

CHAPTER 256

AN ACT concerning the Supplemental Annuity Collective Trust of New Jersey and amending P.L.1963, c.123 and P.L.1965, c.90.

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

1. Section 7 of P.L.1963, c.123 (C.52:18A-113) is amended to read as follows:

C.52:18A-113 Contributions.

7. Contributions by a participant shall be made through payroll deductions of integral dollar amounts not in excess of the maximum contribution amount permitted under the federal Internal Revenue Code of 1986, as amended. Participants who are making contributions through payroll deductions may also make lump-sum contributions by direct payments in integral dollar amounts of not less than \$50.00, provided, however, that the total contributions for any one year may not exceed the maximum contribution amount permitted by federal law.

Contributions by a participant shall cease upon retirement, death, or upon termination of membership in a State administered retirement system.

2. Section 4 of P.L.1965, c.90 (C.52:18A-113.1) is amended to read as follows:

C.52:18A-113.1 Purchase of annuity for employee by employer.

4. Any employee who is a member of a State administered retirement system may enter into an agreement with the employee's employer whereby the employee agrees to a reduction in salary in return for the employer's agreement to use the amount of such reduction in salary to purchase on behalf of such employee from the Supplemental Annuity Collective Trust of New Jersey an annuity, provided that any such annuity qualifies under section 403(b) of the Internal Revenue Code of 1986, as amended. The amount of the reduction in salary under any agreement entered into between an employee and the employee's employer pursuant to this section shall not exceed the maximum contribution amount permitted under section 403(b) of the federal Internal Revenue Code, 26 U.S.C. s.403(b). Any such agreement shall remain in effect for at least one year. If an agreement is entered into between an employee and the employee's employer pursuant to this section, the employer shall pay the premiums for the annuity purchased directly to the Supplemental Annuity Collective Trust in accordance with rules and regulations promulgated by the council.

Amounts payable pursuant to this section by an employer on behalf of an employee for a pay period shall be transmitted and credited not later than the fifth business day after the date on which the employee is paid for that pay period.

3. This act shall take effect immediately.

Approved January 4, 2006.