LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 5074
STATE OF NEW JERSEY
219th LEGISLATURE

DATED: JANUARY 7, 2022

SUMMARY

Synopsis: Permits members of SPRS to purchase service credit for prior public employment with federal government or another state.

Type of Impact: Annual State expenditure increase, General Fund

Agencies Affected: Division of Pensions and Benefits, Department of the Treasury

Office of Legislative Services Estimate

Fiscal Impact	Year 1	Year 2	Year 3
State Cost Increase		Indeterminate	

- The Office of Legislative Services (OLS) finds this bill will result in an annual increase in State contributions for the State Police Retirement System (SPRS). The Office of Legislative Services cannot determine the impact because the number of SPRS members who may purchase service credit, and the details of each purchase, are not known.

BILL DESCRIPTION

This bill permits members of the State Police Retirement System to purchase service credit earned from public employment in another state or with the United States Government. The member may purchase credit by paying the actuarially required amount as applicable to the member based on the member's age and salary at the time of purchase, or the highest annual compensation for service in this State, whichever is greater.

The member may purchase credit for all or a portion of the service up to the nearest number of years and months, but not exceeding five years. No application will be accepted for the purchase of credit for such service if, at the time of application, the member has a vested right to retirement benefits in another retirement system based in whole or in part upon that service. Neither the State nor the employer of a member who applies to purchase credit for public employment with the United States Government will be liable for any payment to the retirement system on behalf of the member for the purchase of this type of credit.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS finds this bill will result in an annual increase in State contributions for the SPRS. The Office of Legislative Services cannot determine the impact because the number of members who may purchase service credit, and the details of each purchase, are not known.

Section:	*State Government*
Analyst:	*Aggie Szilagyi* *Section Chief*
Approved:	*Thomas Koenig* *Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).