

# SENATE, No. 3107

## STATE OF NEW JERSEY 216th LEGISLATURE

INTRODUCED JUNE 22, 2015

**Sponsored by:**

**Senator STEPHEN M. SWEENEY**

**District 3 (Cumberland, Gloucester and Salem)**

**Senator LINDA R. GREENSTEIN**

**District 14 (Mercer and Middlesex)**

**Assemblyman VINCENT PRIETO**

**District 32 (Bergen and Hudson)**

**Assemblyman TROY SINGLETON**

**District 7 (Burlington)**

**SYNOPSIS**

Makes FY 2015 supplemental State appropriations totaling \$300,000,000 for prepayment of portion of FY 2016 employer contributions to State-administered public employee defined benefit retirement systems.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 6/26/2015)**

1 **A SUPPLEMENT** to "An Act making appropriations for the support  
 2 of the State Government and the several public purposes for the  
 3 fiscal year ending June 30, 2015 and regulating the disbursement  
 4 thereof," approved June 30, 2014 (P.L.2014, c.14).

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

8  
 9 1. In addition to the amounts appropriated under P.L.2014, c.14, the annual  
 10 appropriations act for fiscal year 2015, there are appropriated out of the  
 11 General Fund the following sums for the purposes specified:  
 12

**94 INTERDEPARTMENTAL ACCOUNTS**

*70 Government Direction, Management, and Control*

*74 General Government Services*

*9410 Employee Benefits*

**DIRECT STATE SERVICES**

03-9410 Employee Benefits .....	\$98,533,000
Total Direct State Services Appropriation, Employee Benefits .....	<u>\$98,533,000</u>

**Direct State Services:**

Special Purpose:

03 Public Employees' Retirement System	(\$70,504,000)
03 Police and Firemen's Retirement System .....	(15,793,000)
03 Police and Firemen's Retirement System (P.L.1979, c.109) .....	(428,000)
03 State Police Retirement System .....	(8,095,000)
03 Judicial Retirement System .....	(3,271,000)
03 Teachers' Pension and Annuity Fund .....	(442,000)

13 Notwithstanding the provisions of any other law or regulation to the contrary, the amounts  
 14 appropriated hereinabove shall be deposited in the State-administered retirement  
 15 systems and funds immediately upon enactment and shall be regarded as a  
 16 prepayment of a portion of the State's required fiscal year 2016 contributions thereto  
 17 pursuant to section 38 of P.L.2010, c.1 (C.43:3C-14).  
 18

**GRANTS-IN-AID**

03-9410 Employee Benefits .....	\$11,477,000
Total Grants-in-Aid Appropriation, Employee Benefits .....	<u>\$11,477,000</u>

**Grants-in-Aid:**

Special Purpose:

03 Public Employees' Retirement System	(\$10,188,000)
03 Police and Firemen's Retirement System .....	(1,196,000)
03 Teachers' Pension and Annuity Fund .....	(93,000)

S3107 SWEENEY, GREENSTEIN

1 Notwithstanding the provisions of any other law or regulation to the contrary, the amounts  
2 appropriated hereinabove shall be deposited in the State-administered retirement  
3 systems and funds immediately upon enactment and shall be regarded as a  
4 prepayment of a portion of the State's required fiscal year 2016 contributions thereto  
5 pursuant to section 38 of P.L.2010, c.1 (C.43:3C-14).  
6

Interdepartmental Accounts, Total State Appropriation ..... \$110,010,000

7  
Total Appropriation, General Fund ..... \$110,010,000

8  
9 2. In addition to the amounts appropriated under P.L.2014, c.14, the annual  
10 appropriations act for fiscal year 2015, there are appropriated out of the  
11 Property Tax Relief Fund the following sums for the purposes specified:  
12

**34 DEPARTMENT OF EDUCATION**

*30 Educational, Cultural, and Intellectual Development*

*34 Educational Support Services*

**STATE AID**

39-5094 Teachers' Pension and Annuity Assistance ..... \$176,375,000

Total State Aid Appropriation, Educational  
Support Services ..... \$176,375,000

*(From Property Tax Relief Fund . \$176,375,000)*

**State Aid:**

39 Teachers' Pension and Annuity  
Fund (PTRF) ..... (\$176,375,000)

13 Notwithstanding the provisions of any other law or regulation to the contrary, the amount  
14 appropriated hereinabove shall be deposited in the Teachers' Pension and Annuity  
15 Fund immediately upon enactment and shall be regarded as a prepayment of a portion  
16 of the State's required fiscal year 2016 contributions thereto pursuant to section 38 of  
17 P.L.2010, c.1 (C.43:3C-14).  
18

Department of Education, Total State Appropriation ..... \$176,375,000

**82 DEPARTMENT OF THE TREASURY**

*30 Educational, Cultural, and Intellectual Development*

*36 Higher Educational Services*

**STATE AID**

48-2155 Aid to County Colleges ..... \$27,000

Total State Aid Appropriation, Higher Educational  
Services ..... \$27,000

*(From Property Tax Relief Fund . \$27,000)*

**State Aid:**

48 Employer Contributions – Teachers'  
Pension and Annuity Fund (PTRF) ..... (\$27,000)

20 Notwithstanding the provisions of any other law or regulation to the contrary, the amount  
21 appropriated hereinabove shall be deposited in the Teachers' Pension and Annuity  
22 Fund immediately upon enactment and shall be regarded as a prepayment of a portion  
23 of the State's required fiscal year 2016 contributions thereto pursuant to section 38 of  
24 P.L.2010, c.1 (C.43:3C-14).

S3107 SWEENEY, GREENSTEIN

70 Government Direction, Management, and Control

75 State Subsidies and Financial Aid

STATE AID

35-2078	Police and Firemen's Retirement System .....	\$13,588,000
	Total State Aid Appropriation, State Subsidies and Financial Aid .....	<u>\$13,588,000</u>
	(From Property Tax Relief Fund . . . . .)	<u>\$13,588,000</u>

State Aid:

35	Police and Firemen's Retirement System (PTRF) .....	(\$7,973,000)
35	Police and Firemen's Retirement System (P.L.1979, c.109) (PTRF) .....	(5,615,000)

1 Notwithstanding the provisions of any other law or regulation to the contrary, the amount  
2 appropriated hereinabove shall be deposited in the Police and Firemen's Retirement  
3 System immediately upon enactment and shall be regarded as a prepayment of a  
4 portion of the State's required fiscal year 2016 contributions thereto pursuant to  
5 section 38 of P.L.2010, c.1 (C.43:3C-14).  
6

Department of the Treasury, Total State Appropriation... ..	<u>\$13,615,000</u>
-------------------------------------------------------------	---------------------

Total Appropriation, Property Tax Relief Fund .....	<u>\$189,990,000</u>
-----------------------------------------------------	----------------------

Total Appropriation, All State Funds .....	<u>\$300,000,000</u>
--------------------------------------------	----------------------

3. This act shall take effect immediately.

STATEMENT

This bill makes FY 2015 supplemental State appropriations totaling \$300,000,000 for additional employer contributions to the State-administered public employee defined benefit retirement systems. The moneys shall be deposited in the retirement systems immediately upon enactment and shall be regarded as a prepayment of a portion of the State's required FY 2016 employer contributions thereto. The \$300,000,000 aggregates several Direct State Services, Grants-In-Aid, and State Aid appropriations to the Department of Education, Department of the Treasury, and Interdepartmental Accounts for State contributions to the Judicial Retirement System, Police and Firemen's Retirement System, Public Employees' Retirement System, State Police Retirement System, and the Teachers' Pension and Annuity Fund.

The bill represents a down payment toward the statutorily required FY 2016 State contribution of \$3.1 billion to the retirement systems, or 5/7 of the full actuarially determined annual required contribution under P.L.2010, c.1. The appropriation in FY 2015 ensures that the \$300 million is invested immediately, rather than at the end of June 2016. Doing so allows for the earning of investment returns in FY 2016 on the appropriated amount.