

SENATE, No. 562

STATE OF NEW JERSEY

INTRODUCED JANUARY 29, 1996

By Senator BENNETT

1 AN ACT concerning the purchase of prior service credit by certain
2 members of the Public Employees' Retirement System.

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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. Notwithstanding the provisions of any other law, rule, or
8 regulation to the contrary, a member of the Public Employees'
9 Retirement System whose employer is a regional high school district
10 board of education in a county of the fifth class with a population
11 greater than 500,000 according to the most recent federal decennial
12 census and who was enrolled as a member during 1975 but was
13 eligible to have been enrolled as of July 1, 1966 may purchase credit
14 for the service between July 1, 1966 and the date of enrollment in
15 1975 by paying into the annuity savings fund the amount required by
16 applying the factor, supplied by the actuary, as being applicable to the
17 member's age as of July 1, 1966 to the member's salary at that time.
18 The purchase may be made in regular installments, equal to at least
19 one-half the full normal contribution to the retirement system, over a
20 maximum period of 10 years. The State shall be liable for any
21 remaining payment to the retirement system necessary to pay the full
22 cost of the purchase of credit for this service. The application to the
23 retirement system for the purchase of such service shall be made no
24 later than the 90th day after the effective date of this act.

25 Any member electing to purchase this service who retires prior to
26 completing payments as agreed with the retirement system will receive
27 pro rata credit for service purchased prior to the date of retirement,
28 but if the member so elects at the time of retirement, the member may
29 make such additional lump sum payment at that time as will be
30 necessary to provide full credit.

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32 2. This act shall take effect immediately.

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STATEMENT

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37 This bill permits a member of the Public Employees' Retirement

1 System whose employer is a regional high school district board of
2 education in a county of the fifth class with a population greater than
3 500,000 according to the most recent federal decennial census and
4 who was enrolled as a member during 1975 but was eligible to have
5 been enrolled as of July 1, 1966 to purchase credit for the service
6 between July 1, 1966 and the date of enrollment in 1975 by paying into
7 the annuity savings fund the amount required by applying the factor,
8 supplied by the actuary, as being applicable to the member's age as of
9 July 1, 1966 to the member's salary at that time. The State shall be
10 liable for any remaining payment to the retirement system necessary to
11 pay the full cost of the purchase of credit for this service. The
12 application to the retirement system for the purchase of such service
13 shall be made no later than the 90th day after the effective date of this
14 act.

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Permits purchase of prior service credit by certain members of PERS.