

SENATE LAW AND PUBLIC SAFETY COMMITTEE

STATEMENT TO

SENATE, No. 2072

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 16, 1997

The Senate Law and Public Safety Committee reports favorably and with committee amendments Senate Bill No. 2072.

This bill permits certain members of the Police and Firemen's Retirement System (PFRS) to continue in service with the employer past the regular PFRS mandatory retirement age of 65.

A section of the federal Age Discrimination in Employment Act of 1967 allowing a state or political subdivision of a state to impose a maximum hiring age or a mandatory retirement age with respect to firefighters and law enforcement officers was repealed on December 31, 1993. On September 30, 1996, the Age Discrimination in Employment Amendments of 1996 took effect, reenacting the provision repealed in 1993 and thus permitting reinstatement of the regular PFRS mandatory retirement age of 65. Since December 31, 1993, firefighters and law enforcement officers in New Jersey have been able to continue their PFRS-covered employment beyond age 65, but will no longer be able to do so once the State, in accordance with the PFRS statute, reimposes the age restriction as permitted under the 1996 federal amendments. The Attorney General has directed that the mandatory retirement age of 65 shall be reimposed effective July 1, 1997.

Under the bill:

(1) Any PFRS member in service when the bill is enacted who does not have 25 years of creditable service could continue as a member after attaining age 65 until either the member establishes 25 years of creditable service in the system or until attainment of age 70, whichever occurs first;

(2) A local government employer of policemen could authorize its PFRS-covered policeman employees who, at the time of the reinstatement of the mandatory retirement age of 65, have established at least 25 years of creditable service and who attain or shall have attained age 65 on or before December 31, 1998 to continue employment with the employer and enrollment in the PFRS until January 1, 1999; and

(3) Civil service eligibility lists for PFRS-covered police positions

in jurisdictions adopting the "local option" that are in effect at the time of enactment of the legislation or that come into effect thereafter and before December 31, 1998 shall not expire or be cancelled prior to February 1, 1999.

At the March 14, 1997 meeting of the Pension and Health Benefits Review Commission, the commission reviewed this legislation but decided to offer no recommendation on the bill "because it deems [mandatory retirement] to be a personnel issue and not a pension issue."

The committee adopted amendments to this bill to (1) incorporate the provision allowing PFRS members who have not accrued 25 years of service on the date on which the bill takes effect as law to remain in service after age 65 until they have accrued 25 years or turned age 70, whichever occurs first; (2) restrict coverage of the "local option" exemption from mandatory retirement to police officers with at least 25 years of service who will be 65 years of age by December 31, 1998, and provide that the exemption shall expire, not when the members attain age 70, but rather on January 1, 1999; and (3) add the provision concerning police officer eligibility lists in political subdivisions that adopt the "local option."

As amended and released by the committee, this bill is identical to Assembly Bill No. 2574 (1R).