

ASSEMBLY, No. 2689

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 3, 1997

By Assemblyman BODINE

1 AN ACT concerning notice to members of the Public Employees'  
2 Retirement System of New Jersey and the Teachers' Pension and  
3 Annuity Fund of the impending expiration of their membership  
4 therein and amending P.L.1954, c.84 and N.J.S.18A:66-7.

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

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9 1. Section 7 of P.L.1954, c.84 (C.43:15A-7) is amended to read as  
10 follows:

11 7. There is hereby established the Public Employees' Retirement  
12 System of New Jersey in the Division of Pensions of the Department  
13 of the Treasury. The membership of the retirement system shall  
14 include:

15 a. The members of the former "State Employees' Retirement  
16 System of New Jersey" enrolled as such as of December 30, 1954,  
17 who shall not have claimed for refund their accumulated deductions in  
18 said system as provided in this section;

19 b. Any person becoming an employee of the State or other  
20 employer after January 2, 1955 and every veteran, other than those  
21 whose appointments are seasonal, becoming an employee of the State  
22 or other employer after such date, including a temporary employee  
23 with at least one year's continuous service; and

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

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

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

15 e. Membership of any person in the retirement system shall cease  
16 if [he], except as otherwise provided by law, the person shall  
17 discontinue [his] service for more than two consecutive years. The  
18 retirement system shall send written notice in care of the last employer  
19 of a member at least 60 days in advance of the date on which the  
20 person's membership shall expire as provided in this subsection. The  
21 notice shall include a summary explanation of the provisions of this  
22 act, P.L.1954, c.84 (C.43:15A-1 et seq.), and applicable rules and  
23 regulations promulgated thereunder concerning disability retirement  
24 under the retirement system and a statement that no application for  
25 such disability retirement may be received by the retirement system  
26 from a person whose membership in the retirement system has expired.

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

39 g. Any school crossing guard electing to terminate his membership  
40 in the retirement system pursuant to subsection d. of this section shall,  
41 upon his request, receive a refund of his accumulated deductions as of  
42 the date of his appointment to the position of school crossing guard.  
43 Such refund of contributions shall serve as a waiver of all benefits  
44 payable to the employee, to his dependent or dependents, or to any of  
45 his beneficiaries under the retirement system.

1 h. A temporary employee who is employed under the federal Job  
2 Training Partnership Act, Pub.L. 97-300 (29 U.S.C. s. 1501) shall not  
3 be eligible for membership in the system. Membership for temporary  
4 employees employed under the federal Job Training Partnership Act,  
5 Pub.L.97-300 (29 U.S.C. s. 1501) who are in the system on the  
6 effective date of this 1986 amendatory act shall be terminated, and  
7 affected employees shall receive a refund of their accumulated  
8 deductions as of the date of commencement of employment in a  
9 federal Job Training Partnership Act program. Such refund of  
10 contributions shall serve as a waiver of all benefits payable to the  
11 employee, to his dependent or dependents, or to any of his  
12 beneficiaries under the retirement system.

13 (cf: P.L.1986, c.139, s.1)

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15 2. N.J.S.18A:66-7 is amended to read as follows:

16 18A:66-7. Membership of any person shall cease:

17 (a) if, except as provided in [section] R.S. 18A:66-8, he shall  
18 discontinue his service for more than two consecutive years;

19 (b) upon the withdrawal by a member of his accumulated  
20 deductions as provided in this article;

21 (c) upon resignation and election to receive, in lieu of the return of  
22 his accumulated deductions, the benefits provided in [section] R.S.  
23 18A:66-36 and R.S. 18A:66-37;

24 (d) upon retirement;

25 (e) at death;

26 but not otherwise except as provided in this article.

27 The pension fund shall send written notice in care of the last  
28 employer of a member at least 60 days in advance of the date on which  
29 his inactive membership shall expire as provided in subsection (a) of  
30 this section. The notice shall include a summary explanation of the  
31 provisions of this article and applicable rules and regulations  
32 promulgated thereunder concerning disability retirement under the  
33 retirement system and a statement that no application for such  
34 disability retirement may be received by the retirement system from a  
35 person whose membership in the retirement system has expired.

36 (cf: N.J.S.18A:66-7)

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38 3. This act shall take effect immediately.

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## STATEMENT

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43 This bill requires the Public Employees' Retirement System (PERS)  
44 to send a member at least 60 days' advance notice in writing, in care  
45 of the member's last employer, that the person's membership in PERS  
46 is to expire after discontinuance of service for more than two

1 consecutive years. A similar notice requirement is already applicable  
2 under the Teachers' Pension and Annuity Fund (TPAF).

3 The bill further requires, under both PERS and TPAF, that the  
4 notice shall include a summary explanation of the provisions of the  
5 appropriate statute, and applicable rules and regulations promulgated  
6 thereunder, concerning disability retirement under the retirement  
7 system or pension fund and a statement that no application for such  
8 disability retirement may be received by the system or fund from a  
9 person whose membership therein has expired.

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14 Requires PERS and TPAF to notify persons whose membership is to  
15 expire for discontinuance from service that no disability retirement  
16 application may be received after such expiration of membership.