the amount paid bears to the total
13 amount of the arrearage obligation.]

14 Any member electing to purchase service credit hereunder who
15 retires prior to completing the payments as agreed with the
16 retirement system will receive pro rata credit for service purchased
17 prior to the date of retirement, but if the member so elects at the
18 time of retirement, the member may make the additional lump sum
19 payment required at that time to provide full credit.

20 b. Any member of the retirement system, who, prior to
21 becoming a member, had established service credits in another
22 retirement system supported in whole or in part by the State, or who
23 had rendered service to the State prior to becoming a member, or
24 had purchased service credits while in another State-administered
25 retirement system or in the Police and Firemen's Retirement System
26 or the Public Employees' Retirement System, while serving as chief
27 inspector, deputy chief inspector, inspector or special inspector in
28 the Enforcement Bureau, Motor Vehicle Commission, or as a
29 member of the State Capitol Police Force, or as a Supervising
30 Inspector, Principal Inspector, Senior Inspector, Inspector, or
31 Inspector Recruit in the Alcoholic Beverage Control Enforcement
32 Bureau, or as a Principal Marine Law Enforcement Officer, Senior
33 Marine Law Enforcement Officer, or Marine Law Enforcement
34 Officer in the Bureau of Marine Law Enforcement, for which he
35 desires to establish credit in this retirement system, shall be
36 permitted to purchase such credit or to transfer such previously
37 purchased credit. [If such credit is established and except as
38 provided in subsection f., it shall be included in the computation of
39 a retirement allowance on the basis of 1% of final compensation for
40 each year of such service credit]

41 c. Not more than one year shall be credited for all service in a
42 calendar year.

43 d. In computing service, time during which a member was
44 absent on an official leave without pay shall be credited if such
45 leave was for a period of: (1) less than three months; or (2) up to a
46 maximum of two years, if the leave was due to the member's
47 personal illness and the period of leave is allowed for retirement

1 purposes within one year following his return to service after the
2 termination of such leave.

3 e. The method of computation and the terms of the purchase of
4 service permitted by subsections b. and d. of this section shall be
5 identical to those stipulated for the purchase of previous
6 membership service by members of the system, as provided by
7 subsection a. of this section.

8 f. For any person who becomes a member of the retirement
9 system pursuant to P.L.1997, c.19 (C.53:1-8.2 et al.) and is required
10 to retire pursuant to section 8 of P.L.1965, c.89 (C.53:5A-8) with
11 less than 20 years of creditable service in the retirement system, an
12 amount of service credit transferred or purchased pursuant to
13 subsection b. which when added to the amount of creditable service
14 in the retirement system equals 20 years shall be considered
15 creditable service in the retirement system. Transferred or
16 purchased service credit in excess of the amount necessary to
17 provide 20 years of creditable service in the retirement system shall
18 be included in the computation of a retirement allowance on the
19 basis 【provided in subsection b.】 of one percent of final
20 compensation for each year of such service credit.

21 g. In the case of a member for whom compensation is defined
22 in paragraph (2) of subsection u. of section 3 of P.L.1965, c.89
23 (C.53:5A-3), the retirement system shall credit the member with the
24 time of all service rendered by the member during the part of any
25 year that the member was a participant of the Defined Contribution
26 Retirement Program, pursuant to paragraph (5) of subsection a. of
27 section 2 of P.L.2007, c.92 (C.43:15C-2) as amended by section 7
28 of P.L.2010, c.1, and making contributions to that program.
29 (cf: P.L.2010, c.1, s.19)

30

31 ¹2. Section 8 of P.L.1965, c.89 (C.53:5A-8) is amended to read
32 as follows:

33 8. a. The Legislature finds and declares that the public health,
34 safety and welfare require the ongoing health and fitness of all
35 members of the New Jersey State Police so that they may safely and
36 efficiently protect the public. The Legislature further finds and
37 declares that such continued health and fitness cannot be
38 determined except with reference to age, and therefore finds and
39 concludes that retirement of all members of the State Police at age
40 55, except as provided for in subsection c. of this section, shall
41 constitute a bona fide occupational qualification which is
42 reasonably necessary to the normal operation of the State Police,
43 which qualification the Legislature hereby promulgates and
44 establishes.

45 b. Any member of the retirement system may retire on a
46 service retirement allowance upon 【the completion of】 having
47 established at least 20 years of creditable service 【as a State

1 policeman] in the retirement system, which includes the creditable
2 service of those members appointed to the Division of State Police
3 under section 3 of P.L.1983, c.403 (C.39:2-9.3) and the creditable
4 service of those members appointed to the Division of State Police
5 under section 1 of P.L.1997, c.19 (C.53:1-8.2). Upon the filing of a
6 written and duly executed application with the retirement system,
7 setting forth at what time, not less than one month subsequent to the
8 filing thereof, he desires to be retired, any such member retiring for
9 service shall receive a service retirement allowance which shall
10 consist of:

11 (1) An annuity which shall be the actuarial equivalent of his
12 aggregate contributions; and

13 (2) A pension in the amount which, when added to the member's
14 annuity, will provide a total retirement allowance of 50% of his
15 final compensation.

16 c. Except for the Superintendent of State Police, any member
17 of the retirement system, including a member appointed to the
18 State Police under section 3 of P.L.1983, c.403 (C.39:2-9.3) and a
19 member appointed to the State Police under section 1 of P.L.1997,
20 c.19 (C.53:1-8.2), who has attained the age of 55 years, shall be
21 retired forthwith on the first day of the next calendar month
22 following the effective date of this 1985 amendatory act. Any
23 member of the retirement system so retired shall receive a service
24 retirement allowance pursuant to this section or section 27 of
25 P.L.1965, c.89 (C.53:5A-27), as appropriate.

26 d. Any member of the retirement system who is required to
27 retire pursuant to subsection c. of this section and who has more
28 than 20 but fewer than 25 years of creditable service at the time of
29 retirement shall be entitled to continued health benefits coverage
30 during retirement as provided in the "New Jersey State Health
31 Benefits Program Act," P.L.1961, c.49 (C.52:14-17.25 et seq.).
32 Notwithstanding the provisions of section 8 of P.L.1961, c.49
33 (C.52:14-17.32) , or any other law enacted prior to the effective
34 date of P.L.2018, c.63 requiring persons who have retired from
35 public employment to make contributions toward the cost of health
36 care benefits coverage in retirement, to the contrary, the State shall
37 pay in full the premium or periodic charge for the benefits provided
38 under this subsection to a member retiring under subsection c. of
39 this section with fewer than 25 years of service credited in the
40 retirement system, and the member's dependents covered under the
41 program, but not including survivors. This provision shall be the
42 sole provision applicable to these specified members of the
43 retirement system with regard to the obligations of the State for the
44 payment of premiums and periodic charges and any contributions
45 toward the cost of health care benefits coverage during retirement
46 for a retired member and the member's dependents.

47 e. Any member of the retirement system as of the effective date
48 of P.L.1985, c.175 who is required to retire pursuant to subsection

1 c. of this section shall be entitled to the retirement allowance
2 provided for by subsection b. of this section, notwithstanding that
3 the member shall have fewer than 20 years' creditable service.

4 f. Any member of the retirement system as of the effective date
5 of P.L.1985, c.175 who is required to retire pursuant to subsection
6 c. of this section and who has more than 20 but less than 25 years of
7 creditable service at the time of retirement shall be entitled to the
8 retirement allowance provided for by subsection b. of this section
9 plus 3% of his final compensation multiplied by the number of
10 years of creditable service over 20 but not over 25.

11 g. Upon the receipt of proper proofs of the death of a member
12 who has retired on a service retirement allowance, there shall be
13 paid to the member's beneficiary an amount equal to one-half of the
14 final compensation received by the member.¹

15 (cf: P.L.2018, c.63, s.1)

16
17 ¹2. Section 8 of P.L.1965, c.89 (C.53:5A-8) is amended to read
18 as follows:

19 8. a. The Legislature finds and declares that the public health,
20 safety and welfare require the ongoing health and fitness of all
21 members of the New Jersey State Police so that they may safely and
22 efficiently protect the public. The Legislature further finds and
23 declares that such continued health and fitness cannot be
24 determined except with reference to age, and therefore finds and
25 concludes that retirement of all members of the State Police at age
26 55, except as provided for in subsection c. of this section, shall
27 constitute a bona fide occupational qualification which is
28 reasonably necessary to the normal operation of the State Police,
29 which qualification the Legislature hereby promulgates and
30 establishes.

31 b. Any member of the retirement system may retire on a
32 service retirement allowance upon **the completion of** having
33 established at least 20 years of creditable service **as a State**
34 **policeman** in the retirement system, which includes the creditable
35 service of those members appointed to the Division of State Police
36 under section 3 of P.L.1983, c.403 (C.39:2-9.3) and the creditable
37 service of those members appointed to the Division of State Police
38 under section 1 of P.L.1997, c.19 (C.53:1-8.2). Upon the filing of a
39 written and duly executed application with the retirement system,
40 setting forth at what time, not less than one month subsequent to the
41 filing thereof, he desires to be retired, any such member retiring for
42 service shall receive a service retirement allowance which shall
43 consist of:

44 (1) An annuity which shall be the actuarial equivalent of his
45 aggregate contributions; and

1 (2) A pension in the amount which, when added to the member's
2 annuity, will provide a total retirement allowance of 50% of his
3 final compensation.

4 c. Except for the Superintendent of State Police, any member
5 of the retirement system, including a member appointed to the
6 State Police under section 3 of P.L.1983, c.403 (C.39:2-9.3) and a
7 member appointed to the State Police under section 1 of P.L.1997,
8 c.19 (C.53:1-8.2), who has attained the age of 55 years, shall be
9 retired forthwith on the first day of the next calendar month
10 following the effective date of this 1985 amendatory act. Any
11 member of the retirement system so retired shall receive a service
12 retirement allowance pursuant to this section or section 27 of
13 P.L.1965, c.89 (C.53:5A-27), as appropriate.

14 d. Any member of the retirement system who is required to
15 retire pursuant to subsection c. of this section and who has more
16 than 20 but fewer than 25 years of creditable service at the time of
17 retirement shall be entitled to continued health benefits coverage
18 during retirement as provided in the "New Jersey State Health
19 Benefits Program Act," P.L.1961, c.49 (C.52:14-17.25 et seq.).
20 Notwithstanding the provisions of section 8 of P.L.1961, c.49
21 (C.52:14-17.32), the State shall pay the premium or periodic charge
22 for the benefits provided under this subsection to a member retiring
23 under subsection c. of this section with fewer than 25 years of
24 service credited in the retirement system, and the member's
25 dependents covered under the program, but not including survivors.

26 e. Any member of the retirement system as of the effective date
27 of P.L.1985, c.175 who is required to retire pursuant to subsection
28 c. of this section shall be entitled to the retirement allowance
29 provided for by subsection b. of this section, notwithstanding that
30 the member shall have fewer than 20 years' creditable service.

31 f. Any member of the retirement system as of the effective date
32 of P.L.1985, c.175 who is required to retire pursuant to subsection
33 c. of this section and who has more than 20 but less than 25 years of
34 creditable service at the time of retirement shall be entitled to the
35 retirement allowance provided for by subsection b. of this section
36 plus 3% of his final compensation multiplied by the number of
37 years of creditable service over 20 but not over 25.

38 g. Upon the receipt of proper proofs of the death of a member
39 who has retired on a service retirement allowance, there shall be
40 paid to the member's beneficiary an amount equal to one-half of the
41 final compensation received by the member.

42 (cf: P.L.2001, c.316, s.1) **1**
43

44 3. Section 27 of P.L.1965, c.89 (C.53:5A-27) is amended to
45 read as follows:

46 27. a. Should a member resign after having established 25 years
47 of creditable service **1**as a full-time commissioned officer,
48 noncommissioned officer or trooper of the Division of State Police

1 or **1** in the retirement system or as a member appointed to the State
2 Police under section 3 of P.L.1983, c.403 (C.39:2-9.3) or a member
3 appointed to the State Police under section 1 of P.L.1997, c.19
4 (C.53:1-8.2), he may elect "special" retirement; provided that such
5 election is communicated by such member to the retirement system
6 by filing a written application, duly attested, stating at what time
7 subsequent to the execution and filing thereof he desires to be
8 retired. He shall receive, in lieu of the payment provided in section
9 26, a retirement allowance which shall consist of:

10 (1) An annuity which shall be the actuarial equivalent of his
11 aggregate contributions; and

12 (2) A pension in the amount which, when added to the member's
13 annuity, will provide a total retirement allowance of 65% of his
14 final compensation, plus 1% of his final compensation multiplied
15 by the number of years of creditable service over 25, but not over
16 30.

17 The board of trustees shall retire him at the time specified or at
18 such other time within one month after the date so specified, as the
19 board finds advisable.

20 b. Upon the receipt of proper proofs of the death of such a
21 retired member, there shall be paid to the member's beneficiary
22 an amount equal to one-half of the final compensation received by
23 the member.

24 (cf: P.L.1997, c.19, s.11)

25

26 4. This act shall take effect immediately.