

[Third Reprint]

SENATE, No. 1403

STATE OF NEW JERSEY
218th LEGISLATURE

INTRODUCED FEBRUARY 1, 2018

Sponsored by:

Senator PATRICK J. DIEGNAN, JR.

District 18 (Middlesex)

Senator TROY SINGLETON

District 7 (Burlington)

Co-Sponsored by:

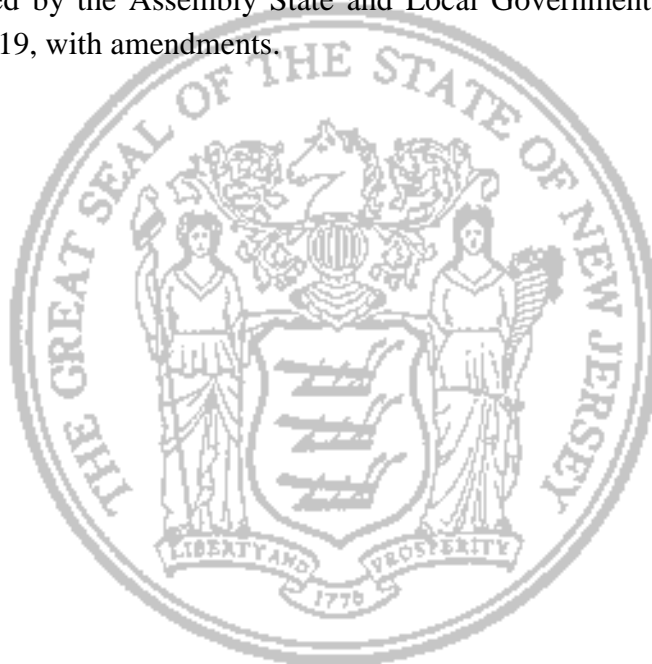
Senators Addiego, Gopal and Greenstein

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 Assembly State and Local Government Committee on March 11, 2019, with amendments.



(Sponsorship Updated As Of: 2/22/2019)

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. ²If such transferred service credit is
 17 established, it shall be considered the same as creditable service as
 18 a full-time commissioned officer, noncommissioned officer or
 19 trooper rendered as a member.²

20 In addition, service as a chief inspector, deputy chief inspector,
 21 inspector and special inspector in the Motor Vehicle Commission or
 22 equivalent Civil Service classifications, including Chief, Highway
 23 Patrol Bureau; Assistant Chief (Major), Highway Patrol Bureau;
 24 Captain, Highway Patrol Bureau; Lieutenant, Highway Patrol
 25 Bureau; Sergeant, Highway Patrol Bureau; and Officer, Highway
 26 Patrol Bureau, and service credit may be transferred from the Police
 27 and Firemen's Retirement System ²**[and]**,² the Public Employees'
 28 Retirement System ², or any other State-administered retirement
 29 system² and shall, if the required contributions are made by the
 30 State and the member, be considered as creditable service.

31 In addition, service as a member of the State Capitol Police
 32 Force, or as a Supervising Inspector, Principal Inspector, Senior
 33 Inspector, or Inspector Recruit in the Alcoholic Beverage Control
 34 Enforcement Bureau or as a Principal Marine Law Enforcement
 35 Officer, Senior Marine Law Enforcement Officer, or Marine Law
 36 Enforcement Officer in the Bureau of Marine Law Enforcement and
 37 service credit transferred from the Police and Firemen's Retirement
 38 System ²**[or]**,² the Public Employees' Retirement System ², or any
 39 other State-administered retirement system² shall, if the required
 40 contributions are made by the State and the member, be considered
 41 as creditable service.

42 A member on suspension shall be considered in service for the
 43 period of the suspension, but the period of suspension shall not be

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.

²Senate SBA committee amendments adopted February 7, 2019.

³Assembly ASL committee amendments adopted March 11, 2019.

1 considered as creditable service unless the member receives salary
2 therefor.

3 ³[(2) If an employee's membership has been terminated and he
4 is re-enrolled as a member of the retirement system, he may
5 purchase credit for all of his previous membership service by
6 paying into the annuity savings fund the amount required by
7 applying the factor, supplied by the actuary, as being applicable to
8 his age at the time of the purchase, to his salary at that time. Such
9 purchase may be made in regular installments equal to at least 1/2
10 the normal contribution to the retirement system, over a maximum
11 period of 10 years.]³ [In order to give to such person the same
12 credit for such service as he had at the time of termination, his
13 pension credit shall be restored as it was at the time of his
14 termination, upon the completion of one year of membership after
15 his election to make the purchase and the payment of at least 1/2 the
16 total amount due, except that in the case of retirement pursuant to
17 sections 8, 27 and 28 of chapter 89 of the laws of 1965, the credit
18 granted for the service being purchased shall be in direct proportion
19 as the amount paid bears to the total amount of the arrearage
20 obligation.]

21 ³[Any member electing to purchase service credit who retires
22 prior to completing the payments as agreed with the retirement
23 system will receive pro rata credit for service purchased prior to the
24 date of retirement, but if the member so elects at the time of
25 retirement, the member may make the additional lump sum payment
26 required at that time to provide full credit.]³

27 b. Any member of the retirement system, who, prior to
28 becoming a member, had established service credits in ³this or³
29 another retirement system supported in whole or in part by the
30 State, or who had rendered service to the State prior to becoming a
31 member, or had purchased service credits while in another State-
32 administered retirement system ³[or in the Police and Firemen's
33 Retirement System or the Public Employees' Retirement System,
34 while serving as chief inspector, deputy chief inspector, inspector or
35 special inspector in the Enforcement Bureau, Motor Vehicle
36 Commission, or as a member of the State Capitol Police Force, or
37 as a Supervising Inspector, Principal Inspector, Senior Inspector,
38 Inspector, or Inspector Recruit in the Alcoholic Beverage Control
39 Enforcement Bureau, or as a Principal Marine Law Enforcement
40 Officer, Senior Marine Law Enforcement Officer, or Marine Law
41 Enforcement Officer in the Bureau of Marine Law Enforcement,]³
42 for which ³[he] the member³ desires to establish credit in this
43 retirement system, shall be permitted to purchase such credit ³,³ or
44 to transfer such previously purchased credit ³, by paying into the
45 annuity savings fund the amount required by applying the factor,
46 supplied by the actuary, as being applicable to the member's age at
47 the time of the purchase, to the member's salary at that time. Such

1 purchase may be made in regular installments equal to at least half
2 of the normal contribution to the retirement system, over a
3 maximum period of 10 years³. **【If such credit is established and**
4 **except as provided in subsection f., it shall be included in the**
5 **computation of a retirement allowance on the basis of 1% of final**
6 **compensation for each year of such service credit】** ²If such
7 purchased service credit or transferred purchased credit is
8 established, it shall be considered the same as creditable service as
9 a full-time commissioned officer, noncommissioned officer, or
10 trooper rendered as a member.²

11 ³Such credit may not be established prior to the completion of
12 one year of membership after the member's election to make the
13 purchase and the payment of at least half the total amount due,
14 except that in the case of retirement pursuant to sections 8, 27 and
15 28 of P.L.1965, c.89 (C.53:5A-1 et seq.), the credit granted for the
16 service being purchased shall be in direct proportion as the amount
17 paid bears to the total amount of the arrearage obligation. If the
18 member so elects at the time of retirement, if such time is after
19 completion of the one year of membership, the member may make
20 the additional lump sum payment required at that time to provide
21 full credit.³

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

24 d. In computing service, time during which a member was
25 absent on an official leave without pay shall be credited if such
26 leave was for a period of: (1) less than three months; or (2) up to a
27 maximum of two years, if the leave was due to the member's
28 personal illness and the period of leave is allowed for retirement
29 purposes within one year following his return to service after the
30 termination of such leave.

31 e. The method of computation and the terms of the purchase of
32 service permitted by subsections b. and d. of this section shall be
33 identical to those stipulated for the purchase of previous
34 membership service by members of the system, as provided by
35 subsection a. of this section.

36 f. For any person who becomes a member of the retirement
37 system pursuant to P.L.1997, c.19 (C.53:1-8.2 et al.) and is required
38 to retire pursuant to section 8 of P.L.1965, c.89 (C.53:5A-8) with
39 less than 20 years of creditable service in the retirement system, an
40 amount of service credit transferred or purchased pursuant to
41 subsection b. which when added to the amount of creditable service
42 in the retirement system equals 20 years shall be considered
43 creditable service in the retirement system. Transferred or
44 purchased service credit in excess of the amount necessary to
45 provide 20 years of creditable service in the retirement system shall
46 be included in the computation of a retirement allowance on the

1 basis 【provided in subsection b.】 of one percent of final
2 compensation for each year of such service credit.

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

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

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

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

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

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

45 c. Except for the Superintendent of State Police, any member
46 of the retirement system, including a member appointed to the
47 State Police under section 3 of P.L.1983, c.403 (C.39:2-9.3) and a

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

8 d. Any member of the retirement system who is required to
9 retire pursuant to subsection c. of this section and who has more
10 than 20 but fewer than 25 years of creditable service at the time of
11 retirement shall be entitled to continued health benefits coverage
12 during retirement as provided in the "New Jersey State Health
13 Benefits Program Act," P.L.1961, c.49 (C.52:14-17.25 et seq.).
14 Notwithstanding the provisions of section 8 of P.L.1961, c.49
15 (C.52:14-17.32) , or any other law enacted prior to the effective
16 date of P.L.2018, c.63 requiring persons who have retired from
17 public employment to make contributions toward the cost of health
18 care benefits coverage in retirement, to the contrary, the State shall
19 pay in full the premium or periodic charge for the benefits provided
20 under this subsection to a member retiring under subsection c. of
21 this section with fewer than 25 years of service credited in the
22 retirement system, and the member's dependents covered under the
23 program, but not including survivors. This provision shall be the
24 sole provision applicable to these specified members of the
25 retirement system with regard to the obligations of the State for the
26 payment of premiums and periodic charges and any contributions
27 toward the cost of health care benefits coverage during retirement
28 for a retired member and the member's dependents.

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

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

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

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

46
47 ¹[2. Section 8 of P.L.1965, c.89 (C.53:5A-8) is amended to read
48 as follows:

1 8. a. The Legislature finds and declares that the public health,
2 safety and welfare require the ongoing health and fitness of all
3 members of the New Jersey State Police so that they may safely and
4 efficiently protect the public. The Legislature further finds and
5 declares that such continued health and fitness cannot be
6 determined except with reference to age, and therefore finds and
7 concludes that retirement of all members of the State Police at age
8 55, except as provided for in subsection c. of this section, shall
9 constitute a bona fide occupational qualification which is
10 reasonably necessary to the normal operation of the State Police,
11 which qualification the Legislature hereby promulgates and
12 establishes.

13 b. Any member of the retirement system may retire on a
14 service retirement allowance upon **【the completion of】** having
15 established at least 20 years of creditable service **【as a State**
16 **policeman】** in the retirement system, which includes the creditable
17 service of those members appointed to the Division of State Police
18 under section 3 of P.L.1983, c.403 (C.39:2-9.3) and the creditable
19 service of those members appointed to the Division of State Police
20 under section 1 of P.L.1997, c.19 (C.53:1-8.2). Upon the filing of a
21 written and duly executed application with the retirement system,
22 setting forth at what time, not less than one month subsequent to the
23 filing thereof, he desires to be retired, any such member retiring for
24 service shall receive a service retirement allowance which shall
25 consist of:

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

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

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

41 d. Any member of the retirement system who is required to
42 retire pursuant to subsection c. of this section and who has more
43 than 20 but fewer than 25 years of creditable service at the time of
44 retirement shall be entitled to continued health benefits coverage
45 during retirement as provided in the "New Jersey State Health
46 Benefits Program Act," P.L.1961, c.49 (C.52:14-17.25 et seq.).
47 Notwithstanding the provisions of section 8 of P.L.1961, c.49
48 (C.52:14-17.32), the State shall pay the premium or periodic charge

1 for the benefits provided under this subsection to a member retiring
2 under subsection c. of this section with fewer than 25 years of
3 service credited in the retirement system, and the member's
4 dependents covered under the program, but not including survivors.

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

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

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

21 (cf: P.L.2001, c.316, s.1)]¹

22
23 3. Section 27 of P.L.1965, c.89 (C.53:5A-27) is amended to
24 read as follows:

25 27. a. Should a member resign after having established 25 years
26 of creditable service [as a full-time commissioned officer,
27 noncommissioned officer or trooper of the Division of State Police
28 or] in the retirement system or as a member appointed to the State
29 Police under section 3 of P.L.1983, c.403 (C.39:2-9.3) or a member
30 appointed to the State Police under section 1 of P.L.1997, c.19
31 (C.53:1-8.2), he may elect "special" retirement; provided that such
32 election is communicated by such member to the retirement system
33 by filing a written application, duly attested, stating at what time
34 subsequent to the execution and filing thereof he desires to be
35 retired. He shall receive, in lieu of the payment provided in section
36 26, a retirement allowance which shall consist of:

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

39 (2) A pension in the amount which, when added to the member's
40 annuity, will provide a total retirement allowance of 65% of his
41 final compensation, plus 1% of his final compensation multiplied
42 by the number of years of creditable service over 25, but not over
43 30.

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

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

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

6

7 4. This act shall take effect immediately.