

**ASSEMBLY, No. 4687**

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**STATE OF NEW JERSEY**

**219th LEGISLATURE**

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INTRODUCED SEPTEMBER 21, 2020

**Sponsored by:**

**Assemblyman ANTHONY S. VERRELLI**

**District 15 (Hunterdon and Mercer)**

**Assemblyman DANIEL R. BENSON**

**District 14 (Mercer and Middlesex)**

**SYNOPSIS**

Provides service credit in PERS for former members of certain transit pension system.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 9/21/2020)**

1 AN ACT concerning service credit for certain public employees in  
2 the Public Employees' Retirement System and amending  
3 P.L.1954, c.84.

4

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

7

8 1. Section 39 of P.L.1954, c.84 (C.43:15A-39) is amended to  
9 read as follows:

10 39. a. In computing for retirement purposes the total service of  
11 a member about to be retired, the retirement system shall credit the  
12 member with the time of all service rendered by the member since  
13 that member's last enrollment, and in addition with all the service to  
14 which the member is entitled and with no other service. Except as  
15 otherwise provided in this act, this service credit shall be final and  
16 conclusive for retirement purposes unless the member shall  
17 discontinue service for more than two consecutive years. In the case  
18 of a member for whom compensation is defined in paragraph (2) of  
19 subsection r. of section 6 of P.L.1954, c.84 (C.43:15A-6), the  
20 retirement system shall credit the member with the time of all  
21 service rendered by the member during the part of any year that the  
22 member was a participant of the Defined Contribution Retirement  
23 Program, pursuant to paragraph (5) of subsection a. of section 2 of  
24 P.L.2007, c.92 (C.43:15C-2) as amended by section 12 of P.L.2007,  
25 c.103, and making contributions to that program.

26 For the purpose of computing service for retirement purposes,  
27 the board shall fix and determine by appropriate rules and  
28 regulations how much service in any year shall equal a year of  
29 service and a part of a year of service. Not more than one year shall  
30 be credited for all service in a calendar year. A member may  
31 purchase credit for time during which the member shall have been  
32 absent on an official leave without pay. The credit shall be  
33 purchased for a period of time equal to:

34 (1) three months or the duration of the leave, whichever is less;  
35 or

36 (2) if the leave was due to the member's personal illness, two  
37 years or the duration of the leave, whichever is less; or

38 (3) the period of leave that is specifically allowed for retirement  
39 purposes by the provisions of any law of this State.

40 The purchase shall be made in the same manner and be subject to  
41 the same terms and conditions provided for the purchase of previous  
42 membership service credit by section 8 of P.L.1954, c.84  
43 (C.43:15A-8). In computing the service or in computing final  
44 compensation, no time during which a member was in employment,  
45 office, or position for which the annual salary or remuneration was

**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 fixed at less than \$500.00 in the case of service rendered prior to  
2 November 6, 1986, or for which the annual salary or remuneration,  
3 or the number of hours of work, is fixed at less than that which was  
4 required for membership pursuant to section 7 of P.L.1954, c.84  
5 (C.43:15A-7) as applicable to the member in the case of service  
6 rendered on or after that date, shall be credited. In computing the  
7 service or in computing final compensation, no time during which a  
8 member was in employment, office, or position for which the hours  
9 of work were fewer per week than those required for membership  
10 pursuant to subsection d. of section 7 of P.L.1954, c.84 (C.43:15A-  
11 7) after the effective date of P.L.2010, c.1 shall be credited, unless  
12 the member shall have been a member since that effective date  
13 continuously. In the case of a veteran member credit shall be given  
14 for service rendered prior to January 2, 1955, in an employment,  
15 office or position if the annual salary or remuneration therefor was  
16 fixed at not less than \$300.00 and such service consisted of the  
17 performance of the full duties of the employment, office or position.

18 b. An active member of the retirement system who was a  
19 member of the Transit Employees' Retirement Program of the New  
20 Jersey Transit Corporation, created and established pursuant to the  
21 "New Jersey Public Transportation Act of 1979," P.L.1979, c.150  
22 (C.27:25-1 et seq.), on or before July 30, 2006, shall be credited  
23 with one year, and any part thereof, of service in the system for  
24 each 3.5 years, and any part thereof, of service credited in that  
25 program if the program transfers into the system all of the funds  
26 from that program that represent each year, and part thereof, of  
27 credited service in that program. Such transfer shall become  
28 effective upon the remittance to the retirement system by that  
29 program of all accumulated member's contributions, with interest,  
30 standing to the credit of the member and of that portion of the  
31 actuarial reserve accumulated on the member's account provided  
32 for by contributions to the program from the employer. Such  
33 transfers shall be made in accordance with and to the extent  
34 permitted by State and federal law.

35 Upon the transfer, no additional contributions by the member or  
36 a public employer shall be required for the service credited in the  
37 system under this subsection.

38 Upon receipt of the remittance, the service credit accrued in the  
39 program up to July 30, 2006 shall be credited in the system and  
40 shall be used to meet any service credit requirement for benefits  
41 under system.

42 If the member has withdrawn the member's contributions to the  
43 program or if all the specified funds cannot be transferred from the  
44 program to the system for any reason, the member shall not receive  
45 any service credit pursuant to this subsection.

1     This subsection shall not apply if the member has a vested right  
2     to retirement benefits in the program based in whole or in part upon  
3     the service credited in that program.

4     (cf: P.L.2010, c.1, s.4)

5  
6     2.   This act shall take effect immediately.

7  
8  
9                                 STATEMENT

10  
11     Under this bill, a member of the Public Employees' Retirement  
12     System (PERS) who was a member, on or before July 30, 2006, of  
13     the Transit Employees' Retirement Program (TERP) of the New  
14     Jersey Transit Corporation would be credited with one year of  
15     service, or part thereof, in the PERS for each 3.5 years, or part  
16     thereof, of service credit in the TERP if the member and employer  
17     contributions are transferred from that program into the retirement  
18     system for those years of credited service.