

ASSEMBLY, No. 5074

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED DECEMBER 7, 2020

Sponsored by:

Assemblyman WAYNE P. DEANGELO

District 14 (Mercer and Middlesex)

Assemblyman RONALD S. DANCER

District 12 (Burlington, Middlesex, Monmouth and Ocean)

Assemblyman RAJ MUKHERJI

District 33 (Hudson)

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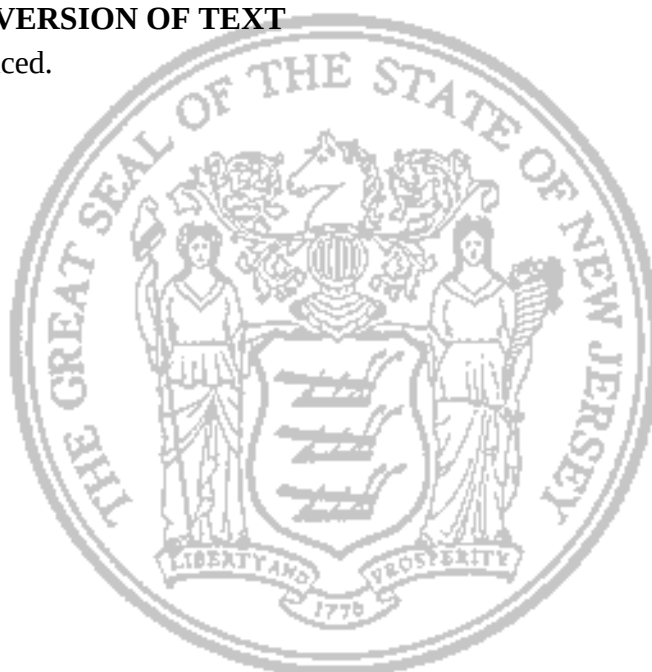
**Assemblyman Benson, Assemblywoman Dunn and Assemblyman
Karabinchak**

SYNOPSIS

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

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 1/3/2022)

1 **AN ACT** concerning the purchase of service credit by members of the
 2 State Police Retirement System and supplementing Title 53 of the
 3 Revised Statutes.

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

7
 8 1. A member may file a detailed statement of other public
 9 employment in other states or with the United States Government that
 10 would be eligible for credit in a State-administered retirement system
 11 if the employment was with a public employer in this State, rendered
 12 prior to becoming a member, for which the member desires credit,
 13 and of such other facts as the retirement system may require. The
 14 member may purchase credit for all or a portion of the service
 15 evidenced in the statement up to the nearest number of years and
 16 months, but not exceeding five years. No application shall be
 17 accepted for the purchase of credit for such service if, at the time of
 18 application, the member has a vested right to retirement benefits in
 19 another retirement system based in whole or in part upon that service.

20 The member may purchase credit for the service by paying into
 21 the annuity savings fund the amount required by applying the factor,
 22 supplied by the actuary as being applicable to the member's age at
 23 the time of the purchase, to the member's salary at that time, or to the
 24 highest annual compensation for service in this State for which
 25 contributions were made during any prior fiscal year of membership,
 26 whichever is greater. The purchase may be made in regular
 27 installments, equal to at least one-half the full normal contribution to
 28 the retirement system, over a maximum period of 10 years.

29 Neither the State nor the employer of a member who applies to
 30 purchase credit for public employment with the United States
 31 Government pursuant this section shall be liable for any payment to
 32 the retirement system on behalf of the member for the purchase of
 33 this credit. Notwithstanding any provision of this act to the contrary,
 34 a member shall not be liable for any costs associated with the
 35 financing of pension adjustment benefits and health care benefits for
 36 retirees when purchasing credit for such public employment in other
 37 states or with the United States Government.

38 Any member electing to purchase the service who retires prior to
 39 completing payments as agreed with the retirement system shall
 40 receive pro rata credit for service purchased prior to the date of
 41 retirement, but if the member so elects at the time of retirement, the
 42 member may make the additional lump sum payment required at that
 43 time to provide full credit.

44
 45 2. This act shall take effect immediately.

STATEMENT

This bill permits members of the State Police Retirement System (SPRS) 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.