

SENATE, No. 2362

STATE OF NEW JERSEY

INTRODUCED DECEMBER 18, 1997

By Senator BENNETT

1 AN ACT concerning retirement benefits for certain State employees.

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3 BE IT ENACTED by the Senate and General Assembly of the State  
4 of New Jersey:

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6 1. Notwithstanding any provision to the contrary of subsection b.  
7 of section 41 of P.L.1954, c.84 (C.43:15A-41) or subsection b. of  
8 section 6 of P.L.1996, c.8 (C.52:14-17.28b), a State employee  
9 member of the Public Employees' Retirement System of New Jersey,  
10 hereinafter referred to as PERS, who shall have been employed in an  
11 institution in the Department of Human Services during any part of the  
12 period commencing June 12, 1997 and ending February 15, 1998, may  
13 retire under the provisions of subsection b. of section 41 of P.L.1954,  
14 c.84 and receive paid health benefits for the retired employee and that  
15 employee's dependents, but not including survivors, under paragraph  
16 (2) of subsection b. of section 6 of P.L.1996, c.8, if the employee:

17 a. on or before February 15, 1998, files an application to retire;

18 b. retires on or before July 1, 1998; and

19 c. at the time of retirement, has attained 55 years of age and has  
20 accrued 22 or more years of service credit under the retirement  
21 system. For purposes of this act, "State employee" means a full-time  
22 employee eligible to participate in the New Jersey State Health  
23 Benefits Program.

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25 2. A State employee who receives a benefit under this act shall  
26 forfeit all tenure rights.

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28 3. A State employee retiring under PERS under this act who has  
29 not repaid the full amount of a loan from the retirement system by the  
30 effective date of retirement may repay the loan through deductions  
31 from the member's retirement benefit payments in the same monthly  
32 amount which was deducted from the member's compensation  
33 immediately preceding retirement until the balance of the amount  
34 borrowed together with interest at the statutory rate is repaid. If the  
35 retiree dies before the outstanding balance of the loan and interest is  
36 repaid, the remaining amount shall be repaid as provided in section 2  
37 of P.L.1981, c.55 (C.43:15A-34.1).

1       4. A State employee purchasing service credit on or after the  
2 effective date of this act to qualify for a benefit under this act may  
3 purchase a portion of the credit which the employee is eligible to  
4 purchase.

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6       5. This act shall take effect immediately.

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STATEMENT

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11       This bill permits a State employee member of the Public Employees'  
12 Retirement System (PERS) who was or is employed in an institution  
13 in the Department of Human Services during any part of the period  
14 commencing June 12, 1997 and ending February 15, 1998, to retire  
15 under the early retirement provisions of the PERS law, that is, before  
16 age 60, and to receive in retirement full- or part-paid health benefits  
17 under the State Health Benefits Program if the employee (1) on or  
18 before February 15, 1998, applies to retire, (2) retires on or before  
19 July 1, 1998, and (3) at the time of retirement, has attained 55 years  
20 of age and accrued at least 22 years of service credit under PERS.

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26 Authorizes early retirement for certain State employees of DHS  
institutions; provides paid SHBP benefits for such retirees.