

ASSEMBLY, No. 4687

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED SEPTEMBER 21, 2020

Sponsored by:

Assemblyman ANTHONY S. VERRELLI

District 15 (Hunterdon and Mercer)

Assemblyman DANIEL R. BENSON

District 14 (Mercer and Middlesex)

SYNOPSIS

Provides service credit in PERS for former members of certain transit pension system.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 9/21/2020)

1 AN ACT concerning service credit for certain public employees in
2 the Public Employees' Retirement System and amending
3 P.L.1954, c.84.

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

7
8 1. Section 39 of P.L.1954, c.84 (C.43:15A-39) is amended to
9 read as follows:

10 39. a. In computing for retirement purposes the total service of
11 a member about to be retired, the retirement system shall credit the
12 member with the time of all service rendered by the member since
13 that member's last enrollment, and in addition with all the service to
14 which the member is entitled and with no other service. Except as
15 otherwise provided in this act, this service credit shall be final and
16 conclusive for retirement purposes unless the member shall
17 discontinue service for more than two consecutive years. In the case
18 of a member for whom compensation is defined in paragraph (2) of
19 subsection r. of section 6 of P.L.1954, c.84 (C.43:15A-6), the
20 retirement system shall credit the member with the time of all
21 service rendered by the member during the part of any year that the
22 member was a participant of the Defined Contribution Retirement
23 Program, pursuant to paragraph (5) of subsection a. of section 2 of
24 P.L.2007, c.92 (C.43:15C-2) as amended by section 12 of P.L.2007,
25 c.103, and making contributions to that program.

26 For the purpose of computing service for retirement purposes,
27 the board shall fix and determine by appropriate rules and
28 regulations how much service in any year shall equal a year of
29 service and a part of a year of service. Not more than one year shall
30 be credited for all service in a calendar year. A member may
31 purchase credit for time during which the member shall have been
32 absent on an official leave without pay. The credit shall be
33 purchased for a period of time equal to:

34 (1) three months or the duration of the leave, whichever is less;
35 or

36 (2) if the leave was due to the member's personal illness, two
37 years or the duration of the leave, whichever is less; or

38 (3) the period of leave that is specifically allowed for retirement
39 purposes by the provisions of any law of this State.

40 The purchase shall be made in the same manner and be subject to
41 the same terms and conditions provided for the purchase of previous
42 membership service credit by section 8 of P.L.1954, c.84
43 (C.43:15A-8). In computing the service or in computing final
44 compensation, no time during which a member was in employment,
45 office, or position for which the annual salary or remuneration was

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

Matter underlined thus is new matter.

1 fixed at less than \$500.00 in the case of service rendered prior to
2 November 6, 1986, or for which the annual salary or remuneration,
3 or the number of hours of work, is fixed at less than that which was
4 required for membership pursuant to section 7 of P.L.1954, c.84
5 (C.43:15A-7) as applicable to the member in the case of service
6 rendered on or after that date, shall be credited. In computing the
7 service or in computing final compensation, no time during which a
8 member was in employment, office, or position for which the hours
9 of work were fewer per week than those required for membership
10 pursuant to subsection d. of section 7 of P.L.1954, c.84 (C.43:15A-
11 7) after the effective date of P.L.2010, c.1 shall be credited, unless
12 the member shall have been a member since that effective date
13 continuously. In the case of a veteran member credit shall be given
14 for service rendered prior to January 2, 1955, in an employment,
15 office or position if the annual salary or remuneration therefor was
16 fixed at not less than \$300.00 and such service consisted of the
17 performance of the full duties of the employment, office or position.

18 b. An active member of the retirement system who was a
19 member of the Transit Employees' Retirement Program of the New
20 Jersey Transit Corporation, created and established pursuant to the
21 "New Jersey Public Transportation Act of 1979," P.L.1979, c.150
22 (C.27:25-1 et seq.), on or before July 30, 2006, shall be credited
23 with one year, and any part thereof, of service in the system for
24 each 3.5 years, and any part thereof, of service credited in that
25 program if the program transfers into the system all of the funds
26 from that program that represent each year, and part thereof, of
27 credited service in that program. Such transfer shall become
28 effective upon the remittance to the retirement system by that
29 program of all accumulated member's contributions, with interest,
30 standing to the credit of the member and of that portion of the
31 actuarial reserve accumulated on the member's account provided
32 for by contributions to the program from the employer. Such
33 transfers shall be made in accordance with and to the extent
34 permitted by State and federal law.

35 Upon the transfer, no additional contributions by the member or
36 a public employer shall be required for the service credited in the
37 system under this subsection.

38 Upon receipt of the remittance, the service credit accrued in the
39 program up to July 30, 2006 shall be credited in the system and
40 shall be used to meet any service credit requirement for benefits
41 under system.

42 If the member has withdrawn the member's contributions to the
43 program or if all the specified funds cannot be transferred from the
44 program to the system for any reason, the member shall not receive
45 any service credit pursuant to this subsection.

1 This subsection shall not apply if the member has a vested right
2 to retirement benefits in the program based in whole or in part upon
3 the service credited in that program.

4 (cf: P.L.2010, c.1, s.4)

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6 2. This act shall take effect immediately.

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STATEMENT

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11 Under this bill, a member of the Public Employees' Retirement
12 System (PERS) who was a member, on or before July 30, 2006, of
13 the Transit Employees' Retirement Program (TERP) of the New
14 Jersey Transit Corporation would be credited with one year of
15 service, or part thereof, in the PERS for each 3.5 years, or part
16 thereof, of service credit in the TERP if the member and employer
17 contributions are transferred from that program into the retirement
18 system for those years of credited service.