

SENATE, No. 1099

STATE OF NEW JERSEY

INTRODUCED MAY 9, 1996

By Senator BENNETT

1 AN ACT concerning the New Jersey State Employees Deferred
2 Compensation Plan and supplementing P.L.1978, c.39 (C.52:18A-
3 163 et seq.).

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

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8 1. In addition to the investment options offered by the New Jersey
9 State Employees Deferred Compensation Board, the New Jersey State
10 Employees Deferred Compensation Plan shall include as investment
11 options the insurers or mutual fund companies designated pursuant to
12 section 3 of P.L.1993, c.385 (C.18A:66-172.1) to provide investment
13 contracts under the alternate benefit program. A State employee who
14 enters into a written agreement to have a portion of the employee's
15 salary deferred and deducted each payroll period pursuant to section
16 3 of P.L.1978, c.39 (C.52:18A-165) may:

17 a. elect to allocate all or a portion of the amount deferred and
18 deducted from the employee's salary to an account with one or more
19 of the designated insurers or mutual fund companies or to an
20 investment option offered by the board; and

21 b. direct the transfer of: (1) all or a portion of the employee's
22 accumulated deferred compensation funds invested with any of the
23 designated insurers or mutual fund companies to another of those
24 insurers or mutual fund companies or to any of the investment options
25 offered by the board, and (2) all or a portion of the employee's
26 accumulated deferred compensation funds invested in any of the
27 investment options offered by the board to any of the designated
28 insurers or mutual fund companies.

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30 2. The designated insurers or mutual fund companies shall be
31 authorized by the board to receive all or a portion of an employee's
32 accumulated deferred compensation funds and all or a portion of the
33 amount deferred and deducted from an employee's salary within 90
34 days after the effective date of this act.

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36 3. The New Jersey State Employees Deferred Compensation Board
37 shall promulgate rules and regulations in accordance with the

1 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.)
2 to effectuate the purposes of this act.

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4 4. This act shall take effect immediately.

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STATEMENT

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9 The purpose of this bill is to provide State employees who
10 participate in the New Jersey State Employees Deferred Compensation
11 Plan with additional investment options. It provides that in addition
12 to the investment options offered by the New Jersey State Employees
13 Deferred Compensation Board, the plan shall include as investment
14 options the insurers or mutual fund companies designated to provide
15 investment contracts under the alternate benefit program. A State
16 employee may elect to allocate all or a portion of the amount deferred
17 and deducted from the employee's salary to an account with one or
18 more of the designated insurers or mutual fund companies or to an
19 investment option offered by the board. A State employee may also
20 direct the transfer of: (1) all or a portion of the employee's
21 accumulated deferred compensation funds invested with any of the
22 designated insurers or mutual fund companies to another of those
23 insurers or mutual fund companies or to any of the investment options
24 offered by the board, and (2) all or a portion of the employee's
25 accumulated deferred compensation funds invested in any of the
26 investment options offered by the board to any of the designated
27 insurers or mutual fund companies.

28 At present, State employees may only choose among a State-
29 administered bond fund, equity fund and money market fund even
30 though the law establishing the deferred compensation plan allows for
31 other investment options such as group annuity programs and mutual
32 funds. It should also be noted that the ability to choose an alternate
33 vendor would provide employees with additional pay-out options at
34 the time of retirement as well as additional investment options while
35 working.

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40 Provides State employees with additional deferred compensation plan
41 choices.