

ASSEMBLY, No. 5158

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED JANUARY 14, 2025

Sponsored by:

Assemblywoman VERLINA REYNOLDS-JACKSON

District 15 (Hunterdon and Mercer)

Assemblyman ANTHONY S. VERRELLI

District 15 (Hunterdon and Mercer)

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District 22 (Somerset and Union)

Assemblywoman CARMEN THERESA MORALES

District 34 (Essex)

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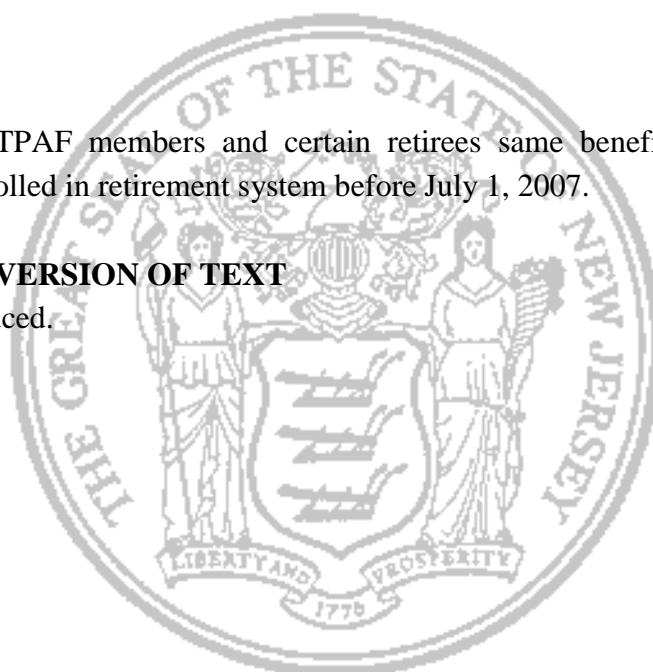
Assemblywoman Bagolie, Assemblymen Danielsen, DeAngelo, Karabinchak, Assemblywomen Hall, Ramirez, Lopez, Sumter, Tucker, Assemblymen Stanley, Rodriguez, Assemblywomen Swift, McCann Stamato, Flynn, Donlon, Peterpaul, Assemblymen Freiman, McClellan, Simonsen, Assemblywoman Swain, Assemblymen Tully, Singh, Miller, Sampson and Abdelaziz

SYNOPSIS

Provides TPAF members and certain retirees same benefits provided to members enrolled in retirement system before July 1, 2007.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 3/6/2025)

1 AN ACT concerning the benefits provided to members and certain
2 retirees of the Teachers' Pension and Annuity Fund and
3 supplementing N.J.S.18A:66-1 et seq.
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:
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8 1. a. Notwithstanding the provisions of P.L.2007, c.92;
9 P.L.2007, c.103; P.L.2008, c.89; P.L.2010, c.1; P.L.2010, c.3;
10 P.L.2011, c.78; or any other law, rule, or regulation to the contrary,
11 all current, non-retired members of the Teachers' Pension and
12 Annuity Fund shall be entitled to and shall receive the same
13 benefits received by members of the retirement system who
14 enrolled in the system prior to July 1, 2007. Notwithstanding the
15 provisions of any other law, rule, or regulation to the contrary, a
16 member of the Teachers' Pension and Annuity Fund who files an
17 application for retirement after the effective date of this act,
18 P.L. , c. (C.) (pending before the Legislature as this bill), shall
19 be entitled to and shall receive the same retirement benefits
20 received by members of the retirement system who enrolled in the
21 system prior to July 1, 2007.

22 b. Notwithstanding the provisions of any other law, rule, or
23 regulation to the contrary, all employees of public employers who
24 earn more than the minimum salary requirements but do not meet
25 the minimum work hours eligibility requirements on the effective
26 date of this act, P.L. , c. (C.) (pending before the Legislature as
27 this bill), pursuant N.J.S.18A:66-1 et seq. shall be enrolled as
28 members of the Teachers' Pension and Annuity Fund in accordance
29 with the provisions of subsection a. of this section. The employer
30 shall promptly process the compulsory enrollment of each affected
31 employee no later than 60 days following the effective date of this
32 act, P.L. , c. (C.) (pending before the Legislature as this
33 bill).

34 c. (1) Employees who are enrolled as participants of the Defined
35 Contribution Retirement Program established pursuant to P.L.2007,
36 c.92 (C.43:15C-1 et seq.) on the effective date of this act,
37 P.L. , c. (C.) (pending before the Legislature as this bill), shall
38 be enrolled in the Teachers' Pension and Annuity Fund pursuant to
39 the provisions of subsection a. of this section, unless they opt out
40 pursuant to this subsection. Upon enrollment, the employee shall
41 receive an automatic transfer of all years of service credit from the
42 Defined Contribution Retirement Program to the Teachers' Pension
43 and Annuity Fund. Any years of service credit transferred to the
44 Teachers' Pension and Annuity Fund from the Defined Contribution
45 Retirement Program pursuant to this subsection shall be used to
46 qualify the member for deferred retirement, early retirement,
47 service retirement, disability retirement, veteran's retirement, health
48 benefits enumerated under the School Employees' Health Benefits
49 Program, and other benefits as determined to be appropriate by the

1 Division of Pensions and Benefits; provided, however, that any
2 years of service credit transferred to the Teachers' Pension and
3 Annuity Fund from the Defined Contribution Retirement Program
4 pursuant to this subsection shall not be used to calculate the amount
5 of the pension benefits the member would receive in retirement as
6 set forth by N.J.S.18A:66-1 et seq. A member's prior contributions
7 into the Defined Contribution Retirement Program shall not be
8 transferred into the Teachers' Pension and Annuity Fund and shall
9 remain in the program's fund.

10 (2) Any employees enrolled as participants of the Defined
11 Contribution Retirement Program and whose years of service credit
12 are transferred to the Teachers' Pension and Annuity Fund pursuant
13 to paragraph (1) of this subsection shall receive a notice of the
14 automatic transfer of service credit no later than 60 days following
15 the effective date of this act, P.L. , c. (C.) (pending before
16 the Legislature as this bill).

17 (3) Any employees enrolled as participants of the Defined
18 Contribution Retirement Program who do not wish to become
19 enrolled as a member of the Teachers' Pension and Annuity Fund
20 pursuant to this subsection shall be permitted to opt out of joining
21 the Teachers' Pension and Annuity Fund by providing a notice to
22 their employer no later than six months of receiving the notice
23 outlined in paragraph (2) of this subsection. Any employees who
24 opt out shall remain participants of the Defined Contribution
25 Retirement Program.

26 d. Notwithstanding the provisions of any other law, rule, or
27 regulation to the contrary, any members of the Teachers' Pension
28 and Annuity Fund receiving long term disability insurance pursuant
29 to section 10 of P.L.2010, c.3 (C.18A:66-39.1), shall be considered
30 eligible to apply for an ordinary or accidental disability retirement
31 allowance pursuant to N.J.S.18A:66-1 et seq. If the member elects
32 to apply for disability retirement benefits under the Teachers'
33 Pension and Annuity Fund the member shall do so no later than two
34 calendar years following the effective date of this act,
35 P.L. , c. (C.) (pending before the Legislature as this bill).

36 e. Any changes to the early retirement, deferred retirement,
37 service retirement, and maximum base salary resulting from the
38 provisions of this act shall only apply to members who begin
39 processing a retirement application after the effective date of this
40 act, P.L. , c. (C.) (pending before the Legislature as this
41 bill).

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43 2. This act shall take effect immediately.

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STATEMENT

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48 This bill removes the membership tiers established in the
49 Teachers' Pension and Annuity Fund (TPAF) and transfers all

1 current non-retired members of TPAF to the membership tier
2 referred to as “Tier 1” by the Division of Pensions and Benefits.
3 All transferred members will be considered eligible for any benefits
4 associated with Tier 1.

5 Under the bill, employees of public employers who earn more
6 than the minimum salary requirement, but do not currently meet the
7 minimum hour eligibility requirements, will be considered eligible
8 to be enrolled as members of TPAF. The employer is to process the
9 compulsory enrollment of each affected employee within two
10 months following the enactment of the bill.

11 Any affected employees who are currently enrolled as
12 participants of the Defined Contribution Retirement Program
13 (DCRP) will be eligible for an automatic transfer of all years of
14 service credit to TPAF, if the employee elects to transfer their
15 membership from DCRP to TPAF. Any years of service credit
16 transferred to TPAF from DCRP will be used to qualify members
17 for retirement and health benefits associated with TPAF, but will
18 not be used to calculate the amount of pension benefit. A
19 participant’s prior contributions into the DCRP will not be
20 transferred into TPAF and will remain in the fund. The employee
21 will receive a notice of the transfer of service credit to TPAF within
22 two months following the enactment of the bill. Upon receiving the
23 notice, the affected employee has six months to notify their
24 employer if they do not wish to become enrolled as a member and
25 transfer their service credit to TPAF. Employees in the DCRP who
26 opt out of the transfer will remain in the DCRP. Additionally, any
27 members of TPAF who are receiving long term disability insurance
28 will be eligible to apply for disability retirement as long as they
29 apply within two calendar years following the enactment of the bill.

30 Any changes to the early retirement, deferred retirement, service
31 retirement, and maximum base salary resulting from the transfer of
32 members to Tier 1 of TPAF will only affect members who begin
33 processing a retirement application after the bill is enacted.