

ASSEMBLY, No. 6024

STATE OF NEW JERSEY

218th LEGISLATURE

INTRODUCED DECEMBER 5, 2019

Sponsored by:
Assemblyman WAYNE P. DEANGELO
District 14 (Mercer and Middlesex)

SYNOPSIS

Provides retirement allowance after 20 years of service regardless of age for members of PFRS.

CURRENT VERSION OF TEXT

As introduced.



1 **AN ACT** concerning retirement benefits for members of the Police
2 and Firemen's Retirement System and amending P.L.1944,
3 c.255.

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

7
8 1. Section 5 of P.L.1944, c.255 (C.43:16A-5) is amended to
9 read as follows:

10 5. (1) Any member in service who has attained age 55 years
11 may retire on a service retirement allowance upon filing a written
12 and duly executed application to the retirement system, setting forth
13 at what time, not less than one month subsequent to the filing
14 thereof, he desires to be retired. Any member in service who attains
15 age 65 years shall be retired on a service retirement allowance
16 forthwith on the first day of the next calendar month, except that a
17 member hired prior to January 1, 1987 may remain a member of the
18 system until the member attains age 68 years or 25 years of
19 creditable service, whichever comes first.

20 (2) Upon retirement for service a member shall receive a service
21 retirement allowance which shall consist of:

22 (a) An annuity which shall be the actuarial equivalent of his
23 aggregate contributions and

24 (b) A pension in the amount which, when added to the member's
25 annuity, will provide a total retirement allowance of one-sixtieth of
26 his average final compensation multiplied by the number of years of
27 his creditable service, or 2% of his average final compensation
28 multiplied by the number of years of his creditable service up to 30
29 plus 1% of his average final compensation multiplied by the number
30 of years of creditable service over 30, or 50% of his final
31 compensation if the member has established 20 or more years of
32 creditable service, whichever is greater.

33 (3) (a) Any member of the retirement system as of the effective
34 date of P.L.1999, c.428 who has 20 or more years of creditable
35 service at the time of retirement shall be entitled to receive a
36 retirement allowance equal to 50% of the member's final
37 compensation plus, in the case of a member required to retire
38 pursuant to the provisions of subsection (1) of this section, 3% of
39 final compensation multiplied by the number of years of creditable
40 service over 20 but not over 25.

41 (b) Any member of the retirement system enrolled prior to or on
42 or after the effective date of P.L. , c. (pending before the
43 Legislature as this bill) may retire on or after the effective date of
44 P.L. , c. (pending before the Legislature as this bill) on a
45 service retirement allowance, regardless of age, upon attaining 20 or

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 more years of creditable service and shall be entitled to receive a
2 service retirement allowance equal to 50% of the member's final
3 compensation.

4 (4) Upon the receipt of proper proofs of the death of a member
5 who has retired on a service retirement allowance, there shall be
6 paid to his beneficiary an amount equal to one-half of the
7 compensation upon which contributions by the member to the
8 annuity savings fund were based in the last year of creditable
9 service.
10 (cf: P.L.2005, c.381, s.1)

11
12 2. This act shall take effect immediately.

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15 STATEMENT

16

17 This bill provides an additional category of service retirement for
18 a member of the Police and Firemen's Retirement System (PFRS).
19 Under the bill, a member of the PFRS who is enrolled before or
20 after the effective date of this bill may retire after the effective date
21 of this bill, regardless of age, upon attaining 20 or more years of
22 service credit and receive a retirement allowance equal to 50
23 percent of the member's final compensation.

24 Under current law, a member must be 55 years of age or older to
25 retire on a service retirement allowance of 50 percent of final
26 compensation upon attaining 20 years or more of service credit. In
27 addition, a 1999 law permitted members, who were already enrolled
28 in PFRS at that time, to retire at any age with 50 percent of final
29 compensation upon attaining 20 or more years of service credit.
30 This bill extends the annual retirement benefit of 50 percent of final
31 compensation after 20 or more years of service to all PFRS
32 members regardless of enrollment date and regardless of age at
33 retirement.