P.L. 2019, CHAPTER 251, approved August 23, 2019 Senate, No. 1403 (Fifth Reprint)

1 AN ACT concerning creditable service in the State Police 2 Retirement System, and amending various parts of the statutory 3 4 5 **BE IT ENACTED** by the Senate and General Assembly of the State 6 of New Jersey: 7 8 **⁴[**1. Section 6 of P.L.1965, c.89 (C.53:5A-6) is amended to read 9 as follows: 10 6. a. (1) Service as a full-time commissioned officer, noncommissioned officer or trooper rendered as a member, and 11 12 service credit which was transferred from the former "State Police Retirement and Benevolent Fund," or transferred from any other 13 14 State-administered retirement system, shall, if the required 15 contributions are made by the State and the member, be considered as creditable service. ²If such transferred service credit is 16 established, it shall be considered the same as creditable service as 17 a full-time commissioned officer, noncommissioned officer or 18 trooper rendered as a member.² 19 20 In addition, service as a chief inspector, deputy chief inspector, 21 inspector and special inspector in the Motor Vehicle Commission or 22 equivalent Civil Service classifications, including Chief, Highway 23 Patrol Bureau; Assistant Chief (Major), Highway Patrol Bureau; 24 Captain, Highway Patrol Bureau; Lieutenant, Highway Patrol 25 Bureau; Sergeant, Highway Patrol Bureau; and Officer, Highway Patrol Bureau, and service credit may be transferred from the Police 26 and Firemen's Retirement System ²[and], ² the Public Employees' 27 Retirement System ², or any other State-administered retirement 28 system² and shall, if the required contributions are made by the 29 State and the member, be considered as creditable service. 30 31 In addition, service as a member of the State Capitol Police 32 Force, or as a Supervising Inspector, Principal Inspector, Senior 33 Inspector, or Inspector Recruit in the Alcoholic Beverage Control 34 Enforcement Bureau or as a Principal Marine Law Enforcement Officer, Senior Marine Law Enforcement Officer, or Marine Law 35 36 Enforcement Officer in the Bureau of Marine Law Enforcement and

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

service credit transferred from the Police and Firemen's Retirement

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SSG committee amendments adopted January 31, 2019.

²Senate SBA committee amendments adopted February 7, 2019.

³Assembly ASL committee amendments adopted March 11, 2019.

⁴Assembly AAP committee amendments adopted March 18, 2019.

⁵Assembly floor amendments adopted May 23, 2019.

System ²[or], ² the Public Employees' Retirement System ², or any 1 2 other State-administered retirement system² shall, if the required contributions are made by the State and the member, be considered 3 4 as creditable service.

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A member on suspension shall be considered in service for the period of the suspension, but the period of suspension shall not be considered as creditable service unless the member receives salary therefor.

³**[**(2) If an employee's membership has been terminated and he is re-enrolled as a member of the retirement system, he may purchase credit for all of his previous membership service by paying into the annuity savings fund the amount required by applying the factor, supplied by the actuary, as being applicable to his age at the time of the purchase, to his salary at that time. Such purchase may be made in regular installments equal to at least 1/2 the normal contribution to the retirement system, over a maximum period of 10 years. I In order to give to such person the same credit for such service as he had at the time of termination, his pension credit shall be restored as it was at the time of his termination, upon the completion of one year of membership after his election to make the purchase and the payment of at least 1/2 the total amount due, except that in the case of retirement pursuant to sections 8, 27 and 28 of chapter 89 of the laws of 1965, the credit granted for the service being purchased shall be in direct proportion as the amount paid bears to the total amount of the arrearage obligation.

³[Any member electing to purchase service credit who retires prior to completing the payments as agreed with the retirement system will receive pro rata credit for service purchased prior to the date of retirement, but if the member so elects at the time of retirement, the member may make the additional lump sum payment required at that time to provide full credit.]³

b. Any member of the retirement system, who, prior to becoming a member, had established service credits in ³this or ³ another retirement system supported in whole or in part by the State, or who had rendered service to the State prior to becoming a member, or had purchased service credits while in another Stateadministered retirement system ³[or in the Police and Firemen's Retirement System or the Public Employees' Retirement System, while serving as chief inspector, deputy chief inspector, inspector or special inspector in the Enforcement Bureau, Motor Vehicle Commission, or as a member of the State Capitol Police Force, or as a Supervising Inspector, Principal Inspector, Senior Inspector, Inspector, or Inspector Recruit in the Alcoholic Beverage Control Enforcement Bureau, or as a Principal Marine Law Enforcement Officer, Senior Marine Law Enforcement Officer, or Marine Law Enforcement Officer in the Bureau of Marine Law Enforcement,]³

for which ³[he] the member ³ desires to establish credit in this retirement system, shall be permitted to purchase such credit ³, ³ or to transfer such previously purchased credit ³, by paying into the annuity savings fund the amount required by applying the factor, supplied by the actuary, as being applicable to the member's age at the time of the purchase, to the member's salary at that time. Such purchase may be made in regular installments equal to at least half of the normal contribution to the retirement system, over a maximum period of 10 years³. If such credit is established and except as provided in subsection f., it shall be included in the computation of a retirement allowance on the basis of 1% of final compensation for each year of such service credit **1** ² If such purchased service credit or transferred purchased credit is established, it shall be considered the same as creditable service as a full-time commissioned officer, noncommissioned officer, or trooper rendered as a member.²

³Such credit may not be established prior to the completion of one year of membership after the member's election to make the purchase and the payment of at least half the total amount due, except that in the case of retirement pursuant to sections 8, 27 and 28 of P.L.1965, c.89 (C.53:5A-1 et seq.), the credit granted for the service being purchased shall be in direct proportion as the amount paid bears to the total amount of the arrearage obligation. If the member so elects at the time of retirement, if such time is after completion of the one year of membership, the member may make the additional lump sum payment required at that time to provide full credit.³

- c. Not more than one year shall be credited for all service in a calendar year.
- d. In computing service, time during which a member was absent on an official leave without pay shall be credited if such leave was for a period of: (1) less than three months; or (2) up to a maximum of two years, if the leave was due to the member's personal illness and the period of leave is allowed for retirement purposes within one year following his return to service after the termination of such leave.
- e. The method of computation and the terms of the purchase of service permitted by subsections b. and d. of this section shall be identical to those stipulated for the purchase of previous membership service by members of the system, as provided by subsection a. of this section.
- f. For any person who becomes a member of the retirement system pursuant to P.L.1997, c.19 (C.53:1-8.2 et al.) and is required to retire pursuant to section 8 of P.L.1965, c.89 (C.53:5A-8) with less than 20 years of creditable service in the retirement system, an amount of service credit transferred or purchased pursuant to subsection b. which when added to the amount of creditable service

in the retirement system equals 20 years shall be considered creditable service in the retirement system. Transferred or purchased service credit in excess of the amount necessary to provide 20 years of creditable service in the retirement system shall be included in the computation of a retirement allowance on the basis [provided in subsection b.] of one percent of final compensation for each year of such service credit.

g. In the case of a member for whom compensation is defined in paragraph (2) of subsection u. of section 3 of P.L.1965, c.89 (C.53:5A-3), the retirement system shall credit the member with the time of all service rendered by the member during the part of any year that the member was a participant of the Defined Contribution Retirement Program, pursuant to paragraph (5) of subsection a. of section 2 of P.L.2007, c.92 (C.43:15C-2) as amended by section 7 of P.L.2010, c.1, and making contributions to that program.

(cf: P.L.2010, c.1, s.19)**]**⁴

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- ⁴1. Section 6 of P.L.1965, c.89 (C.53:5A-6) is amended to read as follows:
- 6. a. Service as a full-time commissioned officer. noncommissioned officer or trooper rendered as a member, and service credit which was transferred from the former "State Police Retirement and Benevolent Fund," or transferred from any other State-administered retirement system, shall, if the required contributions are made by the State and the member, be considered as creditable service. If such transferred service credit is established, it shall be considered the same as creditable service as a full-time commissioned officer, noncommissioned officer or trooper rendered as a member.

In addition, service as a chief inspector, deputy chief inspector, inspector and special inspector in the Motor Vehicle Commission or equivalent Civil Service classifications, including Chief, Highway Patrol Bureau; Assistant Chief (Major), Highway Patrol Bureau; Captain, Highway Patrol Bureau; Lieutenant, Highway Patrol Bureau; Sergeant, Highway Patrol Bureau; and Officer, Highway Patrol Bureau, and service credit may be transferred from the Police and Firemen's Retirement System [and], the Public Employees' Retirement System, or any other State-administered retirement system and shall, if the required contributions are made by the State and the member, be considered as creditable service.

In addition, service as a member of the State Capitol Police Force, or as a Supervising Inspector, Principal Inspector, Senior Inspector, or Inspector Recruit in the Alcoholic Beverage Control Enforcement Bureau or as a Principal Marine Law Enforcement Officer, Senior Marine Law Enforcement Officer, or Marine Law Enforcement Officer in the Bureau of Marine Law Enforcement and service credit transferred from the Police and Firemen's Retirement System [or], the Public Employees' Retirement System , or any other State-administered retirement system shall, if the required contributions are made by the State and the member, be considered as creditable service.

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46 47 A member on suspension shall be considered in service for the period of the suspension, but the period of suspension shall not be considered as creditable service unless the member receives salary therefor.

If an employee's membership has been terminated and he is reenrolled as a member of the retirement system, he may purchase credit for all of his previous membership service by paying into the annuity savings fund the amount required by applying the factor, supplied by the actuary, as being applicable to his age at the time of the purchase, to his salary at that time. Such purchase may be made in regular installments equal to at least 1/2 the normal contribution to the retirement system, over a maximum period of 10 years. In order to give to such person the same credit for such service as he had at the time of termination, his pension credit shall be restored as it was at the time of his termination, upon the completion of one year of membership after his election to make the purchase and the payment of at least 1/2 the total amount due, except that in the case of retirement pursuant to sections 8, 27 and 28 of chapter 89 of the laws of 1965, the credit granted for the service being purchased shall be in direct proportion as the amount paid bears to the total amount of the arrearage obligation.

b. Any member of the retirement system, who, prior to becoming a member, had established service credits in this or another retirement system supported in whole or in part by the State, or who had rendered service to the State prior to becoming a member, or had purchased service credits while in another Stateadministered retirement system or in the Police and Firemen's Retirement System or the Public Employees' Retirement System, while serving as chief inspector, deputy chief inspector, inspector or special inspector in the Enforcement Bureau, Motor Vehicle Commission, or as a member of the State Capitol Police Force, or as a Supervising Inspector, Principal Inspector, Senior Inspector, Inspector, or Inspector Recruit in the Alcoholic Beverage Control Enforcement Bureau, or as a Principal Marine Law Enforcement Officer, Senior Marine Law Enforcement Officer, or Marine Law Enforcement Officer in the Bureau of Marine Law Enforcement, for which [he] the member desires to establish credit in this retirement system, shall be permitted to ⁵[transfer or]⁵ purchase such credit. or to transfer such previously purchased credit, by paying into the annuity savings fund the amount required by applying the factor, supplied by the actuary, as being applicable to the member's age at the time of the transfer or purchase, to the member's salary at that time. Such payment may be made in regular installments equal to at

least half of the normal contribution to the retirement system, over a maximum period of 10 years. ⁵[Such payment for the transfer of service credit shall not be required of a person who became a member of the retirement system pursuant to P.L.1983, c.403 (C.39:2-9.1 et al.) or P.L.1997, c.19 (C.53:1-8.2 et al.) for credit earned, rather than purchased, in the retirement system in which the person was enrolled on the effective date of those acts, P.L.1983, c.403 and P.L.1997, c.19, prior to becoming a member of this retirement system]⁵. [If such credit is established and except as provided in subsection f., it shall be included in the computation of a retirement allowance on the basis of 1% of final compensation for each year of such service credit I If such purchased service credit or transferred purchased credit is established, it shall be considered the same as creditable service as a full-time commissioned officer, noncommissioned officer, or trooper rendered as a member.

A member who retires prior to completing the payments as agreed with the retirement system will receive pro rata credit for service purchased prior to the date of retirement, but if the member so elects at the time of retirement, the member may make the additional lump sum payment required at that time to provide full credit; except that in the case of retirement pursuant to any section of P.L.1965, c.89 (C.53:5A-1 et seq.) other than sections 8, 27, and 28 thereof, if an employee's membership has been terminated and the member is re-enrolled as a member of the retirement system, the member shall be accorded, upon the completion of one year of membership after the member's election to make the purchase and the payment of at least half the total amount due, the pension credit as it was at the time of the member's termination.

- c. Not more than one year shall be credited for all service in a calendar year.
- d. In computing service, time during which a member was absent on an official leave without pay shall be credited if such leave was for a period of: (1) less than three months; or (2) up to a maximum of two years, if the leave was due to the member's personal illness and the period of leave is allowed for retirement purposes within one year following his return to service after the termination of such leave.
- e. The method of computation and the terms of the purchase of service permitted by subsections b. and d. of this section shall be identical to those stipulated for the purchase of previous membership service by members of the system, as provided by subsection a. of this section.
- f. For any person who becomes a member of the retirement system pursuant to P.L.1997, c.19 (C.53:1-8.2 et al.) and is required to retire pursuant to section 8 of P.L.1965, c.89 (C.53:5A-8) with less than 20 years of creditable service in the retirement system, and who retires prior to the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), an amount of service

1 credit transferred or purchased pursuant to subsection b. which 2 when added to the amount of creditable service in the retirement 3 system equals 20 years shall be considered creditable service in the 4 retirement system. Transferred or purchased service credit in 5 excess of the amount necessary to provide 20 years of creditable 6 service in the retirement system shall be included in the 7 computation of a retirement allowance on the basis [provided in 8 subsection b. of one percent of final compensation for each year of 9 such service credit.

g. In the case of a member for whom compensation is defined in paragraph (2) of subsection u. of section 3 of P.L.1965, c.89 (C.53:5A-3), the retirement system shall credit the member with the time of all service rendered by the member during the part of any year that the member was a participant of the Defined Contribution Retirement Program, pursuant to paragraph (5) of subsection a. of section 2 of P.L.2007, c.92 (C.43:15C-2) as amended by section 7 of P.L.2010, c.1, and making contributions to that program.⁴

18 (cf: P.L.2010, c.1, s.19)

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- ¹2. Section 8 of P.L.1965, c.89 (C.53:5A-8) is amended to read as follows:
- 8. a. The Legislature finds and declares that the public health, safety and welfare require the ongoing health and fitness of all members of the New Jersey State Police so that they may safely and efficiently protect the public. The Legislature further finds and declares that such continued health and fitness cannot be determined except with reference to age, and therefore finds and concludes that retirement of all members of the State Police at age 55, except as provided for in subsection c. of this section, shall constitute a bona fide occupational qualification which is reasonably necessary to the normal operation of the State Police, which qualification the Legislature hereby promulgates and establishes.
- b. Any member of the retirement system may retire on a service retirement allowance upon [the completion of] having established at least 20 years of creditable service [as a State policeman in the retirement system, which includes the creditable service of those members appointed to the Division of State Police under section 3 of P.L.1983, c.403 (C.39:2-9.3) and the creditable service of those members appointed to the Division of State Police under section 1 of P.L.1997, c.19 (C.53:1-8.2). Upon the filing of a written and duly executed application with the retirement system, setting forth at what time, not less than one month subsequent to the filing thereof, he desires to be retired, any such member retiring for service shall receive a service retirement allowance which shall consist of:

(1) An annuity which shall be the actuarial equivalent of his aggregate contributions; and

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- (2) A pension in the amount which, when added to the member's annuity, will provide a total retirement allowance of 50% of his final compensation.
 - c. Except for the Superintendent of State Police, any member of the retirement system, including a member appointed to the State Police under section 3 of P.L.1983, c.403 (C.39:2-9.3) and a member appointed to the State Police under section 1 of P.L.1997, c.19 (C.53:1-8.2), who has attained the age of 55 years, shall be retired forthwith on the first day of the next calendar month following the effective date of this 1985 amendatory act. Any member of the retirement system so retired shall receive a service retirement allowance pursuant to this section or section 27 of P.L.1965, c.89 (C.53:5A-27), as appropriate.
- 16 d. Any member of the retirement system who is required to 17 retire pursuant to subsection c. of this section and who has more 18 than 20 but fewer than 25 years of creditable service at the time of 19 retirement shall be entitled to continued health benefits coverage 20 during retirement as provided in the "New Jersey State Health 21 Benefits Program Act," P.L.1961, c.49 (C.52:14-17.25 et seq.). 22 Notwithstanding the provisions of section 8 of P.L.1961, c.49 23 (C.52:14-17.32), or any other law enacted prior to the effective 24 date of P.L.2018, c.63 requiring persons who have retired from 25 public employment to make contributions toward the cost of health 26 care benefits coverage in retirement, to the contrary, the State shall 27 pay in full the premium or periodic charge for the benefits provided 28 under this subsection to a member retiring under subsection c. of 29 this section with fewer than 25 years of service credited in the 30 retirement system, and the member's dependents covered under the 31 program, but not including survivors. This provision shall be the 32 sole provision applicable to these specified members of the 33 retirement system with regard to the obligations of the State for the 34 payment of premiums and periodic charges and any contributions 35 toward the cost of health care benefits coverage during retirement 36 for a retired member and the member's dependents.
 - Any member of the retirement system as of the effective date of P.L.1985, c.175 who is required to retire pursuant to subsection c. of this section shall be entitled to the retirement allowance provided for by subsection b. of this section, notwithstanding that the member shall have fewer than 20 years' creditable service.
 - Any member of the retirement system as of the effective date of P.L.1985, c.175 who is required to retire pursuant to subsection c. of this section and who has more than 20 but less than 25 years of creditable service at the time of retirement shall be entitled to the retirement allowance provided for by subsection b. of this section plus 3% of his final compensation multiplied by the number of years of creditable service over 20 but not over 25.

g. Upon the receipt of proper proofs of the death of a member who has retired on a service retirement allowance, there shall be paid to the member's beneficiary an amount equal to one-half of the final compensation received by the member.¹

(cf: P.L.2018, c.63, s.1)

- ¹[2. Section 8 of P.L.1965, c.89 (C.53:5A-8) is amended to read as follows:
- 8. a. The Legislature finds and declares that the public health, safety and welfare require the ongoing health and fitness of all members of the New Jersey State Police so that they may safely and efficiently protect the public. The Legislature further finds and declares that such continued health and fitness cannot be determined except with reference to age, and therefore finds and concludes that retirement of all members of the State Police at age 55, except as provided for in subsection c. of this section, shall constitute a bona fide occupational qualification which is reasonably necessary to the normal operation of the State Police, which qualification the Legislature hereby promulgates and establishes.
- b. Any member of the retirement system may retire on a service retirement allowance upon [the completion of] having established at least 20 years of creditable service [as a State policeman] in the retirement system, which includes the creditable service of those members appointed to the Division of State Police under section 3 of P.L.1983, c.403 (C.39:2-9.3) and the creditable service of those members appointed to the Division of State Police under section 1 of P.L.1997, c.19 (C.53:1-8.2). Upon the filing of a written and duly executed application with the retirement system, setting forth at what time, not less than one month subsequent to the filing thereof, he desires to be retired, any such member retiring for service shall receive a service retirement allowance which shall consist of:
- (1) An annuity which shall be the actuarial equivalent of his aggregate contributions; and
- (2) A pension in the amount which, when added to the member's annuity, will provide a total retirement allowance of 50% of his final compensation.
- c. Except for the Superintendent of State Police, any member of the retirement system, including a member appointed to the State Police under section 3 of P.L.1983, c.403 (C.39:2-9.3) and a member appointed to the State Police under section 1 of P.L.1997, c.19 (C.53:1-8.2), who has attained the age of 55 years, shall be retired forthwith on the first day of the next calendar month following the effective date of this 1985 amendatory act. Any member of the retirement system so retired shall receive a service

retirement allowance pursuant to this section or section 27 of P.L.1965, c.89 (C.53:5A-27), as appropriate.

- d. Any member of the retirement system who is required to retire pursuant to subsection c. of this section and who has more than 20 but fewer than 25 years of creditable service at the time of retirement shall be entitled to continued health benefits coverage during retirement as provided in the "New Jersey State Health Benefits Program Act," P.L.1961, c.49 (C.52:14-17.25 et seq.). Notwithstanding the provisions of section 8 of P.L.1961, c.49 (C.52:14-17.32), the State shall pay the premium or periodic charge for the benefits provided under this subsection to a member retiring under subsection c. of this section with fewer than 25 years of service credited in the retirement system, and the member's dependents covered under the program, but not including survivors.
 - e. Any member of the retirement system as of the effective date of P.L.1985, c.175 who is required to retire pursuant to subsection c. of this section shall be entitled to the retirement allowance provided for by subsection b. of this section, notwithstanding that the member shall have fewer than 20 years' creditable service.
 - f. Any member of the retirement system as of the effective date of P.L.1985, c.175 who is required to retire pursuant to subsection c. of this section and who has more than 20 but less than 25 years of creditable service at the time of retirement shall be entitled to the retirement allowance provided for by subsection b. of this section plus 3% of his final compensation multiplied by the number of years of creditable service over 20 but not over 25.
 - g. Upon the receipt of proper proofs of the death of a member who has retired on a service retirement allowance, there shall be paid to the member's beneficiary an amount equal to one-half of the final compensation received by the member.

(cf: P.L.2001, c.316, s.1)]¹

- 3. Section 27 of P.L.1965, c.89 (C.53:5A-27) is amended to read as follows:
- 27. a. Should a member resign after having established 25 years of creditable service [as a full-time commissioned officer, noncommissioned officer or trooper of the Division of State Police or in the retirement system or as a member appointed to the State Police under section 3 of P.L.1983, c.403 (C.39:2-9.3) or a member appointed to the State Police under section 1 of P.L.1997, c.19 (C.53:1-8.2), he may elect "special" retirement; provided that such election is communicated by such member to the retirement system by filing a written application, duly attested, stating at what time subsequent to the execution and filing thereof he desires to be retired. He shall receive, in lieu of the payment provided in section 26, a retirement allowance which shall consist of:
- (1) An annuity which shall be the actuarial equivalent of his aggregate contributions; and

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1	(2) A pension in the amount which, when added to the member's
2	annuity, will provide a total retirement allowance of 65% of his
3	final compensation, plus 1% of his final compensation multiplied
4	by the number of years of creditable service over 25, but not over
5	30.
6	The board of trustees shall retire him at the time specified or at
7	such other time within one month after the date so specified, as the
8	board finds advisable.
9	b. Upon the receipt of proper proofs of the death of such a
10	retired member, there shall be paid to the member's beneficiary an
11	amount equal to one-half of the final compensation received by the
12	member.
13	(cf: P.L.1997, c.19, s.11)
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15	4. This act shall take effect ⁴ [immediately] on the 60th day
16	following enactment ⁴ .
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21	Permits service credit transferred from another State-
22	administered retirement system to apply toward creditable service
23	requirement for retirement in SPRS.