

SENATE, No. 3781

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED MAY 20, 2021

Sponsored by:

Senator FRED H. MADDEN, JR.

District 4 (Camden and Gloucester)

SYNOPSIS

Permits municipality, fire district or authority to approve transfer of certain firefighters from PERS to PFRS.

CURRENT VERSION OF TEXT

As introduced.



1 **AN ACT** allowing certain public employers to approve the transfer
2 of firefighters from membership in the Public Employees'
3 Retirement System to membership in the Police and Firemen's
4 Retirement System and supplementing P.L.1944, c.255
5 (C.43:16A-1 et seq.).

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

9
10 1. a Upon the approval by the appropriate governing body,
11 any fireman employed by a municipality, fire district or authority
12 on the effective date of this act, P.L. , c. (C.) (pending before
13 the Legislature as this bill), who (1) was not eligible for
14 membership in the Police and Firemen's Retirement System (PFRS),
15 established pursuant to P.L.1944, c.255 (C.43:16A-1 et seq.), at the
16 time of appointment, (2) meets the requirements for membership in
17 the retirement system as set forth in the definition of "fireman" in
18 section 1 of P.L.1944, c.255 (C.43:16A-1), and (3) is enrolled in the
19 Public Employees' Retirement System of New Jersey (PERS),
20 established pursuant to P.L.1954, c.84 (C.43:15A-1 et seq.), on the
21 effective date of this act, is eligible to become a member of PFRS,
22 regardless of age, and may transfer membership from PERS to
23 PFRS in accordance with the provisions of the law and regulations
24 governing the retirement system relative to interfund transfers by
25 waiving, within 90 days of the effective date of this act, all rights
26 and benefits which would otherwise be provided by PERS. If an
27 eligible person does not file a timely waiver of PERS benefits, the
28 person's pension status shall remain unchanged and the person's
29 membership shall not be transferred to PFRS. Transfers under this
30 section shall take effect on the first day of the first full calendar
31 month following the effective date of this act by at least 180 days.
32 PERS shall transmit to PFRS an amount equal to the present value
33 of the benefit under PERS accrued to the date of transfer by each
34 person transferring to PFRS. The service credit accrued in PERS to
35 the date of transfer shall be transferred to PFRS and may be used to
36 meet any service credit requirement for benefits under PFRS. Any
37 benefit of a member who transfers membership from PERS to PFRS
38 under this act based upon service credit shall be the amount of
39 benefit determined as provided under PFRS based upon the total
40 amount of service credit multiplied by the ratio of the service credit
41 under PFRS from the date of transfer to the total amount of service
42 credit, plus a benefit comparable to a PERS deferred, early or
43 regular service retirement benefit, as appropriate, based upon the
44 age of the member at the time of retirement and the amount of
45 PERS service credit transferred to PFRS, determined as provided
46 under the law and regulations governing PERS for the benefit. The
47 total amount of service credit in PFRS, including the transferred
48 PERS service credit, may be used to meet the service credit

1 requirement for the benefit comparable to a PERS deferred or early
2 retirement benefit, but the benefit shall be calculated only on the
3 transferred PERS service credit.

4 Active and retired death benefits, accidental death benefits, and
5 ordinary and accidental disability retirement benefits for members
6 transferring to PFRS under this act shall be the benefits provided
7 under PFRS.

8 For members transferring to PFRS under this act, the widows' or
9 widowers' pensions provided under section 26 of P.L.1967, c.250
10 (C.43:16A-12.1) shall be the amount of the benefit determined as
11 provided under that section multiplied by the ratio of the service
12 credit under PFRS from the date of transfer to the total amount of
13 service credit. Transferring members shall be entitled to elect
14 optional retirement allowances for the portions of their retirement
15 benefits based upon their PERS service credit as provided under the
16 laws and regulations governing selection of optional retirement
17 allowances under PERS.

18 b. Notwithstanding the provisions of subsection a. of this
19 section, a fireman who transfers membership from PERS to PFRS
20 may receive full credit toward benefits under PFRS for the
21 transferred PERS service credit if the member agrees to pay the full
22 cost of the accrued liability for the transferred PERS service credit
23 in the same manner and subject to the same terms and conditions
24 provided for the purchase of credit for military service under
25 section 3 of P.L.1991, c.153 (C.43:16A-11.11).

26 c. The State shall not be liable for additional costs incurred by
27 a local employer as a result of the transfers permitted by this
28 section.

29
30 2. This act shall take effect immediately.

31 32 33 STATEMENT

34
35 This bill provides that a firefighter, employed on the effective
36 date of the bill by a municipality, fire district or authority, who (1)
37 was not eligible for membership in the Police and Firemen's
38 Retirement System (PFRS) at the time of appointment, (2) meets
39 the PFRS definition of "fireman," and (3) is currently enrolled in
40 the Public Employees' Retirement System (PERS), may transfer,
41 subject to the approval of the municipal or other governing body,
42 from PERS to PFRS, regardless of age.

43 Current law provides that a person appointed as a firefighter after
44 the age of 35 years is not eligible for PFRS membership. A
45 municipality may not appoint as a firefighter a person over age 35,
46 except that a municipal volunteer firefighter may be appointed to a
47 paid position with that municipality after age 35 but before age 40.
48 A fire district or authority may appoint firefighters without an age

1 restriction. Persons with legal appointments as firefighters after age
2 35 are enrolled in PERS.

3 Under the bill, a firefighter may receive full credit toward
4 benefits under PFRS for the transferred PERS service credit upon
5 the firefighter's payment of the full cost of the accrued liability
6 associated with that transfer; otherwise, benefits will be apportioned
7 between PERS and PFRS according to the ratios of PERS and PFRS
8 service credit to the total amount of service credit.

9 The bill provides that the State will not be liable for additional
10 costs incurred by a local employer as a result of the transfers
11 permitted by the bill.