

CHAPTER 404

AN ACT concerning retirement benefits for certain State employees.

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

1. Notwithstanding any provision to the contrary of subsection b. of section 41 of P.L.1954, c.84 (C.43:15A-41) or subsection b. of section 6 of P.L.1996, c.8 (C.52:14-17.28b), a State employee member of the Public Employees' Retirement System of New Jersey, hereinafter referred to as PERS, who shall have been employed in an institution in the Department of Human Services during any part of the period commencing June 12, 1997 and ending February 15, 1998, may retire under the provisions of subsection b. of section 41 of P.L.1954, c.84 and receive paid health benefits for the retired employee and that employee's dependents, but not including survivors, under paragraph (2) of subsection b. of section 6 of P.L.1996, c.8, if the employee:
 - a. on or before February 15, 1998, files an application to retire;
 - b. retires on or before July 1, 1998; and
 - c. at the time of retirement, has attained 55 years of age and has accrued 22 or more years of service credit under the retirement system. For purposes of this act, "State employee" means a full-time employee eligible to participate in the New Jersey State Health Benefits Program.
2. A State employee who receives a benefit under this act shall forfeit all tenure rights.
3. A State employee retiring under PERS under this act who has not repaid the full amount of a loan from the retirement system by the effective date of retirement may repay the loan through deductions from the member's retirement benefit payments in the same monthly amount which was deducted from the member's compensation immediately preceding retirement until the balance of the amount borrowed together with interest at the statutory rate is repaid. If the retiree dies before the outstanding balance of the loan and interest is repaid, the remaining amount shall be repaid as provided in section 2 of P.L.1981, c.55 (C.43:15A-34.1).
4. A State employee purchasing service credit on or after the effective date of this act to qualify for a benefit under this act may purchase a portion of the credit which the employee is eligible to purchase.
5. This act shall take effect immediately.

Approved January 19, 1998.