

SENATE, No. 1152

STATE OF NEW JERSEY

INTRODUCED MAY 16, 1996

By Senator KOSCO

1 AN ACT concerning certain retired members of the Public Employees'
2 Retirement System of New Jersey and amending P.L.1954, c.84 and
3 P.L.1966, c.217.

4
5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*

7
8 1. Section 7 of P.L.1954, c.84 (C.43:15A-7) is amended to read as
9 follows:

10 7. There is hereby established the Public Employees' Retirement
11 System of New Jersey in the Division of Pensions of the Department
12 of the Treasury. The membership of the retirement system shall
13 include:

14 a. The members of the former "State Employees' Retirement
15 System of New Jersey" enrolled as such as of December 30, 1954,
16 who shall not have claimed for refund their accumulated deductions in
17 said system as provided in this section;

18 b. Any person becoming an employee of the State or other
19 employer after January 2, 1955 and every veteran, other than a retired
20 member who returns to service pursuant to subsection b. of section 27
21 of P.L.1966, c.217 (C.43:15A-57.2) and other than those whose
22 appointments are seasonal, becoming an employee of the State or
23 other employer after such date, including a temporary employee with
24 at least one year's continuous service; and

25 c. Every employee veteran in the employ of the State or other
26 employer on January 2, 1955, who is not a member of any retirement
27 system supported wholly or partly by the State.

28 d. Membership in the retirement system shall be optional for
29 elected officials other than veterans, and for school crossing guards,
30 who having become eligible for benefits under other pension systems
31 are so employed on a part-time basis. Any such part-time school
32 crossing guard who is eligible for benefits under any other pension
33 system and who was hired as a part-time school crossing guard prior
34 to March 4, 1976, may at any time terminate his membership in the

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

1 retirement system by making an application in writing to the board of
2 trustees of the retirement system. Upon receiving such application,
3 the board of trustees shall terminate his enrollment in the system and
4 direct the employer to cease accepting contributions from the member
5 or deducting from the compensation paid to the member. State
6 employees who become members of any other retirement system
7 supported wholly or partly by the State as a condition of employment
8 shall not be eligible for membership in this retirement system.
9 Notwithstanding any other law to the contrary, all other persons
10 accepting employment in the service of the State shall be required to
11 enroll in the retirement system as a condition of their employment,
12 regardless of age. No person in employment, office or position, for
13 which the annual salary or remuneration is fixed at less than
14 \$1,500.00, shall be eligible to become a member of the retirement
15 system.

16 e. Membership of any person in the retirement system shall cease
17 if he shall discontinue his service for more than two consecutive years.

18 f. The accumulated deductions of the members of the former "State
19 Employees' Retirement System" which have been set aside in a trust
20 fund designated as Fund A as provided in section 5 of this act and
21 which have not been claimed for refund prior to February 1, 1955 shall
22 be transferred from said Fund A to the Annuity Savings Fund of the
23 Retirement System, provided for in section 25 of this act. Each
24 member whose accumulated deductions are so transferred shall receive
25 the same prior service credit, pension credit, and membership credit in
26 the retirement system as he previously had in the former "State
27 Employees' Retirement System" and shall have such accumulated
28 deductions credited to his individual account in the Annuity Savings
29 Fund. Any outstanding obligations of such member shall be continued.

30 g. Any school crossing guard electing to terminate his membership
31 in the retirement system pursuant to subsection d. of this section shall,
32 upon his request, receive a refund of his accumulated deductions as of
33 the date of his appointment to the position of school crossing guard.
34 Such refund of contributions shall serve as a waiver of all benefits
35 payable to the employee, to his dependent or dependents, or to any of
36 his beneficiaries under the retirement system.

37 h. A temporary employee who is employed under the federal Job
38 Training Partnership Act, Pub.L.97-300 (29 U.S.C.{1501) shall not be
39 eligible for membership in the system. Membership for temporary
40 employees employed under the federal Job Training Partnership Act,
41 Pub.L.97-300 (29 U.S.C.{1501) who are in the system on [the
42 effective date of this 1986 amendatory act] September 19, 1986 shall
43 be terminated, and affected employees shall receive a refund of their
44 accumulated deductions as of the date of commencement of
45 employment in a federal Job Training Partnership Act program. Such
46 refund of contributions shall serve as a waiver of all benefits payable

1 to the employee, to his dependent or dependents, or to any of his
2 beneficiaries under the retirement system.

3 (cf: P.L.1986, c.139, s.1)

4

5 2. Section 27 of P.L.1966, 217 (C.43:15A-57.2) is amended to
6 read as follows:

7 27. [If] a. Except as provided in subsection b. of this section, if
8 a former member of the State Employees' Retirement System or the
9 retirement system, who has been granted a retirement allowance for
10 any cause other than disability, becomes employed again in a position
11 which makes him eligible to be a member of the retirement system, his
12 retirement allowance and the right to any death benefit as a result of
13 his former membership, shall be canceled until he again retires.

14 Such person shall be re-enrolled in the retirement system and shall
15 contribute thereto at a rate based on his age at the time of
16 re-enrollment. Such person shall be treated as an active member for
17 determining disability or death benefits while in service and no benefits
18 pursuant to an optional selection with respect to his former
19 membership shall be paid if his death shall occur during the period of
20 such re-enrollment.

21 Upon subsequent retirement of such member, his former retirement
22 allowance shall be reinstated together with any optional selection,
23 based on his former membership. In addition, he shall receive an
24 additional retirement allowance based on his subsequent service as a
25 member computed in accordance with applicable provisions of chapter
26 84 of the laws of 1954; provided, however, that his total retirement
27 allowance upon such subsequent retirement shall not be a greater
28 proportion of his final compensation than the proportion to which he
29 would have been entitled had he remained in service during the period
30 of his prior retirement. Any death benefit to which such member shall
31 be eligible shall be based on his latest retirement, but shall not be less
32 than the death benefit that was applicable to his former retirement.

33 b. The cancellation, re-enrollment, and additional retirement
34 allowance provisions of subsection a. of this section shall not apply to
35 a former member of the retirement system who, after having been
36 granted a retirement allowance, becomes employed again by an
37 employer in a position for which the compensation does not exceed
38 \$10,000 per year.

39 (cf: P.L.1971, c.213, s.45)

40

41 3. This act shall take effect immediately.

42

43

44

STATEMENT

45

46 This bill would allow a retired member of the Public Employees'

1 Retirement System (PERS) to accept employment in a position
2 covered by the retirement system without being subject to cancellation
3 of retirement benefits and reenrollment in the system, provided the
4 person's annual compensation from the position does not exceed
5 \$10,000. Neither the individual nor the employer would be required
6 to contribute to the retirement system with respect to the new
7 employment.

8

9

10

11

12 Allows PERS retiree to resume employment covered by former
13 retirement system without suspension of benefits if annual
14 compensation does not exceed \$10,000.