

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO SENATE, No. 3685

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 17, 2021

The Senate Budget and Appropriations Committee reports favorably and with committee amendments Senate Bill No. 3685.

This bill would permit a teacher or a professional staff member providing special services who retired from the Teachers' Pension and Annuity Fund (TPAF) to return to work full time with a board of education in a position of critical need, as determined by the State Commissioner of Education, without being reenrolled in the TPAF if reemployment commences during the period of the state of emergency declared due to the COVID-19 pandemic. If the retired teacher or the retired professional staff member who provides special services returns to work with the former employer, it must occur more than 180 days after the retirement. This bill will permit the teacher or the professional staff member who provides special services to receive the TPAF retirement allowance as well as a salary. The bill permits the return to work under a contract for one year, which may be renewed only for one additional year. The total period of reemployment with any individual board of education must not exceed a two-year period, unless so approved by the Commissioner of Education as being in the best interests of the school district. Under the bill, the former member's retirement must have been a bona fide retirement and any employment or reemployment under the bill must not be prearranged before retirement.

Current law has a substantially similar provision to permit certain TPAF retirees to return to work with a board of education in a TPAF position as a certificated superintendent or certificated administrator for a limited period of time, without reenrollment in the TPAF.

COMMITTEE AMENDMENTS:

The committee amendments:

- add to the bill professional staff members who provide special services, including but not limited to a speech language specialist or a therapist, as those who would be permitted to return to employment after retirement from the Teachers' Pension and Annuity Fund (TPAF) without being reenrolled in the TPAF; and

- modify the limitation that the reemployment must commence during the period of the public health emergency and state of emergency declared due to the COVID-19 pandemic by removing the reference to the public health emergency.

FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates that if a school teacher or a professional staff member who provides special services returns to employment shortly after retirement without reenrolling in the Teachers' Pension and Annuity Fund (TPAF), the local school district may realize savings in health care costs for that employee because the retiree may be receiving, if eligible, State-paid coverage under the School Employees' Health Benefits Program (SEHBP) in retirement based on the former employment. When a retiree is reenrolled in the TPAF as required by current law upon becoming employed again after retirement, the State avoids this expense because health care benefits then become the responsibility of the board of education until the person again retires.

Because each qualified retiree is not reenrolled in the TPAF and, thus, does not receive an increase in retirement benefits for the additional service, the TPAF does not incur additional costs. Consequently, the State does not have to make contributions to the TPAF, which it otherwise would have to make for an employee in a TPAF-covered position.

There is no information available to indicate the number of TPAF retirees who would be reemployed; thus, a specific estimate of the potential cost or savings for the State and local boards of education cannot be made at this time.