

ASSEMBLY, No. 5160

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)

Assemblywoman LINDA S. CARTER

District 22 (Somerset and Union)

Co-Sponsored by:

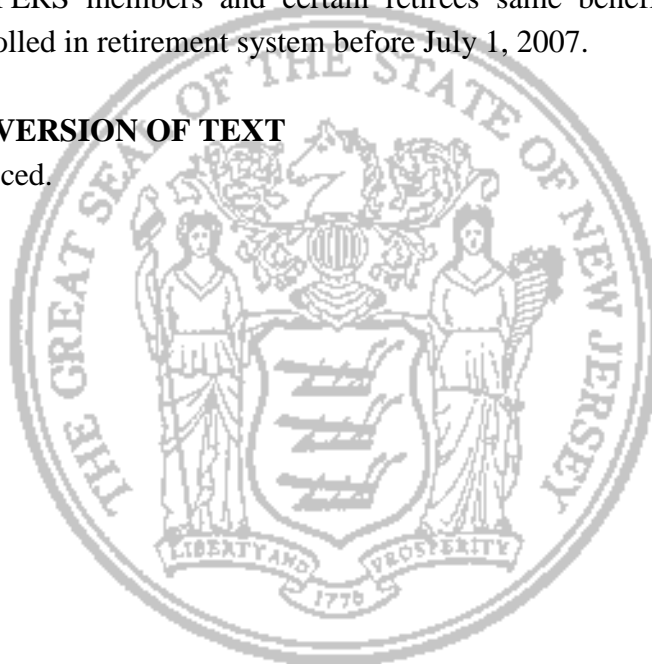
Assemblywoman Bagolie, Assemblymen DeAngelo, Daniels, Karabinchak, Assemblywomen Hall, Lopez, Tucker, Assemblyman Schnall, Assemblywomen Ramirez, Swift, McCann Stamato, Assemblyman Simonsen, Assemblywoman Flynn, Assemblymen Freiman, McClellan, Assemblywoman Swain, Assemblymen Tully, Singh, Miller and Abdelaziz

SYNOPSIS

Provides PERS 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 Public Employees' Retirement System and
3 supplementing P.L.1954, c.84 (C.43:15A-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 Public Employees'
12 Retirement System 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 Public Employees' Retirement System 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 P.L.1954, c.84 (C.43:15A-1 et seq.), shall be
28 enrolled as members of the Public Employees' Retirement System
29 in accordance with the provisions of subsection a. of this section.
30 The employer shall promptly process the compulsory enrollment of
31 each affected employee no later than 60 days following the
32 effective date of this act, P.L. , c. (C.) (pending before the
33 Legislature as this 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 Public Employee's Retirement System pursuant
39 to 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 Public Employees'
43 Retirement System. Any years of service credit transferred to the
44 Public Employees' Retirement System from the Defined
45 Contribution Retirement Program pursuant to this subsection shall
46 be used to qualify the member for deferred retirement, early
47 retirement, service retirement, disability retirement, veteran's
48 retirement, health benefits enumerated under the State Health

1 Benefits Program, and other benefits as determined to be
2 appropriate by the Division of Pensions and Benefits; provided,
3 however, that any years of service credit transferred to the Public
4 Employees' Retirement System from the Defined Contribution
5 Retirement Program pursuant to this subsection shall not be used to
6 calculate the amount of the pension benefits the member would
7 receive in retirement as set forth by P.L.1954, c.84 (C.43:15A-1 et
8 seq.). A member's prior contributions into the Defined
9 Contribution Retirement Program shall not be transferred into the
10 Public Employees' Retirement System and shall remain in the
11 program's fund.

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

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

28 d. Notwithstanding the provisions of any other law, rule, or
29 regulation to the contrary, any members of the Public Employees'
30 Retirement System receiving long term disability insurance
31 pursuant to section 11 of P.L.2010, c.3 (C.43:15A-42.1), shall be
32 considered eligible to apply for an ordinary or accidental disability
33 retirement allowance pursuant to P.L.1954, c.84 (C.43:15A-1 et
34 seq.). If the member elects to apply for disability retirement
35 benefits under the Public Employees' Retirement System, the
36 member shall do so no later than two calendar years following the
37 effective date of this act, P.L. , c. (C.) (pending before the
38 Legislature as this bill).

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

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46 2. This act shall take effect immediately.

STATEMENT

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This bill removes the membership tiers established in the Public Employees' Retirement System (PERS) and transfers all current non-retired members of PERS to the membership tier referred to as "Tier 1" by the Division of Pensions and Benefits. All transferred members will be considered eligible for any benefits associated with Tier 1.

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

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

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