

ASSEMBLY, No. 2314

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED FEBRUARY 3, 2020

Sponsored by:

Assemblywoman MILA M. JASEY

District 27 (Essex and Morris)

Co-Sponsored by:

Assemblyman Caputo

SYNOPSIS

Allows reemployment by school district of TPAF retiree as advisor of school-sponsored club or program when compensation is under \$10,000.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 2/3/2020)

1 AN ACT concerning reemployment of a retiree of the Teachers'
2 Pension and Annuity Fund and amending N.J.S.18A:66-53.2.

3
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6
7 1. N.J.S.18A:66-53.2 is amended to read as follows:

8 18A:66-53.2. a. Except as provided in subsection b. of this
9 section, if a former member of the retirement system who has been
10 granted a retirement allowance for any cause other than disability,
11 becomes employed again in a position which makes him eligible to
12 be a member of the retirement system, his retirement allowance and
13 the right to any death benefit as a result of his former membership,
14 shall be canceled until he again retires.

15 Such person shall be reenrolled in the retirement system and
16 shall contribute thereto at a rate based on his age at the time of
17 reenrollment. Such person shall be treated as an active member for
18 determining disability or death benefits while in service and no
19 benefits pursuant to an optional selection with respect to his former
20 membership shall be paid if his death shall occur during the period
21 of such reenrollment.

22 Upon subsequent retirement of such member, his former
23 retirement allowance shall be reinstated together with any optional
24 selection, based on his former membership. In addition, he shall
25 receive an additional retirement allowance based on his subsequent
26 service as a member computed in accordance with applicable
27 provisions of this article; provided, however, that his total
28 retirement allowance upon such subsequent retirement shall not be a
29 greater proportion of his final compensation than the proportion to
30 which he would have been entitled had he remained in service
31 during the period of his prior retirement. Any death benefit to
32 which such member shall be eligible shall be based on his latest
33 retirement, but shall not be less than the death benefit that was
34 applicable to his former retirement.

35 b. The cancellation, reenrollment, and additional retirement
36 allowance provisions of subsection a. of this section shall not apply
37 to a former member of the retirement system who is a certificated
38 superintendent or a certificated administrator and who, after having
39 been granted a retirement allowance, becomes employed by the
40 State Department of Education in a position of critical need as
41 determined by the State Commissioner of Education, or becomes
42 employed by a board of education as a certificated superintendent
43 or a certificated administrator on a contractual basis for a term of
44 not more than one year; except that the cancellation, reenrollment,
45 and additional retirement allowance provisions shall apply if the

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 former member becomes employed within 120 days of retirement
2 with the employer from which the member retired. Nothing herein
3 shall preclude a former member so reemployed with a board of
4 education from renewing a contract for one additional year;
5 provided that the total period of employment with any individual
6 board of education does not exceed a two-year period, unless so
7 approved by the Commissioner of Education as being in the best
8 interests of the school district; and provided that no such renewal
9 shall provide the former member an election regarding whether or
10 not to be reenrolled.

11 c. A former member of the retirement system who has been
12 granted a retirement allowance, for any cause other than disability,
13 may become employed again with the former employer in a position
14 as a coach of an athletics activity or as an advisor of any school-
15 sponsored club or program if: (1) the employment commences after
16 the retirement allowance becomes due and payable; (2) the former
17 member had attained the service retirement age, applicable to that
18 member, as of the date of retirement; and (3) the compensation for
19 the employment is less than \$15,000 per year. This subsection
20 shall be effective if the qualified status of the retirement system
21 under federal law can be maintained upon its application, and such
22 modifications to the system as may be available shall be made to
23 allow for its application. As used in this section, “former
24 employer” means the employer with which the former member held
25 employment immediately prior to retirement.
26 (cf: P.L.2019, c.184, s.1)

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28 2. This act shall take effect immediately.
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31 STATEMENT

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33 A law enacted in 2014 created an exception to current
34 regulations to allow a retired member of the Teachers’ Pension and
35 Annuity Fund (TPAF) to become employed again with the former
36 employer in a position as a coach of an athletics activity if the
37 employment begins after the retirement allowance becomes due and
38 payable; the retired member had attained service retirement age as
39 of the date of retirement, which for most current members of the
40 TPAF is age 60; and the compensation for the employment is less
41 than \$10,000 per year. This bill would expand the exception for
42 coaches to include advisors of any school-sponsored club or
43 program.

44 TPAF regulations require a “bona fide” severance from
45 employment before a retiree can return to any employment with the
46 former employer. A “bona fide” severance from employment
47 means a complete termination of the employee’s employment
48 relationship with the employer for a period of at least 180 days.

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- 1 These regulations were promulgated to maintain the qualified status
- 2 of the retirement system under federal law. The purpose of this bill
- 3 is to create a limited exception to these requirements.