

ASSEMBLY STATE AND LOCAL GOVERNMENT
COMMITTEE

STATEMENT TO

[Second Reprint]
SENATE, No. 1403

with committee amendments

STATE OF NEW JERSEY

DATED: MARCH 11, 2019

The Assembly State and Local Government Committee reports favorably and with committee amendments Senate Bill No. 1403 (2R).

As amended, this bill concerns members of the State Police Retirement System (SPRS) who transfer service credit earned in other State-administered retirement systems.

Under current law, a member of SPRS who established service credit in another State-administered retirement system prior to becoming a member is permitted to purchase credit or transfer credit previously purchased while in that system. The credit is included in the computation of a retirement allowance on the basis of one percent of final compensation for each year of that service credit. However, only service rendered as a member of the State Police may be used to satisfy the minimum creditable service requirement for retirement on a service or special service retirement, which requires a certain number of years of creditable service to qualify for those retirement benefits.

This bill provides that members who transfer service credit earned in another retirement system, or transfer previously purchased credit, will have that credit recognized as creditable service for the purposes of service and special retirement.

The bill, as amended, requires that a member complete one year of membership and pay at least half of the total amount due in order to purchase service credit earned or purchased prior to termination of membership in a State-administered retirement system. A member electing to purchase service credit who retires before completing the payments will receive pro rata credit for service purchased before retirement, unless the member chooses to make the additional lump sum payment required at retirement to provide full credit.

COMMITTEE AMENDMENTS:

The amendments reinsert the requirement that a member complete one year of membership and pay at least half of the total

amount due in order to purchase service credit earned or purchased prior to termination of membership and applies that requirement to purchased credit for service in all other State-administered retirement systems.