

CHAPTER 130

AN ACT concerning retirement benefits for county and municipal employees who are members of the Police and Firemen's Retirement System of New Jersey and the funding of liabilities for those benefits, and amending P.L.2002, c.42 and supplementing P.L.1961, c.49 (C.52:14-17.25 et seq.).

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

1. An employee of an employer other than the State participating in the Police and Firemen's Retirement System (PFRS) that elects to provide the benefits authorized under this act, who:

- a. has at least 25 years of service credit under the PFRS before the effective date of retirement;

- b. files an application to retire within one month after the effective date of the resolution adopted by the employee's employer pursuant to section 4 of this act; and

- c. retires under the retirement system within three months after the effective date of the resolution, shall receive an additional three years of service credit in the retirement system or any lesser number of years of service credit under PFRS as will provide the employee, as of the date of retirement, with a total of not more than 30 years of service credit under PFRS.

The additional retirement benefit under this section is applicable only to the full-time employment with the employer that elects to provide the benefits authorized under this act, and from which employment the employee retires to receive the benefit and the compensation for that employment.

2. For an employee of an employer other than the State participating in the Police and Firemen's Retirement System that elects to provide the benefits authorized under this act, who:

- a. is at least 55 years of age and has at least 20, but less than 25, years of service credit under the PFRS before the effective date of retirement;

- b. files an application to retire within one month after the effective date of the resolution adopted by the employee's employer pursuant to section 4 of this act; and

- c. retires under the retirement system within three months after the effective date of the resolution, the employer shall pay the entire cost for health care benefits coverage for the retired employee and the employee's dependents, but not including survivors unless the employer is paying the entire cost for coverage for survivors on the effective date of this act. The coverage shall be provided through the New Jersey State Health Benefits Program. The retired employee, the employee's dependents and survivors shall be eligible for coverage pursuant to section 13 of P.L.2003, c.130 (C.52:14-17.32m), if the employer is not a program participant at the time of the employee's retirement. The payment for the coverage shall be made by an employer other than the State in the same manner provided for payment by an employer other than the State of premiums or periodic charges for retired employees under P.L.1961, c.49 (C.52:14-17.25 et seq.).

3. For an employee of an employer other than the State participating in the Police and Firemen's Retirement System that elects to provide the benefits authorized under this act, who:

- a. is at least 55 years of age and has at least 10, but less than 20, years of service credit under the PFRS before the effective date of retirement;

- b. files an application to retire within one month after the effective date of the resolution adopted by the employee's employer pursuant to section 4 of this act; and

- c. retires under the retirement system within three months after the effective date of the resolution, the employer shall pay an additional pension of \$500 per month in each of the 24 months following the date of retirement.

4. An employer other than the State may elect to provide the benefits under this act by the adoption of a resolution by its governing body, which is to be effective on the first day of a month, within one year of the effective date of this act, P.L.2003, c.130, and the filing of a certified copy of the resolution with the Director of the Division of Pensions and Benefits in the Department of the Treasury within three business days after its adoption. The governing body may elect to provide the benefits under this act one time only and the effective date of the resolution shall fall within the one-year period following the effective date of this act.

The employer shall submit to the director any information necessary to provide the benefits or to determine the liability for them.

5. The actuary for the PFRS shall determine the liability of the retirement system for the additional service credit or pensions provided under this act and for the early retirement of employees in accordance with the tables of actuarial assumptions adopted by the board of trustees of the retirement system. This liability shall be added to the unfunded accrued liability of the employer under the retirement system and shall be paid by the employer over a period of 15 years in the same manner as provided for the employer's unfunded accrued liability of the retirement system under section 15 of P.L.1944, c.255 (C.43:16A-15). The employer may elect to pay this liability in full at any time.

The retirement system shall annually certify to each employer the contributions due to the pension accumulation fund for the liability under this act. The contributions certified by the retirement system shall be paid by the employer to the retirement system on or before the date prescribed by law for payment of employer contributions for basic retirement benefits. If payment of the full amount of the contribution certified is not made within 15 days after the last date for payment of employer contributions for basic retirement benefits, interest at the rate of 10% per year shall be assessed against the unpaid balance on the first day after the fifteenth day.

The employer shall pay the cost of the actuarial work to determine the additional liability of the retirement system for the benefits under this act and that cost shall be included in the initial contribution required from the employer.

6. An employee who receives a benefit under this act shall forfeit all tenure rights.

7. When the needs of the employer require the service of an employee who elects to retire and receive a benefit under this act, the employer, with the approval of the governing body of the employer, and with the consent of the employee, may delay the effective retirement date of the employee until the first day of any calendar month after the third month after the effective date of the resolution adopted by the governing body of the employer pursuant to section 4 of this act, but not later than one year after that three-month period. A delay in the effective retirement date of an employee shall not extend the dates set forth in sections 1 through 3 of this act to qualify for benefits under this act.

For a member of the PFRS whose effective retirement date is delayed under this section and who dies before the retirement becomes effective, the retirement shall be effective as of the first day of the month after the date of death of the member if the member's beneficiary requests in writing to the board of trustees of the retirement system that the retirement be effective.

8. An employee purchasing service credit on or after the effective date of this act to qualify for a benefit under this act may purchase a portion of the credit that the employee is eligible to purchase.

9. For the purposes of this act, "employee" means a policeman or a fireman as defined in section 1 of P.L.1944, c.255 (C.43:16A-1).

The employers and employees covered by this act shall not include Rutgers, The State University, the New Jersey Institute of Technology, the University of Medicine and Dentistry of New Jersey, or any State college or university, and their employees participating in the PFRS.

10. Prior to the end of the one-year period following the effective date of this act each employer covered by the provisions of this act shall meet and consult with the representatives of the bargaining unit or units representing the employees who would be eligible for benefits under this act.

11. The Director of the Division of Pensions and Benefits may promulgate rules and regulations that the director deems necessary for the effective implementation of this act.

12. Section 1 of P.L.2002, c.42 (C.40A:2-51.3) is amended to read as follows:

C.40A:2-51.3 Issuance of refunding bonds by local government entity for certain ERI liabilities.

1. Notwithstanding the provisions of N.J.S.40A:2-51 to the contrary, a county or municipality may incur indebtedness, borrow money, authorize and issue negotiable refunding bonds, in any amount determined to be necessary by the county or the municipality and approved by the Local Finance Board to effect the refunding for the purpose of retiring the present value of the unfunded accrued liability for early retirement incentive benefits granted pursuant to P.L.1991, c.229, P.L.1991, c.230, P.L.1993, c.138, P.L.1993, c.181, P.L.1993, c.99, P.L.1999, c.59, P.L.2003, c.128, and P.L.2003, c.130, in addition to the other purposes for which it may do the same under N.J.S.40A:2-51. The system actuary shall calculate the present value of the unfunded liability due and owing by the municipality or county on a date certain upon the request of the county or municipality. For purposes of this section, "county" means any county of any class and all boards or commissions organized under such county, including but not limited to welfare boards, boards of social services, park commissions and mosquito control authorities.

C.52:14-17.32m Enrollment of certain PFRS retirees in SHBP.

13. After the effective date of P.L.2003, c.130, a former employee of an employer participating in the Police and Firemen's Retirement System, P.L.1944, c.255 (C.43:16A-1 et seq.) who retires from employment with the employer pursuant to the provisions of section 2 of P.L.2003, c.130 in accordance with the action taken pursuant to section 4 of P.L.2003, c.130 and the former employee's dependents, may enroll in the State Health Benefits Program upon retirement, but not later than 60 days following retirement. The laws and regulations governing the program, except as provided in this section, are applicable to enrollment in the program under this section.

14. This act shall take effect immediately.

Approved July 14, 2003.