

ASSEMBLY, No. 359

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblyman HOLZAPFEL

1 AN ACT concerning membership in the Public Employees' Retirement  
2 System and amending P.L.1954, c.84.

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

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7 1. Section 7 of P.L.1954, c.84 (C.43:15A-7) is amended to read as  
8 follows:

9 7. There is hereby established the Public Employees' Retirement  
10 System of New Jersey in the Division of Pensions of the Department  
11 of the Treasury. The membership of the retirement system shall  
12 include:

13 a. The members of the former "State Employees' Retirement  
14 System of New Jersey" enrolled as such as of December 30, 1954,  
15 who shall not have claimed for refund their accumulated deductions in  
16 said system as provided in this section;

17 b. Any person becoming an employee of the State or other  
18 employer after January 2, 1955 and every veteran, other than those  
19 whose appointments are seasonal, becoming an employee of the State  
20 or other employer after such date, including a temporary employee  
21 with at least one year's continuous service; and

22 c. Every employee veteran in the employ of the State or other  
23 employer on January 2, 1955, who is not a member of any retirement  
24 system supported wholly or partly by the State.

25 d. Membership in the retirement system shall be optional for:

26 (1) elected officials other than veterans[, and for];

27 (2) school crossing guards, who having become eligible for benefits  
28 under other pension systems are so employed on a part-time basis.  
29 Any such part-time school crossing guard who is eligible for benefits  
30 under any other pension system and who was hired as a part-time  
31 school crossing guard prior to March 4, 1976, may at any time  
32 terminate his membership in the retirement system by making an

**EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.**

**Matter underlined thus is new matter.**

1 application in writing to the board of trustees of the retirement system.  
2 Upon receiving such application, the board of trustees shall terminate  
3 his enrollment in the system and direct the employer to cease accepting  
4 contributions from the member or deducting from the compensation  
5 paid to the member; and

6 (3) officers or employees whose appointment or employment  
7 commences after attaining age 64 and who are not otherwise members  
8 of the retirement system or receiving a retirement or disability  
9 allowance from the retirement system, except that: (a) if such an  
10 officer or employee elects to enroll, the officer or employee shall apply  
11 for enrollment as a member of the retirement system no later than 120  
12 days after the commencement of service or employment, and (b) once  
13 such an officer or employee is enrolled, the officer or employee shall  
14 not have the option to terminate membership other than as provided  
15 for other members of the retirement system.

16 State employees who become members of any other retirement  
17 system supported wholly or partly by the State as a condition of  
18 employment shall not be eligible for membership in this retirement  
19 system. Notwithstanding any other law to the contrary, all other  
20 persons accepting employment in the service of the State shall be  
21 required to enroll in the retirement system as a condition of their  
22 employment, regardless of age.

23 No person in employment, office or position, for which the annual  
24 salary or remuneration is fixed at less than \$1,500.00, shall be eligible  
25 to become a member of the retirement system.

26 e. Membership of any person in the retirement system shall cease  
27 if he shall discontinue his service for more than two consecutive years.

28 f. The accumulated deductions of the members of the former "State  
29 Employees' Retirement System" which have been set aside in a trust  
30 fund designated as Fund A as provided in section 5 of this act and  
31 which have not been claimed for refund prior to February 1, 1955 shall  
32 be transferred from said Fund A to the Annuity Savings Fund of the  
33 Retirement System, provided for in section 25 of this act. Each  
34 member whose accumulated deductions are so transferred shall receive  
35 the same prior service credit, pension credit, and membership credit in  
36 the retirement system as he previously had in the former "State  
37 Employees' Retirement System" and shall have such accumulated  
38 deductions credited to his individual account in the Annuity Savings  
39 Fund. Any outstanding obligations of such member shall be continued.

40 g. Any school crossing guard electing to terminate his membership  
41 in the retirement system pursuant to subsection d. of this section shall,  
42 upon his request, receive a refund of his accumulated deductions as of  
43 the date of his appointment to the position of school crossing guard.  
44 Such refund of contributions shall serve as a waiver of all benefits  
45 payable to the employee, to his dependent or dependents, or to any of  
46 his beneficiaries under the retirement system.

1 h. A temporary employee who is employed under the federal Job  
2 Training Partnership Act, Pub.L.97-300 (29 U.S.C.§1501) shall not be  
3 eligible for membership in the system. Membership for temporary  
4 employees employed under the federal Job Training Partnership Act,  
5 Pub.L.97-300 (29 U.S.C.§1501) who are in the system on the effective  
6 date of this 1986 amendatory act shall be terminated, and affected  
7 employees shall receive a refund of their accumulated deductions as of  
8 the date of commencement of employment in a federal Job Training  
9 Partnership Act program. Such refund of contributions shall serve as  
10 a waiver of all benefits payable to the employee, to his dependent or  
11 dependents, or to any of his beneficiaries under the retirement system.  
12 (cf: P.L.1986, c.139, s.1)

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14 2. (New section) A member of the retirement system on the  
15 effective date of this amendatory act, P.L. , c. (now pending  
16 before the Legislature as this bill), who qualifies for optional  
17 membership pursuant to this amendatory act may terminate  
18 membership in the retirement system by making application in writing  
19 to the board of trustees of the retirement system within 120 days after  
20 the effective date, and the member shall, upon request, receive a  
21 refund of the member's accumulated deductions from the date of  
22 appointment or employment. Such a refund shall serve as a waiver of  
23 all benefits payable to the employee, the employee's dependent or  
24 dependents, or any of the employee's beneficiaries under the retirement  
25 system.

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27 3. This act shall take effect immediately.

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#### STATEMENT

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32 This bill makes membership in the Public Employees' Retirement  
33 System (PERS) optional for officers or employees whose appointment  
34 or employment commences after attaining age 64 and who are not  
35 otherwise members of PERS or receiving a retirement or disability  
36 allowance from PERS. However, if such an officer or employee elects  
37 to enroll, the officer or employee shall apply for enrollment as a  
38 member no later than 120 days after the commencement of service or  
39 employment, and once an officer or employee is enrolled, the officer  
40 or employee shall not have the option to terminate membership other  
41 than as provided for other members of PERS.

42 The bill also permits present members in PERS who qualify for  
43 optional membership to terminate their membership by applying within  
44 120 days after the effective date of this act.

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3 Makes membership in PERS optional for officers and employees

4 whose appointment or employment begins after age 64.