CHAPTER 31

AN ACT concerning the State's pension contributions to the Alternate Benefit Program and amending P.L.1969, c.242.

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

1. Section 8 of P.L.1969, c.242 (C.18A:66-174) is amended to read as follows:

C.18A:66-174 Reduction from compensation of participants; payments of employer contribution.

8. (a) The University of Medicine and Dentistry of New Jersey, Rutgers, The State University and the New Jersey Institute of Technology shall reduce the compensation of each participant in the alternate benefit program and pay over to the insurers or mutual fund companies for the benefit of the participant an employee contribution for the retirement annuity contract or contracts equal to 5% of the participant's base salary. The intervals for deductions or reductions and payments shall be determined by the respective school governing bodies.

The Division of Pensions and Benefits shall provide for reductions from the compensation of each participant in the alternate benefit program employed by the State and county colleges of an employee contribution equal to 5% of the participant's base salary and pay this amount to the insurers or mutual fund companies for the individual's retirement annuity contract or contracts. The intervals for deductions or reductions and payments shall be determined by the Division of Pensions and Benefits.

The Division of Pensions and Benefits may require that all participant contributions be made in accordance with section 414(h) of the federal Internal Revenue Code (26 U.S.C. s.414(h)).

(b) Based on a certification to the Division of Pensions and Benefits by the University of Medicine and Dentistry of New Jersey, Rutgers, The State University and the New Jersey Institute of Technology of the number and base salary of participants, the division shall authorize the State to make payment of the employer contributions to the alternate benefit program at a rate equal to 8% of the employee's base salary, except the amount of the contribution shall not exceed 8% of the maximum salary for department officers established pursuant to section 1 of P.L.1974, c.55 (C.52:14-15.107), which moneys shall be paid to the designated insurers or mutual fund companies for the benefit of each participant.

Based on a certification by the Division of Pensions and Benefits of the number and base salary of participants employed by the State and county colleges, the State shall make payment of the employer contributions to the alternate benefit program at a rate equal to 8% of the employee's base salary, except the amount of the contribution shall not exceed 8% of the maximum salary for department officers established pursuant to section 1 of P.L.1974, c.55 (C.52:14-15.107), which moneys shall be paid to the designated insurers or mutual fund companies for the benefit of each participant.

(c) For the member of the Public Employees' Retirement System employed by the county colleges, who is defined in the regulations of the Division of Pensions and Benefits as a full-time faculty member and who is permitted to transfer his membership and does so, the State shall pay the employer contribution to the alternate benefit program at a rate equal to 8% of the member's base salary, except the amount of the contribution shall not exceed 8% of the maximum salary for department officers established pursuant to section 1 of P.L.1974, c.55 (C.52:14-15.107). If the member continues membership in the Public Employees' Retirement System, the State shall pay the employer contribution to the retirement system on his behalf and such employer contribution shall be at a rate equal to the normal contribution made by the State on behalf of nonveteran members of the Public Employees' Retirement System.

(d) For any nonacademic employee of a county college, as defined in section 4 of P.L.1969, c.242 (C.18A:66-170), who is eligible for the program according to the regulations of the Director of the Division of Pensions and Benefits, the county college shall pay the employer contribution to the retirement system on the employee's behalf in the same manner as the State, pursuant to this section.

2. This act shall take effect on July 1, 2010.

Approved June 29, 2010.