

SENATE, No. 3090

STATE OF NEW JERSEY 220th LEGISLATURE

INTRODUCED SEPTEMBER 29, 2022

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Senator JOSEPH A. LAGANA

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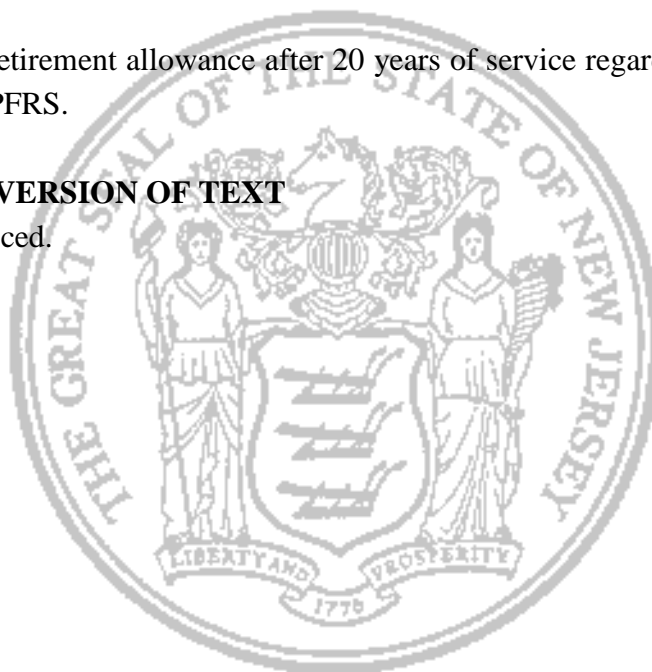
Senators Stanfield, Polistina, Greenstein, Assemblymen Spearman, Rooney, Coughlin and Senator Durr

SYNOPSIS

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

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 5/22/2023)

1 AN ACT concerning retirement benefits for members of the Police
2 and Firemen's Retirement System and amending P.L.1944, c.255.

3

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

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

9 5. (1) Any member in service who has attained age 55 years may
10 retire on a service retirement allowance upon filing a written and duly
11 executed application to the retirement system, setting forth at what
12 time, not less than one month subsequent to the filing thereof, he
13 desires to be retired. Any member in service who attains age 65 years
14 shall be retired on a service retirement allowance forthwith on the
15 first day of the next calendar month, except that a member hired prior
16 to January 1, 1987 may remain a member of the system until the
17 member attains age 68 years or 25 years of creditable service,
18 whichever comes first.

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

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

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

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

40 (b) Any member of the retirement system who was enrolled prior
41 to or on or after the effective date of **【P.L.2021, c.52 and who is a**
42 **member on that effective date】** P.L. , c. (pending before the
43 Legislature as this bill) may retire on or after **【the】** that effective date
44 **【of P.L.2021, c.52 but no later than the first day of the 25th month**
45 **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.

1 regardless of age, upon attaining 20 or more years of creditable
2 service and shall be entitled to receive a service retirement allowance
3 equal to 50% of the member's final compensation.

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

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

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11 2. This act shall take effect immediately.

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STATEMENT

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

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

23 Under current law, a member must be 55 years of age or older to
24 retire on a service retirement allowance of 50 percent of final
25 compensation upon attaining 20 years or more of service credit. In
26 addition, a 1999 law permitted members, who were already enrolled
27 in PFRS at that time, to retire at any age with 50 percent of final
28 compensation upon attaining 20 or more years of service credit. A
29 2021 law permitted members, who were enrolled in PFRS at that time
30 and who retired within two years after the law's enactment, to retire
31 at any age with 50 percent of final compensation upon attaining 20
32 or more years of service credit.

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