

ASSEMBLY, No. 2583

STATE OF NEW JERSEY

INTRODUCED DECEMBER 16, 1996

By Assemblymen GARCIA and IMPREVEDUTO

1 AN ACT concerning employer contributions to the alternate benefit
2 program and amending P.L.1969, c.242.

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

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7 1. Section 8 of P.L.1969, c.242 (C.18A:66-174) is amended to
8 read as follows:

9 8. (a) The University of Medicine and Dentistry of New Jersey,
10 Rutgers, The State University and the New Jersey Institute of
11 Technology shall reduce the compensation of each participant in the
12 alternate benefit program and pay over to the insurers or mutual fund
13 companies for the benefit of the participant an employee contribution
14 for the retirement annuity contract or contracts equal to 5% of the
15 participant's base salary. The intervals for deductions or reductions
16 and payments shall be determined by the respective school governing
17 bodies.

18 The Division of Pensions and Benefits shall provide for reductions
19 from the compensation of each participant in the alternate benefit
20 program employed by the State and county colleges of an employee
21 contribution equal to 5% of the participant's base salary and pay this
22 amount to the insurers or mutual fund companies for the individual's
23 retirement annuity contract or contracts. The intervals for deductions
24 or reductions and payments shall be determined by the Division of
25 Pensions and Benefits.

26 The Division of Pensions and Benefits may require that all
27 participant contributions be made in accordance with section 414(h)
28 of the federal Internal Revenue Code (26 U.S.C. s.414(h)).

29 (b) Based on a certification to the Division of Pensions and
30 Benefits by the University of Medicine and Dentistry of New Jersey,
31 Rutgers, The State University and the New Jersey Institute of
32 Technology of the number and base salary of participants, the division
33 shall authorize the State to make payment of the employer
34 contributions to the alternate benefit program at a rate equal to [8%]

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 9% of the employee's base salary, which moneys shall be paid to the
2 designated insurers or mutual fund companies for the benefit of each
3 participant.

4 Based on a certification by the Division of Pensions and Benefits of
5 the number and base salary of participants employed by the State and
6 county colleges, the State shall make payment of the employer
7 contributions to the alternate benefit program at a rate equal to ~~[8%]~~
8 9% of the employee's base salary, which moneys shall be paid to the
9 designated insurers or mutual fund companies for the benefit of each
10 participant.

11 (c) For the member of the Public Employees' Retirement System
12 employed by the county colleges, who is defined in the regulations of
13 the Division of Pensions and Benefits as a full-time faculty member
14 and who is permitted to transfer his membership and does so, the State
15 shall pay the employer contribution to the alternate benefit program at
16 a rate equal to ~~[8%]~~ 9% of the member's base salary. If the member
17 continues membership in the Public Employees' Retirement System,
18 the State shall pay the employer contribution to the retirement system
19 on his behalf and such employer contribution shall be at a rate equal
20 to the normal contribution made by the State on behalf of nonveteran
21 members of the Public Employees' Retirement System.

22 (d) For any nonacademic employee of a county college, as defined
23 in section 4 of P.L.1969, c.242 (C.18A:66-170), who is eligible for the
24 program according to the regulations of the Director of the Division
25 of Pensions and Benefits, the county college shall pay the employer
26 contribution to the retirement system on the employee's behalf in the
27 same manner as the State, pursuant to this section.

28 (cf: P.L.1994,c.48,s.190)

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30 2. This act shall take effect immediately.

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STATEMENT

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35 This bill increases the employer contribution rate in the alternate
36 benefit program from 8% to 9% of the employee's base salary. The
37 alternate benefit program is a defined contribution pension plan which
38 permits State college and university faculty members to select, from
39 among State-qualified retirement plan providers, one or more
40 providers with which to place their contributions and those of their
41 employer.

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46 Increases employer contribution in alternate benefit program for
college faculty from 8% to 9%.