

ASSEMBLY, No. 373

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblyman SEAN T. KEAN

District 30 (Monmouth and Ocean)

SYNOPSIS

Allows consideration of purchased PERS credit for federal service abroad in Central Intelligence Agency to qualify for employer-provided health care benefits in retirement.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** concerning the consideration of certain purchased service
2 credit in the Public Employees' Retirement System with regard
3 to employer-provided health care benefits in retirement and
4 amending P.L.1963, c.19.

5

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

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9 1. Section 2 of P.L.1963, c.19 (C.43:15A-73.1) is amended to
10 read as follows:

11 2. A member may file a detailed statement of public
12 employment in other states or with the United States Government
13 which would be eligible for credit in a State-administered
14 retirement system if the employment was with a public employer in
15 this State, or of military service in the Armed Forces of the United
16 States, or of service resulting from initial appointment or
17 employment on or after January 1, 2002 with a bi-state or multi-
18 state agency established pursuant to an interstate compact to which
19 the State is a party which would be eligible for credit in a State-
20 administered retirement system if the employment was with a
21 public employer in this State, rendered prior to becoming a member,
22 for which the member desires credit, and of such other facts as the
23 retirement system may require. The member may purchase credit
24 for all or a portion of the service evidenced in the statement up to
25 the nearest number of years and months, but not exceeding 10
26 years, provided however, that a member purchasing that maximum
27 credit may purchase up to five additional years for additional
28 military service qualifying the member as a veteran as defined in
29 section 6 of P.L.1954, c.84 (C.43:15A-6). No application shall be
30 accepted for the purchase of credit for the service if, at the time of
31 application, the member has a vested right to retirement benefits in
32 another retirement system based in whole or in part upon that
33 service. The member may purchase credit for the service by paying
34 into the annuity savings fund the amount required by applying the
35 factor, supplied by the actuary as being applicable to the member's
36 age at the time of the purchase, to the member's salary at that time,
37 or to the highest annual compensation for service in this State for
38 which contributions were made during any prior fiscal year of
39 membership, whichever is greater. The purchase may be made in
40 regular installments, equal to at least 1/2 of the full normal
41 contribution to the retirement system, over a maximum period of 10
42 years. The employer of a member who applies, pursuant to this
43 section, to purchase credit for public employment with the United
44 States Government or for military service in the Armed Forces of
45 the United States shall not be liable for any payment to the

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 retirement system on behalf of the member for the purchase of this
2 credit.

3 Notwithstanding any provision of this act to the contrary, a
4 member shall not be liable for any costs associated with the
5 financing of pension adjustment benefits and health care benefits
6 for retirees when purchasing credit for public employment in other
7 states or with the United States Government or military service in
8 the Armed Forces of the United States or with a bi-state or multi-
9 state agency.

10 Any member electing to make a purchase pursuant to this section
11 who retires prior to completing payments as agreed with the
12 retirement system will receive pro rata credit for the purchase prior
13 to the date of retirement, but if the member so elects at the time of
14 retirement, the member may make the additional lump sum payment
15 required at that time to provide full credit.

16 Notwithstanding any other provision of law to the contrary,
17 service credit established in the retirement system by a member
18 through purchase in accordance with this section, which purchase
19 was made by an application submitted on or after the effective date
20 of P.L.2008, c.89, except a purchase for military service in the
21 Armed Forces of the United States or for service abroad with the
22 United States in the Central Intelligence Agency, shall not be
23 eligible for consideration when service is used to determine the
24 qualification of the member for any health care benefits coverage
25 paid, in whole or in part, by a public employer after the member's
26 retirement.

27 (cf: P.L.2008, c.89, s.4)

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29 2. This act shall take effect immediately.

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STATEMENT

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34 This bill provides an exception to a statute providing that a
35 purchase of service credit in the Public Employees' Retirement
36 System (PERS) for employment in other states or with the United
37 States Government, made on or after November 1, 2008, except a
38 purchase for military service in the Armed Forces of the United
39 States, will not be eligible for consideration when service is used to
40 determine the qualification of the PERS member for any health care
41 benefits coverage paid, in whole or in part, by a public employer
42 after the member's retirement. The bill adds a second exception, a
43 purchase after that date for service abroad with the United States
44 Government in the Central Intelligence Agency.