

ASSEMBLY, No. 2950

STATE OF NEW JERSEY

INTRODUCED MAY 12, 1997

By Assemblymen ASSELTA and GIBSON

1 AN ACT concerning the purchase of certain service credit in State-  
2 administered retirement systems.

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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. A retiree under a State-administered retirement system who is  
8 also receiving a pension based on public employment in another state  
9 and who was denied enrollment in a State-administered retirement  
10 system because of eligibility to receive a pension based on public  
11 employment in another state may apply, within 180 days of the  
12 effective date of this act, to the board of trustees of the retirement  
13 system to purchase up to 10 years of credit for the service which had  
14 been rendered in any position covered by the retirement system for  
15 which, as the result of that denial of enrollment, the person has  
16 received no credit. The retiree may purchase all or a portion of the  
17 service credit by paying into the annuity savings fund the amount  
18 required by applying the factor, supplied by the actuary, as being  
19 applicable to the retiree's age at the time of the purchase to the highest  
20 annual compensation for service in this State for which contributions  
21 were made during any prior fiscal year of membership. A retiree shall  
22 not be liable for any costs associated with the financing of pension  
23 adjustment benefits and health care benefits for retirees when  
24 purchasing service credit. The purchase shall be made in a lump sum  
25 and the retiree's retirement allowance shall be recalculated to reflect  
26 the purchased service credit.

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28 2. This act shall take effect immediately and shall expire 181 days  
29 thereafter.

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STATEMENT

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34 This bill provides that a retiree under a State-administered  
35 retirement system who is also receiving a pension based on public  
36 employment in another state and who was denied enrollment in a  
37 State-administered retirement system because of eligibility to receive

1 a pension based on public employment in another state may apply,  
2 within 180 days of the effective date of this act, to the board of  
3 trustees of the retirement system to purchase up to 10 years of credit  
4 for the service which had been rendered in any position covered by the  
5 retirement system for which, as the result of that denial of enrollment,  
6 the person has received no credit. The retiree may purchase all or a  
7 portion of the service credit by paying into the annuity savings fund  
8 the amount required by applying the factor, supplied by the actuary, as  
9 being applicable to the retiree's age at the time of the purchase to the  
10 highest annual compensation for service in this State for which  
11 contributions were made during any prior fiscal year of membership.  
12 A retiree shall not be liable for any costs associated with the financing  
13 of pension adjustment benefits and health care benefits for retirees  
14 when purchasing service credit. The purchase shall be made in a lump  
15 sum and the retiree's retirement allowance shall be recalculated to  
16 reflect the purchased service credit.

17 This act shall take effect immediately and shall expire 181 days  
18 thereafter.

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24 Allows retirees to purchase service credit for certain prior  
employment.