

JULY 1, 1949.

MR. GEORGE M. BORDEN, *Secretary,*  
*State Employees' Retirement System,*  
 1 West State Street,  
 Trenton 7, New Jersey.

## FORMAL OPINION—1949. No. 71.

MY DEAR MR. BORDEN :

I have your letter of the 27th ult. with enclosure of letter from your actuary, Mr. Buck, from which it appears that some of our counties and municipalities adopted the provisions of your Retirement System Act at the general election in November, 1948, and that the action of the legal voters became effective in the counties or municipalities so adopting on June 30th of the following year, that is yesterday. It also appears that at the last session of the Legislature, Chapter 28 was enacted to take effect this date, that is July 1, 1949. Chapter 28 amended section 43:14-1 of your Retirement System act and provided that regular interest should mean 3% per annum compounded annually in the case of members enrolled in the Retirement System on and after July 1, 1949, and in the case of all others, interest at 4% per annum compounded annually.

It also appears that some of the counties and municipalities adopting your act sent in applications of some of their employees for membership in your fund, such applications being received on or before June 30, 1949. With respect to these employees, as Chapter 28 of the Laws of 1949 did not become effective until this date, to wit, July 1, 1949, the interest rate of 4%, in my opinion, prevails. With respect to all employees enrolled on or after this date, to wit, July 1, 1949, the interest rate of 3% must prevail.

Very truly yours,

THEODORE D. PARSONS,  
*Attorney General,*

By: THEODORE BACKES,  
*Deputy Attorney General.*

TB:B

JULY 5, 1949.

HON. J. LINDSAY DEVALLIERE, *Director,*  
*Division of Budget and Accounting,*  
*Department of the Treasury,*  
 State House,  
 Trenton, New Jersey.

## FORMAL OPINION—1949. No. 72.

DEAR SIR:

The Honorable Frank J. Pfaff, a member of the Union County Board of Taxation, has applied for membership in the State Employees Retirement System. You