

LEGISLATIVE FISCAL ESTIMATE TO
ASSEMBLY, No. 1419
STATE OF NEW JERSEY

DATED: FEBRUARY 24, 1997

Assembly Bill No. 1419 of 1996 extends the status of veteran, for the purpose of being eligible to receive all benefits, entitlements, exemptions and grants currently provided to other veterans, to include any persons who were members of the armed forces of the United States who served in "Operation Restore Hope" in Somalia.

The bill amends five sections of law: the definition of "veteran" for the purpose of eligibility for civil service preference; the definition of "veteran" for the purpose of eligibility for enhanced benefits in the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS) and for the purpose of purchasing service credit for military service by members of the Police and Firemen's Retirement System (PFRS); and the definition of "veteran" for the purpose of eligibility for the annual veterans personal property tax deduction.

The bill establishes December 5, 1992 as the inception date of "Operation Restore Hope," or the date of inception of that operation, as proclaimed by the President of the United States or Congress, whichever date of inception is the earliest. The bill establishes March 31, 1994 as the termination date of "Operation Restore Hope," or the date of termination of that operation, as proclaimed by the President of the United States or Congress, whichever date of termination is the latest.

These dates have been recognized by the United States Department of Defense as the inception and termination dates of this operation for the purpose of establishing eligibility for the Armed Forces Expeditionary Medal for members of the United States armed forces who participated in this operation.

The Office of Legislative Services (OLS) notes that it cannot estimate the additional cost of this legislation because there is no information available to indicate the number of individuals who might qualify for these additional benefits. The OLS believes that, due to the small number of personnel involved in "Operation Restore Hope", the number will not be very large.

The OLS notes that the special veterans' retirement allowance in the Public Employees' Retirement System (PERS) is 50 percent of final compensation for veterans age 62 with 20 or more years of service. The service retirement formula for non-veterans is years of service divided by 60 multiplied by the highest three years' average salary. Depending on the individual member's circumstances, a veteran's benefit can provide an enhancement of 50 percent over the non-

veteran service retirement benefit. However, the OLS believes that on average the veteran benefit is about 20 percent greater.

In addition, these individuals would be eligible for other benefits, such as the veterans' property tax exemption, tuition aid, medical and nursing care at the veterans' nursing homes, and burial in the Brigadier General Doyle Veterans' Memorial Cemetery.

The OLS has no information on the number of individuals who might qualify for each of these benefits. Currently, the value of a bed in one of the State veterans' nursing homes is between \$41,700 and \$52,000. The veteran's property tax exemption is \$50.00 annually.

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.