

CHAPTER 43

AN ACT concerning the purchase of service credit for public employment with certain municipalities or counties in this State by certain members of the Police and Firemen's Retirement System and supplementing P.L.1944, c.255 (C.43:16A-1 et seq.).

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

C.43:16A-11.12 Service credit in PFRS for local service; purchase.

1. A member of the Police and Firemen's Retirement System who had established service credit in a municipal or county retirement system or pension fund in this State and who is ineligible to transfer the service credit to the retirement system may file a detailed statement of public employment with the municipality or county rendered prior to becoming a member for which the member desires credit and of such other facts as the retirement system may require. The member may purchase credit for all of the service evidenced in the statement up to the nearest number of years and months. No application shall be accepted for the purchase of credit for the service if, at the time of the application, the member has a vested right to retirement benefits in the municipal or county retirement system or pension fund based in whole or in part upon that service.

The member may purchase credit for the service by paying into the annuity savings fund the amount required by applying the factor, supplied by the actuary as being applicable to the member's age at the time of the purchase, to the member's salary at that time, or to the highest annual compensation for service in this State for which contributions were made during any prior fiscal year of membership, whichever is greater. The purchase may be made in lump sum or in regular installments, equal to at least 1/2 of the full normal contribution to the retirement system, over a maximum period of 10 years. A member who applies to purchase credit for the service shall pay the full cost attributable to the increased benefits to be derived from the purchased credit in accordance with the actuarial method used to determine the cost at the time of the purchase. A member shall not be liable for any costs associated with the financing of pension adjustment benefits and health care benefits for retirees when purchasing credit.

Any member electing to purchase the service who retires prior to completing payments as agreed with the retirement system will receive pro rata credit for service purchased prior to the date of retirement, but if the member so elects at the time of retirement, the member may make the additional lump sum payment required at that time to provide full credit.

2. This act shall take effect immediately.

Approved March 27, 1997.