

ASSEMBLY, No. 4609

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED SEPTEMBER 14, 2020

Sponsored by:

Assemblyman RONALD S. DANCER

District 12 (Burlington, Middlesex, Monmouth and Ocean)

Assemblyman THOMAS P. GIBLIN

District 34 (Essex and Passaic)

SYNOPSIS

Provides options to PERS member who elects deferred retirement to designate retirement allowance to survivor after retiree's death; removes 30 days advance notice.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 9/17/2020)

1 AN ACT concerning deferred retirement under PERS and amending
2 P.L.1954, c.84.

3

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

6

7 1. Section 38 of P.L.1954, c.84 (C.43:15A-38) is amended to
8 read as follows:

9 38. Should a member of the Public Employees' Retirement
10 System, after having completed 10 years of service, be separated
11 voluntarily or involuntarily from the service, before reaching
12 service retirement age, and not by removal for cause on charges of
13 misconduct or delinquency, such person may elect to receive:

14 (a) The payments provided for in section 41b. of this act, if he
15 so qualifies under said section; or

16 (b) A deferred retirement allowance, beginning at the retirement
17 age, which shall be made up of an annuity derived from the
18 accumulated deductions standing to the credit of the individual
19 member's account in the annuity savings fund at the time of his
20 severance from the service together with regular interest, and a
21 pension which when added to the annuity will produce a total
22 retirement allowance of 1/64 of final compensation for each year of
23 service credited as Class A service and 1/55 of final compensation
24 for each year of service credited as Class B service, or for a person
25 who becomes a member of the retirement system on or after the
26 effective date of P.L.2010, c.1 1/60 of final compensation for each
27 year of service credited as Class B service, calculated in accordance
28 with section 48 of this act, with optional privileges provided for in
29 section 50 of this act if he exercises such optional privilege **【at least**
30 **30 days】** before **【his attainment of the normal retirement age】** the
31 effective date of his retirement; provided, that such election is
32 communicated by such member to the retirement system in writing
33 stating at what time subsequent to the execution and filing thereof
34 he desires to be retired; and provided further, that such member, as
35 referred to in this subsection may later elect: (1) to receive the
36 payments provided for in section 41b. of this act, if he had qualified
37 under that section at the time of leaving service, except that in order
38 to avail himself of the optional privileges pursuant to section 50, he
39 must exercise such optional privilege **【at least 30 days】** before the
40 effective date of his retirement; or (2) to withdraw his accumulated
41 deductions with interest as provided in section 41a. If such member
42 shall die before attaining service retirement age then his
43 accumulated deductions, plus regular interest, shall be paid in
44 accordance with section 41c.; or if such member shall die after
45 attaining service retirement age and has not withdrawn his

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 accumulated deductions, an amount equal to 3/16 of the
2 compensation received by the member in the last year of creditable
3 service shall be paid to such person, if living, as he shall have
4 nominated by written designation duly executed and filed with the
5 retirement system; otherwise to the executor or administrator of the
6 member's estate.
7 (cf: P.L.2010, c.1, s.11)

8

9 2. This act shall take effect immediately.

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STATEMENT

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14 This bill amends existing law to provide that a PERS member
15 who elects deferred retirement must exercise an optional privilege
16 in regard to retirement benefits prior to the effective date of
17 retirement instead of at least 30 days before normal retirement age.
18 In general, theses optional privileges allow a retiree to accept a
19 reduced benefit in order to continue payment of a retirement
20 allowance to a survivor after the retiree's death.