LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 6315
STATE OF NEW JERSEY
221st LEGISLATURE

DATED: JANUARY 15, 2026

SUMMARY

Synopsis: Extends certain provisions of P.L.2021, c.498.

Type of Impact: Potential annual State expenditure decrease; potential annual State expenditure increase.

Agencies Affected: New Jersey Legislature.

Office of Legislative Services Estimate	
Fiscal Impact	**Annual**
Potential Net State Expenditure Decrease	Indeterminate

- The Office of Legislative Services (OLS) finds that if a retiree of the Legislature is permitted to return to employment for 20 hours or less per week after retirement without reenrolling in the Public Employees' Retirement System, the Legislature may realize savings in contributions to the retirement system. Because each qualified retiree is not reenrolled in the retirement system and thus does not receive an increase in retirement benefits for the additional service, the retirement system would not incur additional costs.

- The Legislature may also experience an expenditure increase to pay the salary costs of a retiree who returns to employment if the Legislature would not have otherwise hired new personnel to perform the duties of the rehired individual, but the net impact to the State will be an expenditure decrease as the retiree is not reenrolled in the retirement system and the retiree's return to employment is limited to a certain number of hours per week.

- During the period of the part-time reemployment, the retiree would continue to receive State-paid post-retirement health care benefits under the State Health Benefits Program if the retiree is entitled to those benefits. If the retiree is not entitled to those benefits, the retiree would not be eligible for health care benefits under the Public Employees' Retirement System during the period of part-time employment because eligibility for health care benefits for State employees is limited to those who are employed to work for 35 hours or more per week.

- There is no information available to indicate the number of Public Employees' Retirement System retirees who would be reemployed under the bill's provisions; thus, a specific estimate of the potential savings for the Legislature cannot be made at this time.

BILL DESCRIPTION

This bill extends the provisions of P.L.2021, c.498, which permits a retired member of the Public Employees' Retirement System to return to employment with the Legislature under certain circumstances.

Under current law, a retired member of the Public Employees' Retirement System who was employed with the Legislature and who was granted a retirement allowance prior to or on January 18, 2021, or during calendar years 2022, 2023, or 2024, for any cause other than disability, may return to employment with the Legislature, without cancellation of the retirement and reenrollment in the Public Employees' Retirement System, for a term of not more than four years. This return is permitted if:

(1) the return commences no less than 30 days after the retirement allowance becomes due and payable;

(2) the retired member had attained the service retirement age, applicable to that member, as of the date of retirement; and

(3) the retired member is re-employed as a part-time employee and works no more than 20 hours per week.

The retirement has to be a bona fide retirement and any return to employment under this law cannot be prearranged before retirement. The law does not apply to a former member of the Legislature itself.

Under this bill, the current law is amended to permit certain retired members to return to employment with the Legislature under certain circumstances for not more than seven years and allow those members who had returned to part-time reemployment with the Legislature pursuant to current law to extend that return to part-time reemployment for an additional three years.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS finds that if a retiree of the Legislature is permitted to return to employment for 20 hours or less per week after retirement without reenrolling in the Public Employees' Retirement System, the Legislature may realize savings in contributions to the retirement system. The OLS notes that there is a cost to the Legislature only if a Public Employees' Retirement System retiree reenrolls in the retirement system, in which case the Legislature would be required to pay the required contributions to that system. However, because this bill does not permit reenrollment of the retiree into the retirement system, the Legislature would not need to pay such contributions and would save on contributions in that regard. Also, there will be no additional cost to the retirement system for a qualified retiree because, as a result of the bill, the retiree will not be

eligible to receive an increased retirement benefit based upon additional service during the retiree's reemployment with the Legislature.

The Legislature may also experience an expenditure increase to pay the salary costs of a retiree who returns to employment if the Legislature would not have otherwise hired new personnel to perform the duties of the rehired individual, but the net impact to the State will be an expenditure decrease as the retiree is not reenrolled in the retirement system and the retiree's return to employment is limited to a certain number of hours per week.

During the period of the part-time reemployment, the retiree would continue to receive State paid post-retirement health care benefits under the State Health Benefits Program if the retiree is entitled to those benefits. If not entitled to those benefits, the retiree would not be eligible for health care benefits under the program during the period of part-time reemployment because eligibility for State employees is limited to those who are employed to work for 35 hours or more per week.

The OLS notes that the Legislature would have the discretion to make a reemployment decision.

There is no information available to indicate the number of Public Employees' Retirement System retirees who would be reemployed. Therefore, a specific estimate of the potential savings for the Legislature cannot be made at this time.

Section:	*State Government*
Analyst:	*Anna Harris* *Associate Fiscal Analyst*
Approved:	*Thomas Koenig* *Legislative Budget and Finance Officer*

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.).