

ASSEMBLY, No. 4430

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED MAY 20, 2024

Sponsored by:

Assemblywoman AURA K. DUNN

District 25 (Morris and Passaic)

SYNOPSIS

Provides full forfeiture of pension of elected or appointed official convicted of any crime touching office.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning the forfeiture of pension benefits by convicted
2 elected and appointed officials and amending P.L.1995, c.408.

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

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7 1. Section 1 of P.L.1995, c.408 (C.43:1-3) is amended to read
8 as follows:

9 1. a. The receipt of a public pension or retirement benefit is
10 hereby expressly conditioned upon the rendering of honorable
11 service by a public officer or employee.

12 b. (1) The board of trustees of any State or locally-administered
13 pension fund or retirement system created under the laws of this
14 State shall order the forfeiture of all of the earned service credit or
15 pension or retirement benefit of any member of the fund or system
16 who is convicted of a crime under the laws of this State, or of an
17 offense under the laws of another state or the United States, for
18 misconduct occurring during the member's service in an elective or
19 appointive public office or position, whether or not the fund or
20 system covered the office or position, which misconduct involves or
21 touches such office or position, as defined in section 2 of P.L.2007,
22 c.49 (C.43:1-3.1), and renders the member's service dishonorable.

23 (2) The board of trustees of any State or locally-administered
24 pension fund or retirement system created under the laws of this
25 State is authorized to order the forfeiture of all or part of the earned
26 service credit or pension or retirement benefit of any member of the
27 fund or system for misconduct occurring during the member's
28 public service which renders the member's service or part thereof
29 dishonorable and to implement any pension forfeiture ordered by a
30 court pursuant to section 2 of P.L.2007, c.49 (C.43:1-3.1).

31 c. In evaluating a member's misconduct, for the purpose of
32 paragraph (2) of subsection b. of this section, to determine whether
33 it constitutes a breach of the condition that public service be
34 honorable and whether forfeiture or partial forfeiture of earned
35 service credit or earned pension or retirement benefits is
36 appropriate, the board of trustees shall consider and balance the
37 following factors in view of the goals to be achieved under the
38 pension laws:

- 39 (1) the member's length of service;
40 (2) the basis for retirement;
41 (3) the extent to which the member's pension has vested;
42 (4) the duties of the particular member;
43 (5) the member's public employment history and record covered
44 under the retirement system;
45 (6) any other public employment or service;

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 (7) the nature of the misconduct or crime, including the gravity
2 or substantiality of the offense, whether it was a single or multiple
3 offense and whether it was continuing or isolated;
- 4 (8) the relationship between the misconduct and the member's
5 public duties;
- 6 (9) the quality of moral turpitude or the degree of guilt or
7 culpability, including the member's motives and reasons, personal
8 gain and similar considerations;
- 9 (10) the availability and adequacy of other penal sanctions; and
- 10 (11) other personal circumstances relating to the member which
11 bear upon the justness of forfeiture.
- 12 d. Whenever a board of trustees determines, pursuant to this
13 section, that a partial forfeiture of earned service credit or earned
14 pension or retirement benefits is warranted, it shall order that
15 benefits be calculated as if the accrual of pension rights terminated
16 as of the date the misconduct first occurred or, if termination as of
17 that date would in light of the nature and extent of the misconduct
18 result in an excessive pension or retirement benefit or in an
19 excessive forfeiture, a date reasonably calculated to impose a
20 forfeiture that reflects the nature and extent of the misconduct and
21 the years of honorable service.
22 (cf: P.L.2007, c.49, s.1)

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24 2. This act shall take effect immediately.

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STATEMENT

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29 This bill requires the board of trustees of any State or locally-
30 administered pension fund or retirement system to order the
31 forfeiture of all of the earned service credit or pension or other
32 retirement benefit of any member who is convicted of a crime under
33 the laws of this State, or of an offense under the laws of another
34 state or the United States, for misconduct occurring during the
35 member's service in an elective or appointive public office or
36 position which involves or touches the office or position and
37 renders the service dishonorable. This would apply whether or not
38 the fund or system covered the public office or position.

39 Current law provides for the full forfeiture of all of the pension
40 or retirement benefit of any member, elected or appointed,
41 convicted of certain listed crimes involving or touching the office or
42 employment if the pension or benefit is from the system or fund
43 which covered the office or employment involved in the offense.

44 In addition, under current law, a board of trustees of a pension
45 system may order the full or partial forfeiture of the pension of any
46 member for any kind of misconduct which renders the public
47 service dishonorable. The board considers 11 factors in its
48 evaluation of the public service.