

SENATE, No. 592

STATE OF NEW JERSEY 219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Senator JAMES BEACH

District 6 (Burlington and Camden)

SYNOPSIS

Allows certain members of PFRS to serve until age 70 upon approval by municipal governing body.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** extending the mandatory retirement age in the Police and
2 Firemen's Retirement System of New Jersey in certain
3 circumstances and amending P.L.1944, c.255.

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

7
8 1. Section 5 of P.L.1944, c.255 (C.43:16A-5) is amended to
9 read as follows:

10 5. (1) Any member in service who has attained age 55 years
11 may retire on a service retirement allowance upon filing a written
12 and duly executed application to the retirement system, setting forth
13 at what time, not less than one month subsequent to the filing
14 thereof, he desires to be retired. Any member in service who attains
15 age 65 years shall be retired on a service retirement allowance
16 forthwith on the first day of the next calendar month, except that a
17 member hired prior to January 1, 1987 may remain a member of the
18 system until the member attains age 68 years or 25 years of
19 creditable service, whichever comes first, and a member who holds
20 employment in a municipal law enforcement unit in an
21 administrative position may remain a member of the system until
22 the member attains age 70 years if the member is retained in service
23 by the governing body of the municipality and written notice of that
24 decision is provided to the board of trustees prior to the attainment
25 by the member of age 65 years.

26 (2) Upon retirement for service a member shall receive a service
27 retirement allowance which shall consist of:

28 (a) An annuity which shall be the actuarial equivalent of his
29 aggregate contributions and

30 (b) A pension in the amount which, when added to the member's
31 annuity, will provide a total retirement allowance of one-sixtieth of
32 his average final compensation multiplied by the number of years of
33 his creditable service, or 2% of his average final compensation
34 multiplied by the number of years of his creditable service up to 30
35 plus 1% of his average final compensation multiplied by the number
36 of years of creditable service over 30, or 50% of his final
37 compensation if the member has established 20 or more years of
38 creditable service, whichever is greater.

39 (3) Any member of the retirement system as of the effective date
40 of P.L.1999, c.428 who has 20 or more years of creditable service at
41 the time of retirement shall be entitled to receive a retirement
42 allowance equal to 50% of the member's final compensation plus, in
43 the case of a member required to retire pursuant to the provisions of
44 subsection (1) of this section, 3% of final compensation multiplied
45 by the number of years of creditable service over 20 but not over
46 25.

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 (4) Upon the receipt of proper proofs of the death of a member
2 who has retired on a service retirement allowance, there shall be
3 paid to his beneficiary an amount equal to one-half of the
4 compensation upon which contributions by the member to the
5 annuity savings fund were based in the last year of creditable
6 service.

7 (cf: P.L.2005, c.381, s.1)

8
9 2. This act shall take effect immediately.

10
11
12 STATEMENT

13
14 Under current law, a member of the Police and Firemen's
15 Retirement System of New Jersey (PFRS) must retire upon reaching
16 65 years of age. This bill would allow a member holding an
17 administrative position to stay until age 70 if the governing body of
18 the municipality retains the member in service and if such a
19 decision is communicated in writing to the PFRS board of trustees
20 before the member turns 65. For a primarily administrative
21 position, the physical rigors of the job are less than for other police
22 positions, and longevity in the position is an asset, not a liability.
23 Therefore, it is appropriate to give the governing body of the
24 municipality the discretion to allow an effective employee to
25 continue in service beyond the current mandatory retirement age.