

ASSEMBLY EDUCATION COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1675

STATE OF NEW JERSEY

DATED: JUNE 6, 2024

The Assembly Education committee reports favorably Assembly Bill No. 1675.

This bill extends the length of time a member of the Teachers' Pension and Annuity Fund (TPAF) can discontinue their service and still maintain their membership in the TPAF. Under current law, membership in the TPAF ceases if an individual discontinues service for more than two years. This bill extends the period of discontinuance to seven years.

This bill also extends the length of time a member who left service for certain qualifying reasons may return to service and includes among the qualifying reasons those who voluntarily left service with 10 or more years of service credit. Under current law, membership in the TPAF may continue if the member returns to service within a period of 10 years from the date of discontinuance from service. This bill extends the period of discontinuance to 25 years.

Under this bill, a person who returns to service with an employer within the time period of seven or 25 years will be eligible for enrollment in the fund based on the eligibility requirements for enrollment for the member's tier at the time of the member's termination of service prior to the return.

This bill requires that a person who returned to service with an employer prior to the effective date of this bill within the time period of seven or 25 years will be enrolled in the fund and will be placed in the member's tier at the time of the member's termination of service prior to the return. There will be no additional contributions imposed on the member or the member's employer.

This bill requires the Division of Pensions and Benefits to make such adjustments and transfers as will be necessary to ensure the enrollment of the member in the fund and placement in the same tier pursuant to this bill.

This bill was pre-filed for introduction in the 2024-2025 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.