

ASSEMBLY, No. 1231

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblyman T. SMITH

1 AN ACT concerning enrollment of certain State employees in the
2 Public Employees' Retirement System and amending P.L.1954,
3 c.84.

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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 those
20 whose appointments are seasonal, becoming an employee of the State
21 or other employer after such date, including a temporary employee
22 with at least one year's continuous service; and

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

26 d. Membership in the retirement system shall be optional for
27 elected officials other than veterans, and for school crossing guards,
28 who having become eligible for benefits under other pension systems
29 are so employed on a part-time basis. Any such part-time school
30 crossing guard who is eligible for benefits under any other pension
31 system and who was hired as a part-time school crossing guard prior
32 to March 4, 1976, may at any time terminate his membership in the

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

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

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

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

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

1 dependents, or to any of his beneficiaries under the retirement system.
2 i. A special service employee who is employed under the federal
3 Older American Community Service Employment Act, Pub.L.94-135
4 (42 U.S.C.§3056), shall not be eligible for membership in the
5 retirement system. Membership for special service employees
6 employed under the federal Older American Community Service
7 Employment Act, Pub.L.94-135 (42 U.S.C.§3056), who are in the
8 retirement system on the effective date of this act, P.L. , c. (C.)
9 (now pending before the Legislature as this bill), shall be terminated,
10 and affected employees shall receive a refund of their accumulated
11 deductions as of the date of commencement of employment in a
12 federal Older American Community Service Employment Act
13 program. This refund of contributions shall serve as a waiver of all
14 benefits payable to the employee, to any dependent or dependents, or
15 to any beneficiary under the retirement system.
16 (cf: P.L.1986, c.139, s.1)

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18 2. This act shall take effect immediately.

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STATEMENT

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23 This bill provides that a special service employee who is employed
24 under the federal Older American Community Service Employment
25 Act shall not be eligible for membership in the Public Employees'
26 Retirement System (PERS). Membership for special service
27 employees employed under that federal law who are in the retirement
28 system on the effective date of this act shall be terminated, and
29 affected employees shall receive a refund of their accumulated
30 deductions as of the date of commencement of employment in a
31 federal Older American Community Service Employment Act program.
32 This refund of contributions shall serve as a waiver of all benefits
33 payable to the employee, to any dependent or dependents, or to any
34 beneficiary under the retirement system.

35 Because of the age of these employees (at least 55) and their limited
36 income derived from this employment, enrollment in the retirement
37 system would be an economic hardship.

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42 Exempts certain special service employees from PERS enrollment.