LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 4098
STATE OF NEW JERSEY
219th LEGISLATURE

DATED: NOVEMBER 19, 2021

SUMMARY

Synopsis: Permits deferred retirement from JRS for member appointed as Administrative Director of the Courts by Chief Justice of Supreme Court.

Type of Impact: Reduction in expenditures for the Judicial Retirement System.

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

Office of Legislative Services Estimate

Fiscal Impact	Year 1	Year 2	Year 3
Pension Fund Cost Decrease	Indeterminate reduction in pension fund expenditures for the Judicial Retirement System		

- The Office of Legislative Services (OLS) finds this bill will reduce the total number of retirement allowances paid to a judge in retirement, and therefore expenditures from the pension fund for the Judicial Retirement System (JRS) by an indeterminate amount, by the number of monthly retirement allowances that are deferred while the former judge is working as the Administrative Director of the Courts.

BILL DESCRIPTION

This bill changes the eligibility criteria for a deferred retirement for a member of the JRS who has been appointed by the Chief Justice of the Supreme Court to serve as the Administrative Director of the Courts.

The bill provides a deferred retirement to such a JRS member who is at least 65 years of age, has the necessary judicial service credit for a full judicial retirement, and has served for 20 years as a judge for any court in New Jersey. Current law requires 25 years as a judge for any court in New Jersey; this bill reduces 25 years to 20 years.

If such a person attains the age of 70 years while still serving as the Administrative Director of the Courts, the proposed bill will override the mandatory retirement age of 70 set forth in the JRS law and regulations and allow for the deferment of the mandatory retirement for JRS to the first day of the month following the termination of the member's service as the Administrative Director of the Courts.

The bill also provides post-retirement health care benefits through the State Health Benefits Program to the JRS member who deferred retirement to serve as the Administrative Director of the Courts if the person was eligible for such benefits at the time of terminating employment as a judge.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS finds this bill will reduce the total number of retirement allowances paid to a judge in retirement, and therefore expenditures from the pension fund for the JRS by an indeterminate amount, by the number of monthly retirement allowances that are deferred while a judge is working as the Administrative Director of the Courts.

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.).