

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR ASSEMBLY, No. 4687

STATE OF NEW JERSEY

DATED: JUNE 16, 2021

The Assembly Appropriations Committee reports favorably Assembly Bill No. 4687 (ACS).

Under this bill, a member of the Public Employees' Retirement System (PERS) who was a member, on or before July 30, 2006, of the Transit Employees' Retirement Program (TERP) of the New Jersey Transit Corporation would receive service credit in the PERS for all years, and parts thereof, of credited service in the TERP. The member and the member's employer would not have to make contributions to the PERS for those years of TERP service credited in accordance with this bill. This provision would apply even if the member is eligible for or receiving a benefit under the TERP.

FISCAL IMPACT:

The Office of Legislative Services (OLS) concludes that this bill will result in an unfunded liability to the Public Employees' Retirement System (PERS) payable by the State or by local government employers participating in the PERS. An estimate of the unfunded liability is not available.

The bill requires that the additional service credit in the PERS be included to determine an employee's eligibility for the employer-paid health care benefits in retirement. This may result in additional cost for the State or a local government employer if an employee would otherwise not have been eligible for this post-retirement benefit.