

LEGISLATIVE FISCAL ESTIMATE TO

[First Reprint]
ASSEMBLY, No. 1604

STATE OF NEW JERSEY

DATED: May 24, 1996

Assembly Bill No. 1604(1R) of 1996 exempts from membership in the Public Employees' Retirement System (PERS) certain PERS retirants who become reemployed in a PERS-covered position. The bill allows a retired PERS member to accept employment in a position covered by the retirement system without being subject to cancellation of retirement benefits and reenrollment in the system, provided the person's annual compensation from the position does not exceed \$10,000. Neither the retirant employee nor the employer are required to contribute to the retirement system with respect to the new employment.

Under current law, if a PERS retirant becomes employed again in a position which makes the retirant eligible to be a member of PERS, the retirement allowance and the right to any death benefit as a result of former PERS membership shall be canceled. The reemployed retirant shall be reenrolled in PERS and treated as an active member. Upon subsequent retirement, the reemployed PERS member shall receive the former retirement allowance based on the earlier membership as well as an additional retirement allowance based upon the subsequent reemployment service.

The Office of Legislative Services (OLS) notes that there is no information available to indicate the number of PERS retirants who will qualify for this exemption, which is prospective. In any case, although the retirement system will lose future employer and employee contributions for these employees, there will be no additional cost to the retirement system or to the State and local government employers because these employees will not be eligible to receive a retirement benefit based on their service during reemployment.

The 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.