

ASSEMBLY, No. 3988

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED MAY 4, 2020

Sponsored by:

Assemblyman HAROLD "HAL" J. WIRTHS

District 24 (Morris, Sussex and Warren)

Co-Sponsored by:

Assemblyman Space

SYNOPSIS

Suspends pension of any retired public employee who resumes public employment with compensation more than \$15,000.

CURRENT VERSION OF TEXT

As introduced.



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1 AN ACT concerning the suspension of the pensions of certain retired
2 public employees who are employed by a public entity and
3 amending P.L.1968, c.23.

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

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8 1. Section 1 of P.L.1968, c.23 (C.43:3C-1) is amended to read
9 as follows:

10 1. Notwithstanding any other law to the contrary, if a former
11 member of any pension fund or retirement system, contributory or
12 noncontributory, established under any law of this State, who has
13 been granted a pension or retirement allowance for any cause **【other**
14 **than vesting or deferred retirement, becomes】** is employed 【again】
15 in a position 【which makes him】 with a public employer for which
16 the compensation is more than \$15,000, such person shall not be
17 eligible to be a member of 【another】 any pension fund or retirement
18 system established under any law of this State【, such person shall
19 not be enrolled in such other pension fund or retirement system if
20 he is eligible to receive such】 and the person's pension or
21 retirement allowance shall be suspended until the person no longer
22 is employed by a public employer in a position with compensation
23 more than \$15,000. The employed retiree shall retain the right to
24 the death benefit based on the suspended pension or retirement
25 allowance. The Director of the Division of Pensions and Benefits
26 may from time to time adjust the compensation amount to reflect
27 3/5 of the percentage of change in the index, as defined in section 1
28 of P.L.1958, c.143 (C.43:3B-1), over a period of time as determined
29 by the director.

30 (cf: P.L.1991, c.276, s.1)

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32 2. This act shall take effect on the 90th day after the date of
33 enactment.

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STATEMENT

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38 This bill provides that if a former member of any public
39 retirement system established under any State law, who has been
40 granted a retirement benefit becomes employed again in a position
41 with a public employer for which the compensation is more than
42 \$15,000, the person will not be eligible to be a member of any
43 public retirement system and the person's retirement benefit will be
44 suspended until the person no longer is employed by a public
45 employer in a position with compensation more than \$15,000. 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.

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1 reemployed person will retain the right to the death benefit based on
2 the suspended retirement benefit. The Director of the Division of
3 Pensions and Benefits may from time to time adjust the \$15,000
4 compensation amount to reflect inflation.

5 Current law provides that if a retiree becomes employed again in
6 a position which makes the retiree eligible to be a member of the
7 same retirement system, the retiree will be reenrolled in the system
8 and cease to receive a retirement benefit. Exceptions to that general
9 rule exist for certain reemployment arrangements for retirees of the
10 Teachers' Pension and Annuity Fund and the Public Employees'
11 Retirement System and for certain elected officials. If a retiree
12 becomes employed again in a position which makes the retiree
13 eligible to be a member of a public retirement system different from
14 the one providing a retirement benefit, the retiree does not enroll in
15 the other system and continues to receive a retirement benefit as
16 well as the salary for the public employment.

17 Under the bill, retirees of all public retirement systems who
18 become reemployed in public positions paying more than \$15,000,
19 outside the current exceptions, will give up receipt of their current
20 retirement benefits, payment of which will resume upon cessation
21 of the reemployment.