

SENATE STATE MANAGEMENT, INVESTMENT AND
FINANCIAL INSTITUTIONS COMMITTEE

STATEMENT TO

SENATE, No. 2117

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 15, 1997

The Senate State Management, Investment and Financial Institutions Committee reports favorably and with committee amendments Senate Bill No. 2117.

This bill provides that a retiree under a State-administered retirement system who is also receiving a pension based on public employment in another state and who was ineligible for enrollment in a State-administered retirement system prior to September 10, 1991 because of eligibility to receive a pension based on public employment in another state may apply, within 30 days of the effective date of this act, to the board of trustees of the retirement system to purchase up to 10 years of credit for the service which had been rendered in any position covered by the retirement system for which the person has received no credit. (September 10, 1991 was the date on which P.L.1991, c.276 took effect permitting pension fund members who were retirees from out-of-state public pension systems to be enrolled in a State-administered retirement system and to purchase credit for prior service.) The retiree may purchase all or a portion of the previously unpurchased service credit by paying into the annuity savings fund the amount required by applying the factor, supplied by the actuary, as being applicable to the retiree's age at the time of the purchase to the highest annual compensation for service in this State for which contributions were made during any prior fiscal year of membership. A retiree shall not be liable for any costs associated with the financing of pension adjustment benefits and health care benefits for retirees when purchasing service credit. The purchase shall be made in a lump sum and the retiree's retirement allowance shall be recalculated to reflect the purchased service credit.

The legislation shall expire 31 days following enactment.

COMMITTEE AMENDMENTS

The committee amended the bill to: (1) specify its applicability to retirees who were ineligible for enrollment in a State-administered retirement system prior to September 10, 1991; and (2) provide that the retiree must purchase the service credit within 30 days, rather than 180 days, of the effective date of the act.