

SENATE, No. 4130

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED NOVEMBER 12, 2021

Sponsored by:

Senator VIN GOPAL

District 11 (Monmouth)

SYNOPSIS

Provides service credit for PERS member for former membership in transit retirement program.

CURRENT VERSION OF TEXT

As introduced.



1 **AN ACT** concerning service credit for certain public employees in
2 the Public Employees' Retirement System and amending
3 P.L.1954, c.84.

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

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8 1. Section 39 of P.L.1954, c.84 (C.43:15A-39) is amended to
9 read as follows:

10 39. a. In computing for retirement purposes the total service of
11 a member about to be retired, the retirement system shall credit the
12 member with the time of all service rendered by the member since
13 that member's last enrollment, and in addition with all the service to
14 which the member is entitled and with no other service. Except as
15 otherwise provided in this act, this service credit shall be final and
16 conclusive for retirement purposes unless the member shall
17 discontinue service for more than two consecutive years. In the case
18 of a member for whom compensation is defined in paragraph (2) of
19 subsection r. of section 6 of P.L.1954, c.84 (C.43:15A-6), the
20 retirement system shall credit the member with the time of all
21 service rendered by the member during the part of any year that the
22 member was a participant of the Defined Contribution Retirement
23 Program, pursuant to paragraph (5) of subsection a. of section 2 of
24 P.L.2007, c.92 (C.43:15C-2) as amended by section 12 of P.L.2007,
25 c.103, and making contributions to that program.

26 For the purpose of computing service for retirement purposes,
27 the board shall fix and determine by appropriate rules and
28 regulations how much service in any year shall equal a year of
29 service and a part of a year of service. Not more than one year shall
30 be credited for all service in a calendar year. A member may
31 purchase credit for time during which the member shall have been
32 absent on an official leave without pay. The credit shall be
33 purchased for a period of time equal to:

34 (1) three months or the duration of the leave, whichever is less;
35 or

36 (2) if the leave was due to the member's personal illness, two
37 years or the duration of the leave, whichever is less; or

38 (3) the period of leave that is specifically allowed for retirement
39 purposes by the provisions of any law of this State.

40 The purchase shall be made in the same manner and be subject to
41 the same terms and conditions provided for the purchase of previous
42 membership service credit by section 8 of P.L.1954, c.84
43 (C.43:15A-8). In computing the service or in computing final
44 compensation, no time during which a member was in employment,
45 office, or position for which the annual salary or remuneration was

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 fixed at less than \$500.00 in the case of service rendered prior to
2 November 6, 1986, or for which the annual salary or remuneration,
3 or the number of hours of work, is fixed at less than that which was
4 required for membership pursuant to section 7 of P.L.1954, c.84
5 (C.43:15A-7) as applicable to the member in the case of service
6 rendered on or after that date, shall be credited. In computing the
7 service or in computing final compensation, no time during which a
8 member was in employment, office, or position for which the hours
9 of work were fewer per week than those required for membership
10 pursuant to subsection d. of section 7 of P.L.1954, c.84 (C.43:15A-
11 7) after the effective date of P.L.2010, c.1 shall be credited, unless
12 the member shall have been a member since that effective date
13 continuously. In the case of a veteran member credit shall be given
14 for service rendered prior to January 2, 1955, in an employment,
15 office or position if the annual salary or remuneration therefor was
16 fixed at not less than \$300.00 and such service consisted of the
17 performance of the full duties of the employment, office or position.

18 b. In computing for retirement purposes the total service of a
19 member about to be retired, the retirement system shall credit the
20 member with the time of all service rendered by the member during
21 participation as a member, on or before July 30, 2006, in the Transit
22 Employees' Retirement Program of the New Jersey Transit
23 Corporation which corporation was created and established
24 pursuant to the "New Jersey Public Transportation Act of 1979,"
25 P.L.1979, c.150 (C.27:25-1 et seq.). The member shall receive
26 credit for all the years, and parts thereof, of such participation in the
27 retirement program and the service credited shall be used to meet
28 any service credit requirement for benefits under this retirement
29 system.

30 No contributions by the member or the public employer, or
31 purchase by the member, shall be required for the service credited
32 in the retirement system in accordance with this subsection.

33 This subsection shall apply even if the member is eligible for or
34 receiving a benefit from the retirement program based on the same
35 years of service, or parts thereof, that are credited in accordance
36 with this subsection for the retirement purposes of this retirement
37 system.

38 Service credited in accordance with this subsection shall be
39 included in total service credit for the purposes of determining
40 eligibility for health care benefits in retirement.

41 (cf: P.L.2010, c.1, s.4)

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43 2. This act shall take effect immediately.

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STATEMENT

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48 Under this bill, a member of the Public Employees' Retirement
49 System (PERS) who was a member, on or before July 30, 2006, of

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1 the Transit Employees' Retirement Program (TERP) of the New
2 Jersey Transit Corporation would receive service credit in the PERS
3 for all years, and parts thereof, of credited service in the
4 TERP. The member and the member's employer would not have to
5 make contributions to the PERS for those years of TERP service
6 credited in accordance with this bill. This provision would apply
7 even if the member is eligible for or receiving a benefit under the
8 TERP.