

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY, No. 3930

STATE OF NEW JERSEY 221st LEGISLATURE

DATED: JULY 2, 2024

SUMMARY

- Synopsis:** Permits service credit Prosecutors Part of PERS for judicial clerk service; increases salary of Presiding Judge of Appellate Division and county prosecutor; permits retired judges to collect pension while serving as county prosecutor.
- Type of Impact:** Annual State expenditure increase; potential expenditure decrease for local governments.
- Agencies Affected:** Department of Community Affairs; Division of Pensions and Benefits in the Department of the Treasury; county governments.

Office of Legislative Services Estimate			
Fiscal Impact	<u>FY 2024 & FY 2025</u>	<u>FY 2026 & FY 2027</u>	<u>FY 2028 & Forward</u>
Annual State Expenditure Increase for Salary Costs	Up to \$135,900	Up to \$275,193	Up to \$367,697
State Expenditure Increase for Pensions Costs and Health Benefits Costs in Retirement	Indeterminate	Indeterminate	Indeterminate
Local Expenditure Decrease for Health Benefits Costs in Retirement	Indeterminate	Indeterminate	Indeterminate

- The Office of Legislative Services (OLS) anticipates that this bill will result in maximum annual State expenditure increases of \$135,900 in FY 2024 and FY 2025, \$275,193 in FY 2026 and FY 2027, and \$367,697 in FY 2028 and every year thereafter for salary costs.
- The OLS considers potential cost increases to the State for additional pension and post-retirement medical benefit costs provided under the bill and potential cost decreases to county governments for State-paid post-retirement medical benefit costs to be indeterminate.

BILL DESCRIPTION

This bill allows a county prosecutor, nominated and appointed pursuant to the State Constitution, to receive credit in the Prosecutors Part of the Public Employees' Retirement System (PERS) for service as a judicial law clerk in a State Court if the county prosecutor purchases credit for that service after being appointed to serve as a county prosecutor. Under current law, such a purchase after appointment is not recognized as service credit in the Prosecutors Part.

The bill also removes the statutory prohibition on retired members of the Judicial Retirement System practicing law in this State, if the retired member is serving as a county prosecutor appointed by the Governor with the advice and consent of the Senate. While serving as a county prosecutor, the retired member may continue collecting their pension and may not enroll in any other State-administered retirement system on the basis of that service. Under the bill, the State may pay for health care benefits for county prosecutors who became eligible for State-paid post-retirement medical benefits due to former service in the retirement system.

Additionally, the bill establishes a separate salary for Presiding Judges of the Superior Court, Appellate Division, which will be \$3,000 more than that of other Appellate Division judges. The bill also continues the annual salary adjustment for county prosecutors for an additional two years, based on the change in the Consumer Price Index.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS anticipates that this bill will result in maximum annual State expenditure increases of \$135,900 in FY 2024 and FY 2025, \$275,193 in FY 2026 and FY 2027, and \$367,697 in FY 2028 and every year thereafter for salary costs. These potential cost increases are due to the \$3,000 salary increase that the bill provides Presiding Judges of the Appellate Division effective January 1, 2024 and the extension of the annual salary adjustment provided to county prosecutors under current law for an additional two years.

The OLS also expects that permitting service credit in the Prosecutors Part of PERS for judicial clerk service may result in indeterminate cost increases to the State and the pension fund if members of the retirement system collect a pension for more years than they would under current law or become eligible for employer-paid post-retirement health benefits. Additionally, the OLS expects that permitting retired judges to collect a pension while serving as a county prosecutor will result in indeterminate cost increases to the State and the pension fund if retirees collect a pension for more years than they would under current law.

The bill also permits retired judges subsequently appointed as county prosecutors who became eligible for State-paid post-retirement medical benefits by virtue of their judicial service to receive State-paid health benefits while serving as a county prosecutor. The OLS anticipates that this provision will result in an indeterminate cost decrease for local governments who are responsible for health benefit costs for county employees under current law.

Section: State Government

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This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).