

ASSEMBLY, No. 1061

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblyman DORIA

1 AN ACT concerning the continuation of retirement system or pension  
2 fund membership for certain local government agency employees,  
3 amending various parts of the statutory law, and supplementing  
4 Title 40A of the New Jersey Statutes.

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

8  
9 1. (New section) As used in this act:

10 "local government agency" means the governing body of a county  
11 or municipality, an agency of a county or municipal government which  
12 is empowered to enter into contracts or agreements, or an authority;  
13 and

14 "authority" means a body, public and corporate, created by one or  
15 more counties or municipalities pursuant to any law authorizing that  
16 creation, which is empowered to enter into contracts or agreements.

17  
18 2. (New section) If a local government agency enters into an  
19 agreement with a nongovernmental entity for the performance by that  
20 entity of any of the functions, duties or services of the agency, and if  
21 the agreement includes a provision for the continued employment of  
22 the employees of that agency, the employees continued in employment  
23 who are members of any retirement system or pension fund created by  
24 article 1 of chapter 10 of Title 43 of the Revised Statutes (R.S.43:10-1  
25 et seq.), P.L.1943, c.160 (C.43:10-18.1 et seq.), P.L.1948, c.310  
26 (C.43:10-18.50 et seq.), P.L.1954, c.218 (C.43:13-22.3 et seq.) or  
27 P.L.1964, c.275 (C.43:13-22.50) shall continue to be members of their  
28 respective retirement system or pension fund but shall not be deemed  
29 to be employees of the local government agency. The  
30 nongovernmental entity shall assume all the responsibilities and costs  
31 imposed by the retirement system or pension fund on employers.

32  
33 3. R.S.43:10-1 is amended to read as follows:

34 43:10-1. "Be retired on half pay" means retired on a pension equal

**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 to one-half of the average annual salary during any 3 fiscal years, of  
2 the employee's membership, for which contributions were made, which  
3 years shall be selected in such manner as to provide for the largest  
4 possible benefit to the retirant, or surviving spouse or children, as the  
5 case may be; provided, however, that nothing in this amendatory act  
6 shall serve to reduce any employee's pension below the amount to  
7 which he would have been entitled had he been eligible to apply for his  
8 pension prior to the effective date of this amendatory act.

9 "Salary" or "average annual compensation," when used for the  
10 purpose of computing benefits under this act, means the average  
11 annual salary for which contributions are made during any 3 fiscal  
12 years of the employee's membership providing the largest possible  
13 benefit to the member or surviving spouse or children. If the total  
14 service is less than 3 years, the salary shall be that paid for the entire  
15 period of membership. "Salary" means the base compensation for  
16 services as an employee, including normal and longevity increments  
17 earned in accordance with the established salary policies of the  
18 employer for all employees in the same position, but shall not include  
19 individual salary adjustments which are granted primarily in  
20 anticipation of the member's retirement or additional remuneration for  
21 performing temporary or extra curricular duties beyond the regular  
22 workday or the regular work year. In cases where salary includes  
23 maintenance, the retirement system shall fix the value of that part of  
24 the salary not paid in money which shall be considered under this act.

25 "County employee" or "employee" means and includes all  
26 employees and officers in service in any county of the first class, and  
27 of any county board, body or commission maintained out of county  
28 funds in a county of the first class, including laborers recognized as  
29 permanent laborers, whether paid on an hourly, daily, monthly or  
30 annual basis ([if] it being the intent to exclude transient labor from the  
31 operation of this article), but does not include any member of the  
32 police or fire department. The pension commission may determine  
33 whether or not the employment of an employee is permanent within  
34 the meaning of this article. Notwithstanding the provisions of section  
35 43:1-1 of this Title, any person heretofore or hereafter accepting any  
36 employment in the county under the age of 45 years shall be eligible  
37 to join as a "county employee" or "employee" as hereinabove defined.  
38 Any employee of a nongovernmental entity who is an employee of that  
39 entity pursuant to the provisions of an agreement described under  
40 section 2 of P.L. , c. (C. ) (now pending before the Legislature  
41 as this bill) shall continue to be a member of the pension fund.

42 "Widow" means the woman to whom a member was married at least  
43 5 years before the date of his death and to whom he continued to be  
44 married until the date of his death. The eligibility of such a widow to  
45 receive a pension provided in this act will be considered terminated by  
46 the marriage of the widow subsequent to the member's death. In the

1 event of the payment of an accidental death benefit, the 5-year  
2 qualification shall be waived.

3 "Widower" means the man to whom a member was married at least  
4 5 years before the date of her death and to whom she continued to be  
5 married until the date of her death. The eligibility of such a widower  
6 to receive a pension provided in this act will be considered terminated  
7 by marriage of the widower subsequent to the death of the member.  
8 In the event of the payment of an accidental death benefit, the 5-year  
9 qualification shall be waived.

10 (cf: P.L.1979, c. 242, s.1)

11

12 4. Section 6 of P.L.1943, c.160 (C.43:10-18.6) is amended to read  
13 as follows:

14 6. The members and certain conditions of membership in the  
15 retirement system created by this act shall be as follows:

16 (a) All persons, employed by the county prior to March 26, 1961,  
17 who may be found physically and mentally fit to the satisfaction of the  
18 pension commission herein provided for, may become members of the  
19 county employees' retirement system created under this act, and shall  
20 receive no pension or retirement allowance from any other pension or  
21 retirement system supported wholly or in part by the county, nor shall  
22 they be required to make contributions to any other pension or  
23 retirement system of said county.

24 Such persons shall not be given credit for pension purposes  
25 hereunder for any prior service; provided, however, that where any  
26 such employee has had service prior to March 26, 1961 as an  
27 employee in any State, county or municipal position, such employee  
28 shall be given credit for pension purposes hereunder for such service  
29 upon written application therefor to the pension commission within 1  
30 year after becoming a member of this retirement system and upon  
31 payment into the retirement system herein provided. Such member  
32 shall receive credit for all of his service in the employ of the county or  
33 for any part of his service in any other compensated, public position  
34 in the State of New Jersey, elected or appointed, provided that  
35 payments are made by such member in an amount or amounts  
36 calculated in accordance with the rules of the commission as may be  
37 necessary to provide 1/2 of the actuarial cost of such service credit.  
38 In the event that such member retires before he completes the payment  
39 for the service credit that he is purchasing, credit for such service shall  
40 be given in direct proportion as the amount paid bears to the total  
41 amount of the obligation. Said sum of money may be paid in one lump  
42 sum or by semimonthly deductions from salary, together with the  
43 regular deductions provided by this act, until completed. All payments  
44 aforesaid by the employee shall be made together with interest thereon  
45 at a rate to be determined by the pension commission.

46 (b) All employees at the time of the adoption of this act who are

1 under 45 years of age and are not members of any retirement system  
2 supported wholly or in part by the county; and any official  
3 stenographic reporter and proxies of such official stenographic  
4 reporter who are serving as such at the time of the adoption of this  
5 act, may become members of the retirement system created under this  
6 act upon written application made to the pension commission before  
7 July 1, 1943, under one of the following 2 plans (B1) and (B2):

8 (B1) To receive credit for service rendered to the county prior to  
9 joining this retirement system such employee shall pay into this  
10 retirement system a sum of money equal to 3% of salary received  
11 either since June 1, 1929, or since August 1, 1932, depending upon  
12 which of the said 2 dates such employee first became eligible to  
13 membership in the county employees' retirement system of such county  
14 established under "An act providing for the retirement of certain  
15 county employees in counties of the first class of this State and  
16 providing a pension for such retired county employees and their  
17 dependents," approved April 22, 1929 (P.L.1929, c. 122), or article 1  
18 of chapter 10 of Title 43 of the Revised Statutes; or since the date of  
19 his entrance into county service, if he became an employee after June  
20 1, 1929; provided, however, that as to the official stenographic  
21 reporter and proxies of such official stenographic reporter such  
22 employee shall pay into this retirement system a sum of money equal  
23 to 3% of salary received from the county upon order of the justice of  
24 the Supreme Court since June 1, 1929, or since the date of his  
25 entrance into such county service, if he became an employee after June  
26 1, 1929. Such payment may be made either (1) in one sum, or (2) by  
27 equal semimonthly installments to be deducted together with each  
28 regular deduction from his salary for the retirement system provided  
29 for under this act; provided, however, that in case an employee  
30 chooses to pay for such prior county service by method (2), aforesaid,  
31 that is by equal semimonthly installments, such employee shall receive  
32 credit for so much of such prior county service as is thus paid for, and  
33 no more. Upon such payment or payments being made, the county  
34 shall annually pay into the retirement system herein provided for a sum  
35 of money equal in amount to the employee's principal payment. All  
36 payments aforesaid by the employee shall be made together with  
37 interest thereon at a rate to be determined by the pension commission.  
38 Any such employee who elects to become a member of this retirement  
39 system under the aforesaid plan shall, upon his application to the  
40 pension commission prior to July 1, 1943, be given credit for pension  
41 purposes hereunder for any prior service or services rendered as an  
42 employee of the State, and of any municipalities or other political  
43 subdivisions of the State, upon payment into the retirement system  
44 herein provided, for a period of time equal to the length of prior  
45 service for which credit is allowed, of a sum of money equal in amount  
46 to 3% of salary, said 3% of salary being based upon the salary received

1 by such employee at the time of the making of said application. Said  
2 sum of money may be paid in one lump sum or by semimonthly  
3 deductions from salary, together with the regular deductions provided  
4 by this act, until completed; provided, however, that such prior service  
5 shall be credited only as paid for. Upon such payment or payments  
6 being made, the county shall annually pay into the retirement system  
7 herein provided for, a sum of money equal in amount to the employee's  
8 principal payment or payments. All payments aforesaid by the  
9 employee shall be made together with interest thereon at a rate to be  
10 determined by the pension commission.

11 (B2) The regular deductions from the salary of any employee  
12 electing to become a member under this plan (B2) shall commence  
13 upon the filing of such written application and such employee shall not  
14 receive credit for any service rendered theretofore in any State,  
15 county, or municipal office or position.

16 (c) All employees who, at the time of the adoption and approval of  
17 this act, are members of any of the following retirement systems in  
18 effect in said county:

19 County employees in counties of the first class (article 1 of chapter  
20 10 of Title 43 of the Revised Statutes);

21 County detectives in counties of the first, second, third, and fifth  
22 classes (article 2 of chapter 10 of Title 43, of the Revised Statutes);

23 Probation officers of counties of over 83,000 inhabitants (article 5  
24 of chapter 10 of Title 43, of the Revised Statutes);

25 Sheriff's employees in counties of the first and second classes  
26 (article 6 of chapter 10 of Title 43, of the Revised Statutes);

27 Sergeants-at-arms and court criers in counties of the first class  
28 (article 7 of chapter 10 of Title 43, of the Revised Statutes);

29 County superintendents of weights and measures and assistant  
30 county superintendents of weights and measures ( "An act providing  
31 for the retirement of persons employed in the department of weights  
32 and measures of any county in this State, and providing a pension for  
33 such persons so retired," filed June 21, 1938 (P.L.1938, c. 397));

34 County park police in counties of more than 200,000 population  
35 (sections 40:37-157 to 40:37-174, inclusive, of the Revised Statutes);  
36 shall on July 1, 1943, automatically become members of the county  
37 employees' retirement system provided for by this act and all such  
38 employees shall be deemed to agree and consent to the transfer of such  
39 membership unless they, or any one of them shall, before July 1, 1943,  
40 by written notice to the pension commission of their respective  
41 retirement systems operating in such county, elect to withdraw  
42 therefrom their contributions theretofore made, without interest. Any  
43 such members electing to withdraw from such membership shall  
44 thereafter be ineligible for membership in any retirement system of  
45 such county, or for any pension payable, in whole or in part, by funds  
46 of such county under the provisions of any statute of this State except

1 sections 43:4-1 to 43:4-5, inclusive, of the Revised Statutes.

2 All such employees who become members of the county employees'  
3 retirement system provided by this act shall be given credit for pension  
4 purposes hereunder for all services, including services performed in  
5 any elective office, rendered to the county prior to July 1, 1943;  
6 provided, however, that where any such employee had theretofore  
7 agreed, under the provisions of article 1 of chapter 10 of Title 43, of  
8 the Revised Statutes, to pay for any part or all of such service  
9 rendered to the county prior to July 1, 1943, the transfer of such  
10 employee's membership into this system shall include the transfer to  
11 this system of all the conditions and obligations of such prior  
12 agreement made by such employee and such employee shall be deemed  
13 to agree and consent to the transfer to this system of such conditions  
14 and obligations until the conditions of such agreement have been fully  
15 complied with.

16 Except as otherwise provided by section 8 of this act, where any  
17 such employee's membership shall be transferred to this retirement  
18 system on July 1, 1943, such employee shall be given credit for  
19 pension purposes hereunder for any prior service or services rendered  
20 as an employee of the State and of any municipalities or other political  
21 subdivisions of the State, upon application therefor to the pension  
22 commission within 1 year after the transfer of such membership, and  
23 upon payment into the retirement system herein provided, for a period  
24 of time equal to the length of prior service for which credit is allowed,  
25 of a sum of money equal in amount to 3% of salary, said 3% of salary  
26 being based upon the salary received by such employee at the time of  
27 the making of said application. Said sum of money may be paid in one  
28 lump sum or by semimonthly deductions from salary, together with  
29 the regular deductions provided by this act, until completed; provided,  
30 however, that such prior service shall be credited only as paid for.  
31 Upon such payment or payments being made, the county shall annually  
32 pay into the retirement system herein provided a sum of money equal  
33 in amount to the employee's principal payment or payments. All  
34 payments aforesaid by the employee shall be made together with  
35 interest thereon at a rate to be determined by the pension commission.

36 (d) Any person who at the time of the adoption of this act shall be  
37 a county employee and not a member of this retirement system and  
38 who became a county employee prior to such employee reaching the  
39 age of 45 years, may become a member of this retirement system upon  
40 written application made to the pension commission within 1 year after  
41 the adoption of this act upon such employee complying with all of the  
42 following conditions.

43 (D1) Submit to a medical examination and be found mentally and  
44 physically fit to the satisfaction of the pension commission.

45 (D2) Pay into this retirement system, in addition to the regular  
46 deductions provided by this act, a sum of money equal to 5% of salary

1 received by such employee for the period of time elapsing since such  
2 employee became 45 years of age, said 5% of salary being based upon  
3 the salary received by such employee at the time of the making of  
4 application for membership in this system. Said sum of money must  
5 be paid in one lump sum, together with interest thereon at a rate to be  
6 determined by the pension commission, and upon the same being paid,  
7 the county shall, within a reasonable time thereafter, pay into this  
8 retirement system a sum of money equal in amount to such employee's  
9 principal payment. Upon making the aforesaid payment, such  
10 employee shall be given credit for pension purposes for such period of  
11 prior service rendered to the county since he became 45 years of age.

12 (D3) Receive no credit for county service rendered prior to  
13 reaching the age of 45 years but be given the option of buying such  
14 prior service credits for pension purposes upon written application  
15 made therefor to the pension commission within 1 year after becoming  
16 a member of this retirement system and upon payment into this  
17 retirement system, of a sum of money equal in amount to 3% of the  
18 salary received by such employee during the period of time for which  
19 service credits for pension purposes is allowed. At the time such  
20 employee applies for service credits for pension purposes, such  
21 employee may elect to pay said sum of money in one lump sum or by  
22 semimonthly deductions from salary, together with the regular  
23 deductions provided by this act, until completed; provided, however,  
24 that such prior service shall be credited only as paid for. Upon such  
25 payment or payments being made, the county shall annually pay into  
26 this retirement system a sum of money equal in amount to the  
27 employee's principal payment, or payments. All payments aforesaid by  
28 the employee shall be made together with interest at a rate to be  
29 determined by the pension commission.

30 (e) Any employee of a nongovernmental entity who is an employee  
31 of that entity pursuant to the provisions of an agreement described  
32 under section 2 of P.L. \_\_\_\_\_, c. \_\_\_\_\_ (C. \_\_\_\_\_) (now pending before the  
33 Legislature as this bill) shall continue to be a member of the retirement  
34 system.

35 ~~[(e)]~~(f) Any member of the retirement system as of the effective  
36 date of this amendatory and supplementary act may receive credit for  
37 all service in the employ of the county or for any part of his service in  
38 any other compensated, public position in the State of New Jersey,  
39 elected or appointed, for which service credit has not already been  
40 established for him in the retirement system provided by the act to  
41 which this act is amendatory and supplementary; provided that  
42 payments are made by such member in an amount or amounts  
43 calculated in accordance with the rules of the commission as may be  
44 necessary to provide 1/2 of the actuarial cost of such service credit.  
45 In the event that such member retires before he completes payment for  
46 the service credit that he is purchasing, credit for such service shall be

1 given in direct proportion as the amount paid bears to the amount of  
2 the obligation.

3 (cf: P.L.1966, c.243, s.2)

4

5 5. Section 6 of P.L.1948, c.310 (C.43:10-18.55) is amended to  
6 read as follows:

7 6. The members and certain conditions of membership in the  
8 retirement system created by this act shall be as follows:

9 (a) All persons who shall hereafter become employees before they  
10 become 40 years of age, shall, after they complete 3 months of service,  
11 and be found physically and mentally fit to the satisfaction of the  
12 pension commission herein provided for, become members of the  
13 county employees' retirement system created under this act, and shall  
14 receive no pension or retirement allowance from any other pension or  
15 retirement system supported wholly or in part by the county, nor shall  
16 they be required to make contributions to any other pension or  
17 retirement system of said county, anything to the contrary  
18 notwithstanding.

19 Such persons shall not be given credit for pension purposes  
20 hereunder for any prior service; provided, however, that where any  
21 such employee has had prior service as an employee in any State,  
22 county or municipal position, such employees shall be given credit for  
23 pension purposes hereunder for such prior service upon written  
24 application therefor to the pension commission within 1 year after  
25 becoming a member of this retirement system and upon payment into  
26 the retirement system herein provided, for a period of time equal to the  
27 length of prior service for which credit is allowed, of a sum of money  
28 equal in amount to 6% of salary, said 6% of salary being based upon  
29 the salary received by such employee at the time of the making of said  
30 application. Said sum of money may be paid in one lump sum or by  
31 semimonthly deductions from salary, whichever method the applicant  
32 may elect, together with the regular deductions provided by this act,  
33 until completed; provided, however, that such prior service shall be  
34 credited only as paid for. All payments aforesaid by the employee  
35 shall be made together with interest thereon at a rate to be determined  
36 by the pension commission.

37 (b) All employees at the time of the adoption of this act, who were  
38 under the age of 40 years at the time of their appointment or election  
39 to public office in the county government, and were not members of  
40 any retirement system supported wholly or in part by the county, and  
41 who did not become members of the retirement system created under  
42 this act before January 1, 1949, may now become members of the  
43 retirement system created under this act upon written application made  
44 to the pension commission within 90 days from the adoption of this  
45 amendatory act, under Plan (B1) and Plan (B2) as defined in said act  
46 and upon payment for prior service as provided under either of said

1 plans.

2 (B1) To receive credit for service rendered to the county prior to  
3 joining this retirement system such employee shall pay into this  
4 retirement system a sum of money equal to 3% of salary received  
5 either since June 1, 1937, or since August 1, 1938, depending upon  
6 which of the said 2 dates such employee first became eligible to  
7 membership in the county employees' retirement system of such county  
8 established under "An act to provide for the maintenance of old  
9 faithful servants of the several counties of the State of New Jersey"  
10 (P.L.1918, c. 164); or article 1 of chapter 10 and chapter 9 of Title 43  
11 of the Revised Statutes of 1937; or since the date of his entrance into  
12 county service; if he became an employee after June 1, 1937. Such  
13 payment may be made either (1) in one sum, or (2) by equal  
14 semimonthly installments to be deducted together with each regular  
15 deduction from his salary, whichever method the applicant may elect,  
16 for the retirement system provided for under this act; provided,  
17 however, that in case an employee chooses to pay for such prior  
18 county service by method (2) aforesaid, that is by equal semimonthly  
19 installments, such employees shall receive credit for so much of such  
20 prior county service as is thus paid for, and no more. Upon such  
21 payment or payments being made, the county shall annually pay into  
22 the retirement system herein provided for a sum of money equal in  
23 amount to the employee's principal payment. All payments aforesaid  
24 by the employee shall be made together with interest thereon at a rate  
25 to be determined by the pension commission. Any such employee who  
26 elects to become a member of this retirement system under the  
27 aforesaid plan shall, upon his application to the pension commission  
28 prior to January 1, 1949, be given credit for pension purposes  
29 hereunder for any prior service or services rendered as an employee of  
30 the State, and of any municipalities or other political subdivisions of  
31 the State, upon payment into the retirement system herein provided,  
32 for a period of time equal to the length of prior service for which  
33 credit is allowed, of a sum of money equal in amount to 3% of salary,  
34 said 3% of salary being based upon the salary received by such  
35 employee at the time of the making of said application. Said sum of  
36 money may be paid in one lump sum or by semimonthly deductions  
37 from salary, whichever method the applicant may elect, together with  
38 the regular deductions provided by this act, until completed; provided,  
39 however, that such prior service shall be credited only as paid for. All  
40 payments aforesaid by the employee shall be made together with  
41 interest thereon at a rate to be determined by the pension commission.

42 (B2) The regular deductions from the salary of any employee  
43 electing to become a member under this plan (B2) shall commence  
44 upon the filing of such written application and such employee shall not  
45 receive credit for any service rendered theretofore in any State,  
46 county, or municipal office or position.

1 (c) All employees who, at the time of the adoption and approval of  
2 this act, are members of any of the following retirement systems in  
3 effect in said county:

4 County detectives in counties of the first, second, third and fifth  
5 classes (article 2 of chapter 10 of Title 43 of the Revised Statutes);

6 Probation officers of counties of over 83,000 inhabitants (article 5  
7 of chapter 10 of Title 43 of the Revised Statutes);

8 Sheriff's employees in counties of the first and second classes  
9 (article 6 of chapter 10 of Title 43 of the Revised Statutes);

10 County superintendents of weights and measures and assistant  
11 county superintendent of weights and measures ( "An act providing for  
12 the retirement of persons employed in the department of weights and  
13 measures of any county in this State, and providing a pension for such  
14 persons so retired," filed June 21, 1938 (P.L.1938, c. 397));

15 County park police in counties of more than 200,000 population  
16 (sections 40:37-157 to 40:37-174, inclusive, of the Revised Statutes);

17 Court interpreters in counties of the second class (article 9 of  
18 chapter 10 of Title 43, of the Revised Statutes); shall on January 1,  
19 1949, automatically become members of the county employees'  
20 retirement system provided for by this act, and all such employees shall  
21 be deemed to agree and consent to the transfer of such membership  
22 unless they, or any one or more of them shall, before January 1, 1949,  
23 by written notice to the pension commission of their respective  
24 retirement systems operating in such county, elect to withdraw  
25 therefrom their contributions theretofore made, without interest. Any  
26 such member electing to withdraw from such membership shall  
27 thereafter be ineligible for membership in any retirement system of  
28 such county, or for any pension payable, in whole or in part, by funds  
29 of such county under the provisions of any statute of this State except  
30 sections 43:4-1 to 43:4-5, inclusive, of the Revised Statutes.

31 All such employees who become members of the county employees'  
32 retirement system provided for by this act and other county employees  
33 mentioned in paragraph (b) who become members of the said county  
34 employees' retirement system and who have held elective office in the  
35 county government, shall be given credit for pension purposes  
36 hereunder for all services, including services performed in any elective  
37 office, rendered to the county prior to January 1, 1949; provided,  
38 however, that where any such employee had theretofore agreed, under  
39 the provisions of article 1 of chapter 10 of Title 43 of the Revised  
40 Statutes, to pay for any part or all of such service rendered to the  
41 county prior to January 1, 1949, the transfer or approval of such  
42 employee's membership into this system shall include the transfer to  
43 this system of all conditions and obligations of such prior agreement  
44 made by such employee and such employee shall be deemed to agree  
45 and consent to the transfer to this system of such conditions and  
46 obligations until the conditions of such agreement have been fully

1 complied with. Employees mentioned in paragraph (b) who have held  
2 elective office in the county government prior to January 1, 1949, who  
3 were not members of the aforesaid systems defined in paragraph (c)  
4 herein, shall be given credit for pension purposes for all services  
5 including services performed in any elective office, rendered to the  
6 county prior to January 1, 1949, upon such employee agreeing and  
7 consenting in writing to pay for any part or all of such services  
8 rendered to the county prior to January 1, 1949 at the rate of 3% of  
9 the salary received for a period of time equal to the length of the prior  
10 elective service for which credit is allowed, plus interest thereon at a  
11 rate to be determined by the pension commission.

12 Except as otherwise provided by section 8 of this act, where any  
13 such employee's membership shall be transferred to this retirement  
14 system on January 1, 1949, such employee shall be given credit for  
15 pension purposes hereunder for any prior service or services rendered  
16 as an employee of the State and of any municipalities or other political  
17 subdivisions of the State, upon application therefor to the pension  
18 commission within 1 year after the transfer of such membership, and  
19 upon payment into the retirement system herein provided, for a period  
20 of time equal to the length of prior service for which credit is allowed,  
21 of a sum of money equal in amount to 3% of salary, said 3% of salary  
22 being based upon the salary received by such employee at the time of  
23 the making of said application. Said sum of money may be paid in one  
24 lump sum or by semimonthly deductions from salary, whichever  
25 method the applicant may elect, together with the regular deductions  
26 provided by this act, until completed; provided, however, that such  
27 prior service shall be credited only as paid for. All payments aforesaid  
28 by the employee shall be made together with interest thereon at a rate  
29 to be determined by the pension commission.

30 (d) Any person who at the time of the adoption of this act was a  
31 county employee and not a member of this retirement system and who  
32 became a county employee or held elective office in the county  
33 government prior to such employee reaching the age of 45 years and  
34 prior to January 1, 1949, may become a member of this retirement  
35 system upon written application made to the pension commission  
36 within 90 days after the adoption of this act upon such employee  
37 complying with all of the following conditions:

38 (D1) Submit to a medical examination and be found mentally and  
39 physically fit to the satisfaction of the pension commission.

40 (D2) Pay into this retirement system, in addition to the regular  
41 deductions provided by this act, a sum of money equal to 5% of salary  
42 received by such employee for the period of time elapsing since such  
43 person first became a county employee or assumed elective office in  
44 the county, said 5% of salary being based upon the salary received by  
45 such employee at the time of the making of application for  
46 membership in this system. Said sum of money must be paid in one

1 lump sum, together with interest thereon at a rate to be determined by  
2 the pension commission. Upon making the aforesaid payment, such  
3 employee shall be given credit for pension purposes for such period of  
4 prior service rendered to the county.

5 (e) Any employee of a nongovernmental entity who is an employee  
6 of that entity pursuant to the provisions of an agreement described  
7 under section 2 of P.L. , c. (C. ) (now pending before the  
8 Legislature as this bill) shall continue to be a member of the retirement  
9 system.

10 (cf: P.L.1966, c.210, s.2)

11  
12 6. Section 13 of P.L.1954, c.218 (C.43:13-22.15) is amended to  
13 read as follows:

14 13. The members and conditions of membership in the retirement  
15 system created by this act shall be as follows:

16 (a) All persons who shall hereafter become employees of the city  
17 prior to attaining the age of 45 years, shall, upon satisfactory  
18 completion of 3 months' service, become members of the retirement  
19 system herein created, as a condition of their employment; provided  
20 that all such persons shall submit to and pass the physical and mental  
21 examination required by the commission and shall furnish such  
22 evidence of good health, at said time, as the commission shall require;  
23 provided further, however, that the failure to pass the said physical  
24 and mental examination or failure to furnish satisfactory evidence of  
25 good health at such time shall not deprive the employee of his  
26 employment.

27 The failure of any employee-member to comply with the rules and  
28 regulations prescribed by the commission, pursuant to this act, shall  
29 result in the suspension or termination of membership in, or benefits  
30 of, this retirement system as may be provided from time to time by the  
31 commission.

32 (b) All present employees of the city, as herein defined, who had  
33 not attained the age of 45 years at the time of their permanent  
34 appointment and are found physically and mentally fit, and are not  
35 members of any retirement system supported wholly or in part by the  
36 city, may become members of the retirement system created by this  
37 act, upon written application made to the commission within 2 months  
38 after the establishment of the commission, under one of the following  
39 two plans:

40 (1) To receive credit for all the time served as a permanent  
41 employee with the city prior to joining the retirement system. Such  
42 employee shall pay into the fund a sum of money equal to an amount  
43 based upon the percentage hereinafter stated that would have been  
44 deducted from his salary from June 1, 1928, or from the date of his  
45 permanent employment, whichever is the lesser period; provided,  
46 however, that if the employee desires to receive credit for only a

1 portion of the time served as a permanent employee he shall make  
2 payments accordingly and shall receive credit for that portion of the  
3 said prior service as is covered by these payments. Said sum of money  
4 may be paid in one lump sum or by regular payroll period deductions  
5 from the salary, together with the regular deductions provided by this  
6 act, until completed; and the financial officer of the city is authorized  
7 to deduct the said amounts from the salary of said employee. Upon  
8 such payment or payments being made, the city shall annually pay into  
9 the retirement system, herein provided for, a sum of money equal in  
10 amount to the employee's total principal payment without interest. All  
11 payments aforesaid by the employee shall be made together with 3%  
12 interest on the total amount of such payments. The maximum length  
13 of time for the payment of all employee's arrears and interest shall be  
14 10 years from the date of membership in the fund.

15 (2) By regular deductions from the salary of any employee electing  
16 to become a member of the fund, without the benefit of prior service,  
17 if any, and credit therefor hereunder. Said deductions shall commence  
18 upon membership in the fund; and such employee shall not receive  
19 credit for any prior services rendered theretofore in his municipal  
20 office of position.

21 (c) All employees who at the time of the adoption and approval of  
22 this act are members of any of the following retirement systems in  
23 effect in said city, under and by virtue of article 2, chapter 13, Title 43  
24 of the Revised Statutes; and of chapter 18, Title 43 of the Revised  
25 Statutes; and of chapter 19, Title 43 of the Revised Statutes, shall,  
26 upon the effective date of this act, automatically become members of  
27 the city employees' retirement system provided for by this act; and  
28 every such employee shall be deemed to agree and consent to such  
29 transfer of his membership.

30 (d) Any employee of a nongovernmental entity who is an employee  
31 of that entity pursuant to the provisions of an agreement described  
32 under section 2 of P.L. , c. (C. ) (now pending before the  
33 Legislature as this bill) shall continue to be a member of the retirement  
34 system.

35 ~~[(d)]~~(e) All present and future employee members of this  
36 employment retirement system may purchase, in addition to their  
37 permanent employment credits, temporary service credits for all time  
38 of temporary service which was continuous and immediately preceded  
39 their permanent employment, at the percentage rate and salary  
40 prevailing at date of application.

41 (cf: P.L.1979, c.281, s.2)

42

43 7. Section 3 of P.L.1964, c.275 (C.43:13-22.52) is amended to  
44 read as follows:

45 3. The members and conditions of membership in the retirement  
46 system created by this act shall be as follows:

1 (a) Any person who shall become an employee of the city after the  
2 effective date of this act and prior to his attainment of the age of 40  
3 years, shall become a member of the retirement system, as a condition  
4 of his employment; provided that he shall submit to and pass the  
5 physical and mental examinations required by the commission and shall  
6 provide such evidence of good health, at said time, as the commission  
7 shall require.

8 (b) Upon written application made to the commission within 6  
9 months after the effective date of this act, any employee of the city  
10 who became such on or before said date and prior to his attainment of  
11 the age of 40 years who is not a member of the pension fund in effect  
12 in said city under and by virtue of article 2, chapter 13, Title 43 of the  
13 Revised Statutes, shall be entitled to become a member of the  
14 retirement system. Such member shall receive credit for all of his prior  
15 service in the employ of said city provided that payments are made by  
16 such member in an amount or amounts calculated in accordance with  
17 the rules of the commission as may be necessary to provide the entire  
18 actuarial cost of such prior service credit. In the event that such  
19 member retires before he completes the payment for all of his prior  
20 service credit, credit for such service shall be given in direct  
21 proportion as the amount paid bears to the total amount of the  
22 obligation.

23 (c) Any employee who on the effective date of this act is a member  
24 of the pension fund in effect in said city under and by virtue of article  
25 2, chapter 13, Title 43 of the Revised Statutes, shall, upon such date,  
26 automatically become a member of the retirement system, and any such  
27 employee shall be deemed to agree and consent to such transfer of his  
28 membership.

29 (d) Upon written application made to the commission within 6  
30 months after the effective date of this act, any employee of the city as  
31 of such date, with or without veteran's status, who has not attained the  
32 age of 60 years and who has 20 or more years of prior service credit  
33 in the Public Employees' Retirement System of the State of New  
34 Jersey or in the Teachers' Pension and Annuity Fund of the State of  
35 New Jersey, or who has less than 20 years of such prior service credit  
36 and whose present age reduced by the total years of such prior service  
37 credit is less than 40 years, who shall become a member of the  
38 retirement system may transfer such prior service credit to the  
39 retirement system. Such transfer shall become effective upon the  
40 remittance to the retirement system by the said State pension systems  
41 of all accumulated member's contributions, with interest, standing to  
42 the credit of the member and of that portion of the actuarial reserve  
43 accumulated on his account provided for by contributions of the city.

44 (e) Upon written application made to the commission within 6  
45 months after the effective date of this act, any permanent employee of  
46 the city who became such on or before February 22, 1965 and prior to

1 his attainment of age 50 but on or after his attainment of age 40, who  
2 was not a member of the pension fund in effect in said city under and  
3 by virtue of article 2, chapter 13, Title 43 of the Revised Statutes,  
4 shall be entitled to become a member of the retirement system. Such  
5 member shall receive credit for all or any part of his prior service, as  
6 he may elect, in the employ of said city provided that payments are  
7 made by such member in an amount or amounts as may be necessary  
8 to provide the entire actuarial cost of such prior service credit.

9 (f) Any employee of a nongovernmental entity who is an employee  
10 of that entity pursuant to the provisions of an agreement described  
11 under section 2 of P.L. , c. (C. ) (now pending before the  
12 Legislature as this bill) shall continue to be a member of the retirement  
13 system.

14 [(f)](g.) The failure of any member to comply with the rules and  
15 regulations prescribed by the commission, pursuant to this act, shall  
16 result in the suspension or termination of membership in, or benefits  
17 of, this retirement system as may be provided from time to time by the  
18 commission.

19 (cf: P.L.1966, c.158, s.2)

20  
21 8. This act shall take effect immediately and shall be retroactive to  
22 October 1, 1995.

## 23 24 25 STATEMENT

26  
27 The purpose of this bill is to protect the pension benefits of certain  
28 local government agency employees in the event of the privatization  
29 of services. A local government agency is defined as the governing  
30 body of a county or municipality, an agency of a county or municipal  
31 government which is empowered to enter into contracts or  
32 agreements, or an authority created by one or more counties or  
33 municipalities which is empowered to enter into contracts or  
34 agreements.

35 The bill specifies that if a local government agency enters into an  
36 agreement with a nongovernmental entity for the performance by that  
37 entity of any of the functions, duties or services of the agency, and if  
38 the agreement includes a provision for the continued employment of  
39 the employees of that agency, the employees continued in employment  
40 who are members of the Hudson County Pension Fund, the Employees'  
41 Retirement System of Essex County, the Employees' Retirement  
42 System of Passaic County, the Employees' Retirement System of  
43 Newark, and the Employees' Retirement System of Jersey City shall  
44 continue to be members of their respective retirement system or  
45 pension fund but shall not be deemed to be employees of the local  
46 government agency. The nongovernmental entity shall assume all the

1 responsibilities and costs imposed by the retirement system or pension  
2 fund on employers.

3 This act shall take effect immediately and shall be retroactive to  
4 October 1, 1995.

5

6

7

8

9 Allows certain local government agency employees to continue  
10 retirement system membership if a nongovernmental entity performs  
11 the functions of a local government agency.