

CHAPTER 263

AN ACT concerning the enrollment of officers and employees of interstate compact agencies in the Public Employees' Retirement System of New Jersey and the purchase of service credit in that system and amending P.L.1954, c. 84 and P.L.1963, c.19.

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

1. Section 73 of P.L.1954, c.84 (C.43:15A-73) is amended to read as follows:

C.43:15A-73 Eligible employees of certain governmental entities, enrollment in Public Employees' Retirement System.

73. a. (1) The Public Employees' Retirement System is hereby authorized and directed to enroll eligible employees of the New Jersey Turnpike Authority, Palisades Interstate Park Commission, Interstate Environmental Commission, the Delaware River Basin Commission and the Delaware River Joint Toll Bridge Commission.

In the case of the Delaware River Joint Toll Bridge Commission, the eligible employees shall be only those who are employed on the free bridges across the Delaware river, under the control of said commission, or who are members of the retirement system at the time they begin employment with the commission.

The said employees shall be subject to the same membership, contribution and benefit provisions of the retirement system as State employees.

(2) In addition to those agencies named in paragraph (1) of this subsection, the Public Employees' Retirement System is hereby authorized and directed to enroll an eligible officer or employee, excluding a police officer or firefighter, of a bi-state or multi-state agency established pursuant to an interstate compact to which this State is a party, if the officer or employee is a resident of this State at the time of appointment or employment with the agency and the governing body of the agency has adopted a resolution, and filed a certified copy of the resolution with the board of the retirement system, that permits such an officer or employee to enroll. The enrollment shall be at the option of the officer or employee so permitted. A filed resolution shall define each category of officer or employee who may enroll in the retirement system, and the resolution may apply to those officers or employees initially appointed or employed on or after January 1, 2002.

The resolution shall be in a form prescribed by the Division of Pensions and Benefits. The election by an officer or employee to enroll in the retirement system shall be made within 90 days of the date of eligibility. Once enrolled, the officer or employee shall remain a member of the retirement system during the period of continuous service with the agency. The officer or employee shall not be enrolled simultaneously in more than one retirement system based on the same service with the agency. An enrolled officer or employee who was appointed or employed on or after January 1, 2002 shall receive credit for service with the agency rendered prior to enrollment if there is paid into the appropriate fund of the retirement system at the time of enrollment, either by the agency or by the officer or employee, the full purchase amount required by applying the factor, supplied by the actuary, as being applicable to the officer's or employee's age at the time of purchase, to the officer's or employee's salary at the time of purchase or to the highest annual compensation for service in this State for which contributions were made during any prior fiscal year of membership in the retirement system, whichever is greater. An officer or employee who was a member of the retirement system on the date continuous service with the agency began and who has not withdrawn the employee contributions from the system, shall participate in the retirement system under the former membership. A bi-state or multi-state agency that files a resolution pursuant to this paragraph shall for all purposes of P.L.1954, c.84 (C.43:15A-1 et seq.) be deemed an employer, and its eligible employees, both veterans and nonveterans, shall be subject to the same membership, contribution and benefit provisions of the retirement system and to the provisions of P.L.1952, c.215 (C.43:3A-1 et seq.), P.L.1958, c.143 (C.43:3B-1 et seq.), P.L.1968, c.23 (C.43:3C-1 et seq.), P.L.1981, c.213 (C.43:3C-4 and 43:3C-5), P.L.1986, c.188 (C.43:3C-9), and P.L.1997, c.113 (C.43:3C-9.1 et seq.), as are applicable to State employees. As a condition, the agency shall consent to participation in the New Jersey agreement with the Social Security Administration.

b. The State University of New Jersey, as an instrumentality of the State, shall, for all purposes of this act, be deemed an employer and its eligible employees, both veterans and nonveterans, shall be subject to the same membership, contribution and benefit provisions of the retirement system and to the provisions of chapter 3 of Title 43 of the Revised Statutes as are applicable to State employees and for all purposes of this act employment by the State University of New Jersey after April 16, 1945, and for the purposes of chapter 3 of Title 43 of the Revised Statutes any new employment after January 1, 1955, shall be deemed to be and shall be construed as service to and employment by the State of New Jersey.

c. The Compensation Rating and Inspection Bureau, created and established pursuant to the provisions of R.S.34:15-89, shall, for all purposes of this act, be deemed an employer and its eligible employees, both veterans and nonveterans, shall be subject to the same membership, contribution and benefit provisions of the retirement system and to the provisions of chapter 3 of Title 43 of the Revised Statutes as both are applicable to State employees.

The retirement system shall certify to the Commissioner of Banking and Insurance and the Commissioner of Banking and Insurance shall direct the Compensation Rating and Inspection Bureau to provide the necessary payments to the retirement system in accordance with procedures established by the retirement system. Such payments shall include (1) the contributions and charges, similar to those paid by other public agency employers, to be paid by the Compensation Rating and Inspection Bureau to the retirement system on behalf of its employee members, and (2) the contributions to be paid by the Compensation Rating and Inspection Bureau to provide the past service credits up to June 30, 1965 for these members, both veterans and nonveterans, who enroll before July 1, 1966.

d. The New Jersey Sports and Exposition Authority, created and established pursuant to the "New Jersey Sports and Exposition Authority Law," P.L.1971, c.137 (C.5:10-1 et seq.) shall for all purposes of this act, be deemed an employer and its eligible employees both veterans and nonveterans, shall be subject to the same membership, contribution and benefit provisions of the retirement system and to the provisions of chapter 3 of Title 43 of the Revised Statutes as are applicable to State employees.

(1) Eligible employees as used herein shall not include persons who are not classified as salaried, or who are compensated on an hourly or per diem basis, or whose employment is normally covered by other retirement systems to which the authority makes contributions.

(2) Eligible employees previously permitted to enroll in the retirement system shall redeposit the contributions previously made by them and all service credit shall then be restored and future contributions made at the date of contribution as originally assigned. The authority shall redeposit the employer payments it had made, with interest to the date of redeposit.

e. The New Jersey Transit Corporation created and established pursuant to the "New Jersey Public Transportation Act of 1979," P.L.1979, c.150 (C.27:25-1 et seq.) shall for all purposes of this act, be deemed an employer and its eligible employees both veterans and nonveterans, shall be subject to the same membership, contribution and benefit provisions of the retirement system and to the provisions of chapter 3 of Title 43 of the Revised Statutes as are applicable to State employees. Eligible employees as used herein means only those individuals who are members of the Public Employees' Retirement System or any other State-administered retirement system immediately prior to their initial employment by the corporation.

f. (1) The Casino Reinvestment Development Authority, created and established pursuant to P.L.1984, c.218 (C.5:12-153 et seq.), the New Jersey Urban Development Corporation, created and established pursuant to P.L.1985, c.227 (C.55:19-1 et seq.), the South Jersey Food Distribution Authority, created and established pursuant to P.L.1985, c.383 (C.4:26-1 et seq.), the New Jersey Development Authority for Small Businesses, Minorities and Women's Enterprises, created and established pursuant to P.L.1985, c.386 (C.34:1B-47 et seq.), and the Catastrophic Illness in Children Relief Fund Commission, created and established pursuant to P.L.1987, c.370 (C.26:2-148 et seq.) shall each, for all purposes of this act, be deemed an employer and eligible authority, corporation, or commission. Employees, both veterans and nonveterans, shall be subject to the same membership, contribution and benefit provisions of the retirement system and to the provisions of chapter 3 of Title 43 of the Revised Statutes as are applicable to State employees.

(2) The current or former employees of the authorities, the corporation, and the commission may purchase credit for all service with the authority, corporation, or commission rendered prior to the effective date of this amendatory and supplementary act, P.L.1990, c.25 (C.43:15A-73.2 et al.), if that service would otherwise be eligible for credit in the retirement system. This purchase shall be made in the same manner and shall be subject to the same terms and conditions provided for the purchase of previous membership service by section 8 of P.L.1954, c.84 (C.43:15A-8). The authority, corporation, or commission shall pay the unfunded liability as determined by the actuary for prior service purchased by its employees in accordance with a schedule approved by the actuary. This obligation of the authority, corporation, or commission shall be known as the accrued liability for prior service credit.

(3) For any employee of the authorities or of the corporation or commission who is in service with the authority, corporation, or commission on the effective date of this amendatory and supplementary act, P.L.1990, c.25 (C.43:15A-73.2 et al.), the age of enrollment for the purposes of the member contribution rate under section 25 of P.L.1954, c.84 (C.43:15A-25) shall be the age of the employee on the date the continuous service with the authority began. Any employee who was a member of the retirement system on the date continuous service with the authority, corporation, or commission began but whose membership expired before the effective date of participation by the authority, corporation, or commission in the retirement system, and who has not withdrawn the employee contributions from the system, shall participate in the retirement system under the former membership and shall contribute to the system at the rate applicable to the former membership.

g. A subsidiary corporation or other corporation established by the Delaware River Port Authority pursuant to subdivision (m) of Article I of the compact creating the authority (R.S.32:3-2), as defined in section 3 of P.L.1997, c.150 (C.34:1B-146), shall, for all purposes of this act, be deemed an employer and its eligible employees, both veterans and nonveterans, shall be subject to the same membership, contribution and benefit provisions of the retirement system and to the provisions of chapter 3 of Title 43 of the Revised Statutes as are applicable to State employees. Employees of the subsidiary or other corporation eligible for participation in the retirement system under this subsection shall include only persons who are employees of the South Jersey Port Corporation on the effective date of P.L.1997, c.150 (C.34:1B-144 et al.) and are re-employed by the subsidiary or other corporation within 365 days of the effective date.

2. Section 2 of P.L.1963, c.19 (C.43:15A-73.1) is amended to read as follows:

C.43:15A-73.1 Credit for employment in other states, federal government or military service; limitation; payments; pro rata credit upon retirement.

2. A member may file a detailed statement of public employment in other states or with the United States Government which would be eligible for credit in a State-administered retirement system if the employment was with a public employer in this State, or of military service in the Armed Forces of the United States, or of service resulting from initial appointment or employment on or after January 1, 2002 with a bi-state or multi-state agency established pursuant to an interstate compact to which the State is a party which would be eligible for credit in a State-administered retirement system if the employment was with a public employer in this State, rendered prior to becoming a member, for which the member desires credit, and of such other facts as the retirement system may require. The member may purchase credit for all or a portion of the service evidenced in the statement up to the nearest number of years and months, but not exceeding 10 years, provided however, that a member purchasing that maximum credit may purchase up to five additional years for additional military service qualifying the member as a veteran as defined in section 6 of P.L.1954, c.84 (C.43:15A-6). No application shall be accepted for the purchase of credit for the service if, at the time of application, the member has a vested right to retirement benefits in another retirement system based in whole or in part upon that service. The member may purchase credit for the service 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, or to the highest annual compensation for service in this State for which contributions were made during any prior fiscal year of membership, whichever is greater. The purchase may be made in regular

installments, equal to at least 1/2 of the full normal contribution to the retirement system, over a maximum period of 10 years. The employer of a member who applies, pursuant to this section, to purchase credit for public employment with the United States Government or for military service in the Armed Forces of the United States shall not be liable for any payment to the retirement system on behalf of the member for the purchase of this credit.

Notwithstanding any provision of this act to the contrary, a member shall not be liable for any costs associated with the financing of pension adjustment benefits and health care benefits for retirees when purchasing credit for public employment in other states or with the United States Government or military service in the Armed Forces of the United States or with a bi-state or multi-state agency.

Any member electing to make a purchase pursuant to this section who retires prior to completing payments as agreed with the retirement system will receive pro rata credit for the purchase 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. This act shall take effect immediately.

Approved January 14, 2004.