

SENATE, No. 2019

STATE OF NEW JERSEY

INTRODUCED APRIL 21, 1997

By Senator CODEY

1 AN ACT concerning the Judicial Retirement System of New Jersey and
2 supplementing P.L.1973, c.140 (C.43:6A-1 et seq.).

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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. Any member who, having served at least five but less than 10
8 years as a judge of the several courts, is retired in accordance with the
9 provisions of section 7 of P.L.1973, c.140 (C.43:6A-7) upon reaching
10 the age of 70 years shall receive a retirement allowance consisting of
11 an annuity which shall be the actuarial equivalent of the member's
12 accumulated deductions together with regular interest, and a pension
13 which, when added to the member's annuity, will provide a retirement
14 allowance during the remainder of the member's life in an amount
15 equal to 37½% of the member's final salary plus 7½% of the member's
16 final salary multiplied by the number of years of creditable service as
17 a judge over five years but not over 10 years, including service for
18 which credit under the retirement system shall have been purchased
19 under section 2 of P.L. , c. (C.) (now pending before
20 the Legislature as this bill).

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22 2. a. Any member of the retirement system to whom the provisions
23 of section 1 of P.L. , c. (C.) (now pending before the
24 Legislature as this bill) apply shall, for the purposes of determining the
25 amount of any retirement allowance under that section 1, be credited
26 under the retirement system with service as a judge for all or a portion
27 of the service that the member shall have rendered prior to becoming
28 a judge in any other office, position, or employment of this State or of
29 a county, municipality, board of education or public agency of this
30 State, if the member agrees with the retirement system to purchase
31 such judicial service credit for the service in such other office,
32 position, or employment by paying into the annuity savings fund the
33 amount required by applying the factor, supplied by the actuary as
34 being applicable to the member's age at the time of the purchase, to the
35 member's salary at that time. The purchase may be made in regular
36 installments over a maximum period to be determined by the State
37 House Commission. A member electing to purchase the service who

1 retires prior to completing payments as agreed with the retirement
2 system will receive pro rata credit for service purchased prior to the
3 date of retirement, but if the member so elects at the time of
4 retirement, the member may make the additional lump sum payment
5 required at that time to provide full credit. The State shall not be
6 liable for any payment to the retirement system on behalf of the
7 member for the purchase hereunder of such credit.

8 b. (1) If the member shall previously have established credit in the
9 retirement system for service other than service as a judge of the
10 several courts pursuant to the transfer of credit for such service under
11 the provisions of subsection d. of section 14 of P.L.1973, c.140
12 (C.43:6A-14), the amounts remitted under subsection e. of that section
13 14 in connection with that transfer, with regular interest, shall be
14 credited against the member's liability for the cost of purchasing
15 service under the provisions of subsection a. of this section.

16 (2) If the member shall previously have established credit in the
17 retirement system for service other than service as a judge of the
18 several courts pursuant to the purchase thereof under the provisions
19 of section 25 of P.L.1981, c.470 (C.43:6A-14.2), the amount of any
20 payment that the member shall have made for the purchase of that
21 credit under subsection a. of that section 25 and the amount of any
22 payment of the employer's accrued liability obligation in connection
23 with that purchase that the State shall have made under subsection b.
24 of that section 25, with regular interest, shall be credited against the
25 member's liability for the cost of purchasing service under the
26 provisions of subsection a. of this section.

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28 3. This act shall take effect immediately.
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31 STATEMENT 32

33 This bill concerns the amount of the pension payable to a member
34 of the Judicial Retirement System (JRS) who, having served at least
35 five years as a judge, is required to retire upon attaining age 70 (the
36 mandatory retirement age for judges).

37 Under present law, a JRS member who has served 10 years as a
38 judge and attained age 70, or 15 years as a judge and attained age 65,
39 or 20 years as a judge and attained age 60, qualifies for a pension
40 equal to 75% of the member's final salary. A member who has attained
41 age 65 and has at least five years of service as a judge and 15 years in
42 the aggregate of public service, or has attained age 60 and has at least
43 five years of service as a judge and 20 years in the aggregate of public
44 service, qualifies for a pension equal to 50% of the member's final
45 salary.

46 Under the bill, a JRS member who has at least five years as a judge

1 and has attained age 70 shall be entitled to a pension in an amount
2 equal to 37½% of the member's final salary plus 7½% of the member's
3 final salary for each year of creditable service as a judge over five
4 years but not over 10 years. In addition, the bill provides that if such
5 a member rendered other public service prior to becoming a judge, that
6 member shall be allowed, for purposes of establishing the amount of
7 the pension, to purchase judicial service credit in JRS for that other
8 public service. The member would be liable for the entire cost of the
9 purchase, subject to the allowance of a setoff against that liability for
10 the value of moneys paid to JRS in connection with either the transfer
11 from another public retirement system of non-judicial credit for the
12 service at the time of the person's enrollment in JRS or the purchase
13 of such credit for the service after such enrollment.

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19 Increases pension payable to JRS member with more than five but less
20 than 10 years' service mandatorily retired for age; allows such member
to purchase certain JRS credit.