

ASSEMBLY, No. 838

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblyman ARNONE

1 AN ACT providing certain retirement benefits to certain disabled
2 veteran State employee members of the Public Employees'
3 Retirement System of New Jersey.

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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. For the purposes of this act:

9 a. "State employee" means a full-time employee, eligible to
10 participate in the New Jersey State Health Benefits Program, of the
11 State of New Jersey, or Rutgers, The State University, the New Jersey
12 Institute of Technology, the University of Medicine and Dentistry of
13 New Jersey, or a State college. It does not include an employee of an
14 authority, board, commission, corporation, or other agency or
15 instrumentality, other than Rutgers, The State University, authorized
16 to participate in PERS under section 73 of P.L.1954, c.84
17 (C.43:15A-73) or P.L.1990, c.25 (C.43:15A-73.2 et seq.), or a public
18 agency or organization as defined in section 71 of P.L.1954, c.84
19 (C.43:15A-71).

20 b. "Disabled veteran" means any veteran who is eligible to be
21 compensated for a service-connected disability from war service by the
22 United States Veterans Administration or who receives or is entitled
23 to receive equivalent compensation for a service-connected disability
24 which arises out of military or naval service in any war or conflict
25 described in section 6 of P.L.1954, c.84 (C.43:15A-6) during the
26 periods specified.

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28 2. A State employee who:

29 a. is a disabled veteran, is at least 55 years of age and has at least
30 25 years of service credit under the Public Employees' Retirement
31 System (PERS) for which contributions were made by the employee
32 under the program before the effective date of retirement;

33 b. files an application to retire on or before December 1, 1995; and

34 c. retires under the retirement system on or after June 1, 1995, but
35 not later than January 1, 1996, shall receive a retirement allowance of

1 one-half of the compensation for which contributions are made for the
2 year of creditable service immediately preceding retirement or for any
3 year of membership providing the largest possible benefit to the
4 member or the member's beneficiary.

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6 3. The actuaries for PERS shall determine the liabilities of the
7 retirement system for the additional pension benefits to State
8 employees provided under this act in accordance with the tables of
9 actuarial assumptions adopted by the board of trustees of the
10 retirement system. These liabilities shall be added to the unfunded
11 accrued liabilities of the State under the retirement system and shall be
12 paid in the same manner and over the remaining time periods provided
13 for the State's unfunded accrued liability under section 24 of P.L.1954,
14 c.84 (C.43:15A-24). The State shall pay the cost of the actuarial work
15 to determine the additional liabilities of the retirement system for the
16 benefits under this act.

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18 4. A State employee who receives a benefit under this act shall
19 forfeit all tenure rights.

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21 5. A State employee retiring under PERS with a benefit under this
22 act who has not repaid the full amount of a loan from the retirement
23 system by the effective date of retirement may repay the loan through
24 deductions from the member's retirement benefit payments in the same
25 monthly amount which was deducted from the member's compensation
26 immediately preceding retirement until the balance of the amount
27 borrowed together with interest at the statutory rate is repaid. If the
28 retiree dies before the outstanding balance of the loan and interest is
29 repaid, the remaining amount shall be repaid as provided in section 2
30 of P.L.1981, c.55 (C.43:15A-34.1).

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32 6. The Director of the Division of Pensions and Benefits may
33 promulgate rules and regulations which the director deems necessary
34 for the effective implementation of this act.

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36 7. This act shall take effect immediately.

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39 **STATEMENT**

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41 This bill provides additional retirement benefits for certain disabled
42 veteran State employees who retire under the Public Employees'
43 Retirement System (PERS) between June 1, 1995 and January 1, 1996.

44 The bill provides that a State employee who is a disabled veteran,
45 is at least 55 years of age and has at least 25 years of PERS service
46 credit shall receive a retirement allowance of one-half of the

1 compensation for the year preceding retirement or for any year
2 providing the largest possible benefit. The employee must file an
3 application to retire on or before December 1, 1995, and retire on or
4 after June 1, 1995, but not later than January 1, 1996.

5 "Disabled veteran" means any veteran who is eligible to be
6 compensated for a service-connected disability from war service by the
7 United States Veterans Administration or who receives or is entitled
8 to receive equivalent compensation for a service-connected disability
9 which arises out of military or naval service in any war or conflict
10 described in N.J.S.A.43:15A-6 during the periods specified.

11 The State employees eligible for the benefits under this bill are
12 already eligible to retire under PERS. The purpose of the bill is to
13 provide an incentive for State employees to retire and avoid possible
14 layoff. Currently, a veteran member of PERS may receive a retirement
15 allowance of one-half of the compensation received during the last
16 year of employment upon attaining 62 years of age with at least 20
17 years of service.

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22 Provides additional retirement benefits for certain disabled veteran
23 employee members of PERS who retire between June 1, 1995 and
24 January 1, 1996.