

SENATE STATE MANAGEMENT, INVESTMENT AND
FINANCIAL INSTITUTIONS COMMITTEE

STATEMENT TO

SENATE, No. 669

with committee amendments

STATE OF NEW JERSEY

DATED: NOVEMBER 25, 1996

The Senate State Management, Investment and Financial Institutions Committee reports favorably and with committee amendments Senate, No. 669.

This bill provides that all persons employed on the date on which the bill takes effect as law as inspectors by the Alcoholic Beverage Control Enforcement Bureau, members of the State Capitol Police Force, and marine law enforcement officers in the Bureau of Marine Law Enforcement may become members of the Division of State Police and of the State Police Retirement System (SPRS), provided they meet certain requirements. The requirements are that the inspector, member, or officer must (1) be between 18 and 55 years of age, (2) satisfy the health and physical fitness standards applicable to members of the State Police, and (3) have rendered performance as an inspector, member, or officer that demonstrates to the satisfaction of the Superintendent of State Police the character and ability to perform the duties of a member of the State Police. These persons would become members of the State Police, with all the powers, rights, privileges and benefits of State Police officers. An alcoholic beverage control inspector, State Capitol Police Force member, or marine law enforcement officer who does not become a member of the Division of State Police and elects to continue employment with the Department of Law and Public Safety or with another principal department shall, consistent with the operational needs of the Division of State Police and the appropriate department, be transferred without loss of salary or pension to the position of investigator or any other position deemed appropriate by the Attorney General or the head of such other principal department, in consultation with the Commissioner of Personnel, and shall continue membership in the Police and Firemen's Retirement System (PFRS).

In the Alcoholic Beverage Control Enforcement Bureau, the specific positions covered by this legislation are those of supervising inspector, principal inspector, senior inspector, and inspector recruit. In the Bureau of Marine Law Enforcement, the specific positions

covered are those of principal marine law enforcement officer, senior marine law enforcement officer, and marine law enforcement officer.

A person eligible under the bill to become a member of the State Police shall be appointed for a period of two years. Upon satisfactory completion of that two years' service, the person shall serve as a State Police member continuously thereafter during good behavior.

For purposes of determining seniority of service, a person becoming a member of the State Police under the bill shall be deemed to have been hired on the date on which the bill takes effect as law. The person's salary shall be fixed by the State Police Superintendent at an amount approximately equivalent to the person's final salary in the prior position, less any "maintenance allowance" to be allowed the person as a member of the State Police. The person's rank shall also be assigned by the Superintendent based on the individual's salary, qualifications and duties.

For persons becoming members of the State Police under the bill, their service credit in the Public Employees' Retirement System (PERS) or the Police and Firemen's Retirement System (PFRS) as an alcoholic beverage control inspector, State Capitol Police Force member, or marine law enforcement officer shall be transferred to the SPRS. Any other service credit established in PERS or PFRS shall be included in the computation of an SPRS retirement allowance on the basis of 1% of final compensation for each year of such service credit, except that for any transferred officer who, as a result of the mandatory retirement rule under that system, is required to retire with less than 20 years of creditable service in the system, "an amount of service credit transferred or purchased . . . which when added to the amount of creditable service in the retirement system equals 20 years shall be considered creditable service in the retirement system."

PFRS and PERS shall remit to SPRS employee and employer contributions standing to the credit of a transferred inspector, member or officer. If the transferred contributions are insufficient to fund the SPRS liability created by the transfer of service credit, the employer (i.e., the State) shall be liable for the amount of the deficiency.

According to the fiscal note to a companion bill, A-1451 (2R), the "Division of State Police estimates that 162 persons (24 ABC inspectors, 134 Marine Police officers and 4 State Capitol police officers) would be eligible to transfer to the Division of State Police. The division estimates that 115, or approximately 70 percent, of these persons would qualify to transfer based on recent medical examinations and a review of each eligible person's age." It is estimated that the first-year cost of this bill is approximately \$787,636. This estimate includes \$287,118 in additional salary and equipment costs, plus \$835,181 in additional pension costs, less \$334,663 in reduced employer Social Security contributions.

A similar bill, A-116 of last session, was approved by the Pension and Health Benefits Review Commission.

COMMITTEE AMENDMENTS

The committee adopted amendments to conform the bill to A-1451 (2R). The amendments:

- (1) establish explicitly that the transfer of an officer to the State Police shall be at the option of the officer;
- (2) eliminate the provision crediting a transferring officer with up to seven years' seniority in the Division of State Police;
- (3) provide for the assignment of non-transferring officers to appropriate positions without loss of salary or pension; and
- (4) provide that transferring officers who are required to retire with less than 20 years of creditable service in SPRS shall receive SPRS credit for certain transferred or purchased service credit in PFRS or PERS so that the transferring officer receives a retirement allowance based upon 20 years of creditable service in SPRS.