

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 2070 STATE OF NEW JERSEY 221st LEGISLATURE

DATED: JULY 1, 2024

SUMMARY

- Synopsis:** Provides for purchase of PFRS credit for service as class two special law enforcement officer.
- Type of Impact:** Potential State cost increase and potential local cost increases.
- Agencies Affected:** Division of Pensions and Benefits in the Department of the Treasury.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Thereafter</u>
Potential State Cost Increase	None	Indeterminate
Potential Local Cost Increase	None	Indeterminate

- The Office of Legislative Services (OLS) estimates that this bill will have no impact on the Police and Firemen’s Retirement System following enactment because the bill requires the member of the retirement system to cover both the employee and employer costs of service credit.
- The OLS does not have the information to determine the number of members who served as class two special law enforcement officers in the State prior to becoming eligible to participate in the Police and Firemen’s Retirement System, nor the number of such members who would choose to purchase credit. However, the OLS anticipates that requiring members to be appointed to a position covered by the retirement system less than 365 days after leaving service as a class two special law enforcement officer and restricting the application window for current members to purchase credit to one year from the bill’s enactment date will limit the number of applications.
- The OLS acknowledges that permitting members to purchase credit for prior service as a class two special law enforcement officer may result in such members attaining the 25 year service threshold required to qualify for employer paid post-retirement medical benefits before the member otherwise would have, but maintains that the requirements cited in the preceding

paragraph will limit the number of members who are able to accelerate qualification for employer paid post-retirement medical benefits through the mechanism provided in this bill.

- The OLS therefore anticipates that the bill's provisions will have no impact on the retirement system and a modest, if any, impact on post-retirement health care costs of employers.

BILL DESCRIPTION

This bill allows members of the Police and Firemen's Retirement System to purchase credit for service as a class two special law enforcement officer with a public employer in the State prior to membership in the Police and Firemen's Retirement System.

Current law enables members of the Police and Firemen's Retirement System to purchase credit for public employment rendered in other states, with the federal government, or for military service in the Armed Forces of the United States, not to exceed 10 years. Applicants are required to cover both the employee and employer share of the cost for such prior service.

The bill extends these and other provisions of current law to the purchase of credit in the Police and Firemen's Retirement System for prior service as a class two special law enforcement officer contingent upon a break between such service and the date of appointment to a position covered by the Police and Firemen's Retirement System of fewer than 365 days. Currently enrolled members will have one year from the bill's effective date to apply for a purchase.

Class two special law enforcement officers are required to complete a course approved by the Police Training Commission. They receive instruction in physical fitness, criminal law, patrol concepts, firearms, vehicle operations, defensive tactics, handcuffing, and arrest, search, and seizure. They have similar powers to that of full-time police officers but on a restricted basis.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that this bill will have no impact on the Police and Firemen's Retirement System following enactment because the bill requires the member of the retirement system to cover both the employee and employer costs of service credit.

The OLS does not have the information to determine the number of members who served as class two special law enforcement officers in the State prior to becoming eligible to participate in the Police and Firemen's Retirement System, nor the number of such members who would choose to purchase credit. However, the OLS anticipates that requiring members to be appointed to a position covered by the retirement system less than 365 days after leaving service as a class two special law enforcement officer and restricting the application window for current members to purchase credit to one year from the bill's enactment date will limit the number of applications.

The OLS acknowledges that permitting members to purchase credit for prior service as a class two special law enforcement officer may result in such members attaining the 25 year service threshold required to qualify for employer paid post-retirement medical benefits before the

member otherwise would have, but maintains that the requirements cited in the preceding paragraph will limit the number of members who are able to accelerate qualification for employer paid post-retirement medical benefits through the mechanism provided in this bill.

The OLS therefore anticipates that the bill's provisions will have no impact on the retirement system and a modest, if any, impact on post-retirement health care costs of employers.

Section: State Government

*Analyst: Anna Harris
Assistant 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.).