

ASSEMBLY STATE GOVERNMENT COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2950

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 12, 1997

The Assembly State Government Committee reports favorably and with committee amendments Assembly, No. 2950.

This bill provides that a retiree under a State-administered retirement system who is also receiving a pension based on public employment in another state and who was ineligible for enrollment in a State-administered retirement system prior to September 10, 1991 because of eligibility to receive a pension based on public employment in another state may apply, within 180 days of the effective date of this act, to the board of trustees of the retirement system to purchase up to 10 years of credit for the service which had been rendered in any position covered by the retirement system for which the person has received no credit. (September 10, 1991 was the date on which legislation took effect permitting retirees from out-of-state public pension systems to be enrolled in a New Jersey public pension fund.) The retiree may purchase all or a portion of the service credit by paying into the annuity savings fund the amount required by applying the factor, supplied by the actuary, as being applicable to the retiree's age at the time of the purchase to the highest annual compensation for service in this State for which contributions were made during any prior fiscal year of membership. A retiree shall not be liable for any costs associated with the financing of pension adjustment benefits and health care benefits for retirees when purchasing service credit. The purchase shall be made in a lump sum and the retiree's retirement allowance shall be recalculated to reflect the purchased service credit.

The legislation is to expire 181 days following enactment.

COMMITTEE AMENDMENTS

The committee adopted technical amendments to clarify references to the enrollment status of retirees from other-state public pension funds prior to the enactment of the remedial legislation of 1991.