

ASSEMBLY, No. 1060

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblyman DORIA

1 AN ACT concerning retirement benefits for certain employees of  
2 certain public agencies or instrumentalities participating in the  
3 Public Employees' Retirement System.

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

7  
8 1. An employee of a public agency or instrumentality which elects  
9 to provide the benefits authorized under this act who:

10 a. is at least 50 years of age and has at least 25 years of service  
11 credit under the Public Employees' Retirement System (PERS) before  
12 the effective date of retirement;

13 b. files an application to retire on or after June 1, 1998 and on or  
14 before June 1, 1999; and

15 c. retires under the retirement system on or after July 1, 1998 but  
16 not later than July 1, 1999, other than a veteran who retires on a  
17 special veteran's retirement, shall receive an additional five years of  
18 service credit under PERS. If the member is under age 55 at the time  
19 of retirement, the member's retirement allowance shall not be reduced.

20 An employee who meets the age and service credit requirements under  
21 this section and retires on a special veteran's retirement under PERS  
22 shall receive an additional pension under the retirement system in the  
23 amount of 5/60 of final year compensation. The additional retirement  
24 benefit under this section is applicable only to the full-time  
25 employment with the employer which elects to provide the benefits  
26 authorized under this act and from which the employee retires to  
27 receive the benefit and the compensation for that employment.

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29 2. For an employee of a public agency or instrumentality which  
30 provides paid health benefits to retirees pursuant to section 7 of  
31 P.L.1964, c.125 (C.52:14-17.38), N.J.S.40A:10-23, or another group  
32 health insurance contract or health benefits plan and which elects to  
33 provide the benefits authorized under this section who:

34 a. is at least 60 years of age and has at least 20, but less than 25,  
35 years of service credit under the Public Employees' Retirement System  
36 (PERS) before the effective date of retirement;

37 b. files an application to retire on or after June 1, 1998 and on or

1 before June 1, 1999; and

2 c. retires under the retirement system on or after July 1, 1998 but  
3 not later than July 1, 1999, the employer shall pay the entire cost for  
4 coverage for the retired employee and the employee's dependents, but  
5 not including survivors, unless the employer is paying the entire cost  
6 for coverage for survivors on the effective date of this act. For  
7 employers participating in the New Jersey State Health Benefits  
8 Program (NJSHBP), the payment shall be made in the same manner  
9 provided for payment by an employer other than the State of premiums  
10 or periodic charges for retired employees under section 7 of P.L.1964,  
11 c.125 (C.52:14-17.38). For employers not participating in the  
12 NJSHBP, the payment shall be made in the same manner provided for  
13 payment of premiums after retirement under N.J.S.40A:10-23 or  
14 N.J.S.18A:16-19, or the employer's group health insurance contract or  
15 health benefits plan, and the level of benefits to retirees under this  
16 section shall be the same as the level of benefits provided to other  
17 retirees by that employer.

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19 3. A public agency or instrumentality which does not provide paid  
20 health benefits to retirees and which elects to provide the benefits  
21 authorized under this act shall pay to an employee who meets the  
22 qualifications of subsections a. and b. of section 2 of this act an  
23 additional pension of \$500 per month in each of the 24 months  
24 following the date of retirement.

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26 4. An employee of a public agency or instrumentality which elects  
27 to provide the benefits authorized under this act who:

28 a. is at least 60 years of age and has at least 10, but less than 20,  
29 years of service credit under PERS before the effective date of  
30 retirement;

31 b. files an application to retire on or after June 1, 1998 and on or  
32 before June 1, 1999; and

33 c. retires under the retirement system on or after July 1, 1998 but  
34 not later than July 1, 1999, the employer shall pay an additional  
35 pension of \$500 per month in each of the 24 months following the date  
36 of retirement.

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38 5. An employer may elect to provide the benefits under this act by  
39 adoption of a resolution by its governing body and filing a certified  
40 copy of the resolution with the Director of the Division of Pensions  
41 and Benefits on or before May 1, 1998. The employer shall submit to  
42 the director any information necessary to provide the benefits or to  
43 determine the liability for them.

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45 6. The actuary for PERS shall determine the liability of the  
46 retirement system for the additional service credit or pensions

1 provided under this act and for the early retirement of employees in  
2 accordance with the tables of actuarial assumptions adopted by the  
3 board of trustees of the retirement system. This liability shall be added  
4 to the unfunded accrued liability of the employer under the retirement  
5 system and shall be paid in the same manner and over the remaining  
6 time period provided for the unfunded accrued liability under section  
7 24 of P.L.1954, c.84 (C.43:15A-24). The employer shall pay the cost  
8 of the actuarial work to determine the additional liability of the  
9 retirement system for the benefits under this act which shall be  
10 included in the initial contribution required from the employer.

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12 7. An employee who receives a benefit under this act shall forfeit  
13 all tenure rights.

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15 8. Where the needs of a public agency or instrumentality require  
16 the services of an employee who elects to retire and receive a benefit  
17 under this act, the employer, with the approval of the governing body  
18 of that agency or instrumentality and with the consent of the  
19 employee, may delay the effective retirement date of the employee  
20 until the first day of any calendar month after July 1, 1999 but not later  
21 than July 1, 2000. A delay in the effective retirement date of an  
22 employee shall not extend the dates set forth in sections 1 through 4  
23 to qualify for benefits under this act.

24 For a member of PERS whose effective retirement date is delayed  
25 under this section and who dies before the retirement becomes  
26 effective, the retirement shall be effective as of the first day of the  
27 month after the date of death of the member if the member's  
28 beneficiary requests in writing to the board of trustees of the  
29 retirement system that the retirement be effective under the Option  
30 settlement selected by the member, or under Option 3 if the member  
31 did not select an Option.

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33 9. An employee of a public agency or instrumentality retiring with  
34 a benefit under this act who has not repaid the full amount of a loan  
35 from the retirement system by the effective date of retirement, may  
36 repay the loan through deductions from the member's retirement  
37 benefit payments in the same monthly amount which was deducted  
38 from the member's compensation immediately preceding retirement  
39 until the balance of the amount borrowed together with interest at the  
40 statutory rate is repaid. If the retiree dies before the outstanding  
41 balance of the loan and interest is repaid, the remaining amount shall  
42 be repaid as provided in section 2 of P.L.1981, c.55 (C.43:15A-34.1).

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44 10. An employee of a public agency or instrumentality purchasing  
45 service credit on or after the effective date of this act to qualify for a  
46 benefit under this act may purchase a portion of the credit which the

1 employee is eligible to purchase.

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3 11. For the purposes of this act:

4 a. "Employee of a public agency or instrumentality" means a  
5 full-time employee of an authority, board, commission, corporation,  
6 or other agency or instrumentality which is a participating employer in  
7 PERS, including an agency or instrumentality authorized to participate  
8 in PERS under section 73 of P.L.1954, c.84 (C.43:15A-73) and  
9 P.L.1990, c.25 (C.43:15A-73.2 et seq.) and a public agency or  
10 organization as defined in section 71 of P.L.1954, c.84 (C.43:15A-71)  
11 but excluding Rutgers, The State University, the New Jersey Institute  
12 of Technology, the University of Medicine and Dentistry of New  
13 Jersey, a State or a county college, a board of education, a county and  
14 a municipality, who is eligible to participate in the employer's health  
15 benefits plan.

16 b. "Final year compensation" means the compensation received in  
17 the last 12 months immediately preceding retirement in which  
18 compensation is received and upon which contributions are made by  
19 the employee to the retirement system.

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21 12. Prior to April 1, 1998, each public agency or instrumentality  
22 covered by the provisions of this act shall meet and consult with the  
23 representatives of the bargaining unit or units representing the  
24 employees who would be eligible for benefits under this act.

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26 13. The Director of the Division of Pensions and Benefits may  
27 promulgate rules and regulations which the director deems necessary  
28 for the effective implementation of this act.

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30 14. This act shall take effect immediately.

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### STATEMENT

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34 This bill provides for additional retirement benefits for certain  
35 employees of a public agency or instrumentality, other than the State,  
36 who retire under the Public Employees' Retirement System (PERS)  
37 between July 1, 1998 and July 1, 1999 if the employer elects to  
38 provide the benefits. These employers are authorities, boards,  
39 commissions and other agencies and instrumentalities participating in  
40 PERS. Employees who are at least 50 years of age and have at least  
41 25 years of service credit as of the effective date of retirement will  
42 receive an additional five years of service credit. If the member is  
43 under age 55 at the time of retirement, the member's retirement  
44 allowance shall not be reduced. Employees who satisfy age and  
45 service requirements and who retire on special veteran's retirement will  
46 receive an additional pension amount of 5/60 of their final year

1 compensation.

2 Employees of employers which offer retirees paid health benefits  
3 coverage who are at least 60 years of age and have at least 20 years of  
4 service as of the effective date of retirement will receive payment of  
5 the cost for health benefits coverage. Employees of employers which  
6 do not offer retirees paid health benefits coverage who are at least 60  
7 years of age and have at least 20 years of service as of the effective  
8 date of retirement will not be eligible for the paid health benefits  
9 coverage but will receive an additional pension payment of \$500 per  
10 month for the first 24 months after retirement.

11 Employees who are at least 60 years of age with at least 10 but not  
12 more than 20 years of service credit will receive an additional pension  
13 of \$500 per month for the first 24 months after retirement.

14 The employer may elect to provide benefits by adoption of a  
15 resolution of its governing body and by filing a certified copy with the  
16 Director of the Division of Pensions and Benefits.

17 Where the needs of an employer require the services of an employee  
18 who elects to retire and receive a benefit under this act, the employer,  
19 with the approval of the governing body and the consent of the  
20 employee, may delay the effective retirement date of the employee for  
21 up to one year. The delay authorized under the act does not extend  
22 the dates for qualification for benefits under the act.

23 The employees eligible for the benefits under this bill are all eligible  
24 to retire under the retirement system. The purpose of these additional  
25 benefits is to induce a large number of the employees to retire and thus  
26 assist in reducing the workforce in the various agencies covered by the  
27 bill.

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32 Provides additional retirement benefits for certain employees of  
33 authorities, boards, commissions, corporations, and other agencies and  
34 instrumentalities participating in PERS who retire between July 1,  
35 1998 and July 1, 1999.