

CHAPTER 247

AN ACT reducing the penalty for early retirement imposed on certain city pension fund members and amending P.L.1967, c.222.

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

1. Section 1 of P.L.1967, c.222 (C.43:13-22.54a) is amended to read as follows:

C.43:13-22.54a Retirement for service prior to age 60; survivors' benefits.

1. (a) A member who resigns after having completed 25 years of service for which credit has been established in the pension fund and before reaching age 60 may elect to receive, in lieu of the payment provided in section 4 of P.L.1964, c.275 (C.43:13-22.53), or the benefit provided by subsection (b) of this section, a pension in the amount of 55% of final salary, plus 1% for each year of service in excess of 20 years; provided, however, that such pension shall be reduced by 1/12 of 1% for each month that the member lacks of being age 60; but if the member waits until age 60 to start collecting benefits, there shall be no reduction in benefits, and in no event shall the amount of any pension payable pursuant to the provisions of this subsection be less than \$3,600 per annum.

Upon and after the death of such pensioner, the benefits provided by section 7 of P.L.1964, c.275 (C.43:13-22.56) shall be payable to any eligible survivors.

(b) A member who, after having completed 10 years of service for which credit has been established in the pension fund, becomes separated voluntarily or involuntarily from the service before reaching age 60 may elect to receive, in lieu of the benefit provided by subsection (a) of this section, a deferred pension beginning at age 60, in an amount equal to the proportional relation which the years of the member's service credited in the fund bear to the total number of years of service that the member could have achieved by continuing in service to age 60, multiplied by 1/2 of the member's final salary calculated as of the time that the member elected the deferred pension; but in no event shall the amount of any deferred pension payable pursuant to the provisions of this subsection be less than \$3,600 per annum.

Upon and after the death of such pensioner, the benefits provided by section 7 of P.L.1964, c.275 (C.43:13-22.56) shall be payable to any eligible survivors.

2. This act shall take effect immediately.

Approved December 21, 2005.