

SENATE STATE GOVERNMENT, WAGERING, TOURISM &
HISTORIC PRESERVATION COMMITTEE

STATEMENT TO
ASSEMBLY, No. 1627

STATE OF NEW JERSEY

DATED: MAY 14, 2018

The Senate State Government, Wagering, Tourism and Historic Preservation Committee reports favorably Assembly Bill No. 1627.

This bill allows certain retiring members of the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) to retain emergency management volunteer status with the employer from whom they retire. Specifically, the bill allows retiring members to retain volunteer firefighter, first aid worker, rescue squad worker, or emergency medical technician positions.

Under the bill, the retirement of a member of PERS or PFRS, who (1) on the date of retirement has attained the service retirement age applicable to that member and is a volunteer firefighter, first aid worker, rescue squad worker, or emergency medical technician with the same employer from whose employment the member retires; and (2) remains a volunteer firefighter, first aid worker, rescue squad worker, or emergency medical technician after retirement, will be considered a bona fide severance from employment. Service retirement age for PERS members enrolled before November 1, 2008 is age 60. It is age 62 for those enrolled on or after November 1, 2008 and age 65 for those enrolled on or after June 28, 2011. Service retirement age for PFRS members is age 55.

A regulation of the Division of Pensions and Benefits in the Department of the Treasury, in compliance with the federal Internal Revenue Code, provides, "Bona fide severance from employment" means a complete termination of the employee's employment relationship with the employer for a period of at least 180 days." N.J.A.C.17:1-17.14(a)2. The division has advised local governments that a retired employee's return to the same employer in any capacity, including as a volunteer, will invalidate the retirement because the employer/employee relationship has not been completely severed.

The bill allows persons with a pre-existing volunteer relationship as a firefighter, first aid worker, rescue squad worker, or emergency medical technician with their employer to retire from service covered by PERS or PFRS and continue to serve that employer as a volunteer.

The bill also provides that it will be effective if the qualified status of PERS and PFRS under federal law can be maintained upon its

application. The bill directs the division to make modifications to the system to allow for the bill's application while maintaining the qualified status of the plans.

The bill also prohibits paid firefighters employed by part-paid fire departments which utilize both career and volunteer firefighters from volunteering with the department from which they retired.