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SYNOPSIS
Provides retirement allowance after 20 years of service regardless of age for members of PFRS.

CURRENT VERSION OF TEXT
As introduced.
AN ACT concerning retirement benefits for members of the Police
and Firemen’s Retirement System and amending P.L.1944, c.255.

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

1. Section 5 of P.L.1944, c.255 (C.43:16A-5) is amended to read
as follows:

5. (1) Any member in service who has attained age 55 years may
retire on a service retirement allowance upon filing a written and duly
executed application to the retirement system, setting forth at what
time, not less than one month subsequent to the filing thereof, he
desires to be retired. Any member in service who attains age 65 years
shall be retired on a service retirement allowance forthwith on the
first day of the next calendar month, except that a member hired prior
to January 1, 1987 may remain a member of the system until the
member attains age 68 years or 25 years of creditable service,
whichever comes first.

(2) Upon retirement for service a member shall receive a service
retirement allowance which shall consist of:

(a) An annuity which shall be the actuarial equivalent of his
aggregate contributions and

(b) A pension in the amount which, when added to the member’s
annuity, will provide a total retirement allowance of one-sixtieth of
his average final compensation multiplied by the number of years of
his creditable service, or 2% of his average final compensation
multiplied by the number of years of his creditable service up to 30
plus 1% of his average final compensation multiplied by the number
of years of creditable service over 30, or 50% of his final
compensation if the member has established 20 or more years of
creditable service, whichever is greater.

(3) (a) Any member of the retirement system as of the effective
date of P.L.1999, c.428 who has 20 or more years of creditable
service at the time of retirement shall be entitled to receive a
retirement allowance equal to 50% of the member’s final
compensation plus, in the case of a member required to retire
pursuant to the provisions of subsection (1) of this section, 3% of
final compensation multiplied by the number of years of creditable
service over 20 but not over 25.

(b) Any member of the retirement system who was enrolled prior
to or on or after the effective date of [P.L.2021, c.52 and who is a
member on that effective date] P.L. , c. (pending before the
Legislature as this bill) may retire on or after [the] that effective date
[of P.L.2021, c.52 but no later than the first day of the 25th month
following that effective date] on a service retirement allowance,

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.
regardless of age, upon attaining 20 or more years of creditable service and shall be entitled to receive a service retirement allowance equal to 50% of the member's final compensation.

(4) Upon the receipt of proper proofs of the death of a member who has retired on a service retirement allowance, there shall be paid to his beneficiary an amount equal to one-half of the compensation upon which contributions by the member to the annuity savings fund were based in the last year of creditable service.

(cf: P.L.2021, c.52, s.1)

2. This act shall take effect immediately.

STATEMENT

This bill provides an additional category of service retirement for a member of the Police and Firemen’s Retirement System (PFRS).

Under the bill, a member of the PFRS who is enrolled before or after the effective date of this bill may retire after the effective date, regardless of age, upon attaining 20 or more years of service credit and receive a retirement allowance equal to 50 percent of the member's final compensation.

Under current law, a member must be 55 years of age or older to retire on a service retirement allowance of 50 percent of final compensation upon attaining 20 years or more of service credit. In addition, a 1999 law permitted members, who were already enrolled in PFRS at that time, to retire at any age with 50 percent of final compensation upon attaining 20 or more years of service credit. A 2021 law permitted members, who were enrolled in PFRS at that time and who retired within two years after the law’s enactment, to retire at any age with 50 percent of final compensation upon attaining 20 or more years of service credit.

This bill extends the annual retirement benefit of 50 percent of final compensation after 20 or more years of service to all PFRS members regardless of enrollment date and regardless of age at retirement.