

ASSEMBLY, No. 655

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblyman ZECKER

1 AN ACT concerning certain retired members of the Public Employees'
2 Retirement System and amending P.L.1954, c.84 and P.L.1966,
3 c.216.

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

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

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

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

18 b. Any person becoming an employee of the State or other
19 employer after January 2, 1955 and every veteran, other than a retired
20 member who returns to service pursuant to subsection b. of section 27
21 of P.L.1966, c.217 (C.43:15A-57.2) and other than those whose
22 appointments are seasonal, becoming an employee of the State or
23 other employer after such date, including a temporary employee with
24 at least one year's continuous service; and

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

28 d. Membership in the retirement system shall be optional for
29 elected officials other than veterans, and for school crossing guards,
30 who having become eligible for benefits under other pension systems
31 are so employed on a part-time basis. Any such part-time school
32 crossing guard who is eligible for benefits under any other pension

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 system and who was hired as a part-time school crossing guard prior
2 to March 4, 1976, may at any time terminate his membership in the
3 retirement system by making an application in writing to the board of
4 trustees of the retirement system. Upon receiving such application,
5 the board of trustees shall terminate his enrollment in the system and
6 direct the employer to cease accepting contributions from the member
7 or deducting from the compensation paid to the member. State
8 employees who become members of any other retirement system
9 supported wholly or partly by the State as a condition of employment
10 shall not be eligible for membership in this retirement system.
11 Notwithstanding any other law to the contrary, all other persons
12 accepting employment in the service of the State shall be required to
13 enroll in the retirement system as a condition of their employment,
14 regardless of age. No person in employment, office or position, for
15 which the annual salary or remuneration is fixed at less than
16 \$1,500.00, shall be eligible to become a member of the retirement
17 system.

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

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

32 g. Any school crossing guard electing to terminate his membership
33 in the retirement system pursuant to subsection d. of this section shall,
34 upon his request, receive a refund of his accumulated deductions as of
35 the date of his appointment to the position of school crossing guard.
36 Such refund of contributions shall serve as a waiver of all benefits
37 payable to the employee, to his dependent or dependents, or to any of
38 his beneficiaries under the retirement system.

39 h. A temporary employee who is employed under the federal Job
40 Training Partnership Act, Pub.L. 97-300 (29 U.S.C. § 1501) shall not
41 be eligible for membership in the system. Membership for temporary
42 employees employed under the federal Job Training Partnership Act,
43 Pub.L. 97-300 (29 U.S.C. § 1501) who are in the system on the
44 effective date of this 1986 amendatory act shall be terminated, and
45 affected employees shall receive a refund of their accumulated
46 deductions as of the date of commencement of employment in a

1 federal Job Training Partnership Act program. Such refund of
2 contributions shall serve as a waiver of all benefits payable to the
3 employee, to his dependent or dependents, or to any of his
4 beneficiaries under the retirement system.

5 (cf: P.L.1986, c.139, s.1)

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7 2. Section 27 of P.L.1966, c.217 (C.43:15A-57.2) is amended to
8 read as follows:

9 27. [If] a. Except as provided in subsection b. of this section, if
10 former member of the State Employees' Retirement System or the
11 retirement system, who has been granted a retirement allowance for
12 any cause other than disability, becomes employed again in a position
13 which makes him eligible to be a member of the retirement system, his
14 retirement allowance and the right to any death benefit as a result of
15 his former membership, shall be canceled until he again retires.

16 Such person shall be re-enrolled in the retirement system and shall
17 contribute thereto at a rate based on his age at the time of
18 re-enrollment. Such person shall be treated as an active member for
19 determining disability or death benefits while in service and no benefits
20 pursuant to an optional selection with respect to his former
21 membership shall be paid if his death shall occur during the period of
22 such re-enrollment.

23 Upon subsequent retirement of such member, his former retirement
24 allowance shall be reinstated together with any optional selection,
25 based on his former membership. In addition, he shall receive an
26 additional retirement allowance based on his subsequent service as a
27 member computed in accordance with applicable provisions of chapter
28 84 of the laws of 1954; provided, however, that his total retirement
29 allowance upon such subsequent retirement shall not be a greater
30 proportion of his final compensation than the proportion to which he
31 would have been entitled had he remained in service during the period
32 of his prior retirement. Any death benefit to which such member shall
33 be eligible shall be based on his latest retirement, but shall not be less
34 than the death benefit that was applicable to his former retirement.

35 b. The provisions of subsection a. of this section shall not apply to
36 a retired member of the retirement system who, while in receipt of a
37 retirement allowance, becomes employed again in a position with the
38 member's employer at the time of retirement which is paid at an hourly
39 rate, so long as the member does not work in such capacity in any
40 calendar year for a number of hours which would result in the member
41 receiving compensation in excess of the amount permitted by the
42 Social Security Administration to be earned without a reduction in
43 Social Security benefits or, in the case of a member who shall have
44 attained an age at which no such reduction is imposed, the amount
45 permitted to be earned without such reduction by a person immediately
46 prior to attainment of that age. Such a member shall not be reenrolled

1 in the retirement system and neither the member nor the employer shall
2 be required to make contributions to the system on the member's
3 behalf. A retired member who becomes reemployed in the manner
4 described in this subsection shall not, by virtue of such employment,
5 be enrolled in the State Health Benefits Plan or in any other
6 employer-sponsored health care plan.

7 (cf: P.L.1971, c.213, s.45)

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9 3 This act shall take effect immediately.

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STATEMENT

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14 This bill allows a retirant from the Public Employees' Retirement
15 System (PERS) to return to employment in a position covered by
16 PERS without being subject, as under present law, to cancellation of
17 the person's retirement allowance and reenrollment in the retirement
18 system during such reemployment. The bill would apply only to cases
19 in which the reemployment was (1) with the same public employer that
20 employed the person at the time of retirement, and (2) paid at an
21 hourly rate. Neither the member nor the employer would be required
22 to contribute to the retirement system. The member would be
23 ineligible to receive health care benefits by virtue of such
24 reemployment. A member who is reemployed in this manner would be
25 allowed to earn up to the amount permitted by the Social Security
26 Administration to be earned each year without a reduction in Social
27 Security benefits or, in the case of reemployed retirants who have
28 attained an age at which they are not subject to any limit on the
29 amount they may earn without incurring a reduction in those benefits,
30 the amount permitted to be earned without such a reduction by
31 persons immediately prior to their attainment of that age.

32 The bill incorporates the provision for limiting the amount of
33 income a person no longer subject to the Social Security benefit offset
34 could receive without incurring discontinuance of pension and
35 reenrollment in the PERS.

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41 Allows PERS retiree to accept hourly employment with employer at
time of retirement without loss of retirement benefits.