

STATEMENT TO

SENATE, No. 17

with Assembly Floor Amendments
(Proposed By Assemblywoman POU)

ADOPTED: JANUARY 29, 2007

This amendment changes the provisions of subsection b. of section 20 of the bill to provide that a person who performs professional services for a political subdivision of this State or of a board of education, or of any agency, authority or instrumentality thereof, will not be eligible, on the basis of performance of those professional services, for membership in the Public Employees' Retirement System, if the person meets the definition of independent contractor as set forth in regulation or policy of the federal Internal Revenue Service for the purposes of the Internal Revenue Code. Such a person who is a member of the retirement system on the specified effective date for the section after enactment will not accrue service credit on the basis of that performance following the expiration of an agreement or contract in effect on that effective date. This provision will not affect an agreement or contract of employment in effect on that effective date, whether or not the agreement or contract specifically provides by its terms for membership in the retirement system. No renewal, extension, modification, or other agreement or action to continue any such agreement or contract in effect on that effective date beyond its current term will have the effect of continuing the membership of a person in the retirement system or continuing the accrual of service credit on the basis of performance of the agreement or contract.

In addition, this amendment adds sections 49 through 51 to prohibit elected officials, including members of the Legislature and county and municipal elected officials, from simultaneously holding another elective public office. The prohibition will not apply to an elected official who simultaneously holds more than one elective public office on and as long as service in the offices held is continuous following the sections' effective date of February 1, 2008.