

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4498

**STATE OF NEW JERSEY**

DATED: MARCH 23, 2023

The Assembly Appropriations Committee reports favorably Assembly Bill No. 4498.

This bill provides an additional category of service retirement for a member of the Police and Firemen's Retirement System (PFRS).

Under the bill, a member of the PFRS who is enrolled before or after the effective date of this bill may retire after the effective date, regardless of age, upon attaining 20 or more years of service credit and receive a retirement allowance equal to 50 percent of the member's final compensation.

Under current law, a member must be 55 years of age or older to retire on a service retirement allowance of 50 percent of final compensation upon attaining 20 years or more of service credit. In addition, a 1999 law permitted members, who were already enrolled in PFRS at that time, to retire at any age with 50 percent of final compensation upon attaining 20 or more years of service credit. A 2021 law permitted members, who were enrolled in PFRS at that time and who retired within two years after the law's enactment, to retire at any age with 50 percent of final compensation upon attaining 20 or more years of service credit.

This bill extends the annual retirement benefit of 50 percent of final compensation after 20 or more years of service to all PFRS members regardless of enrollment date and regardless of age at retirement.

As reported by the committee, Assembly Bill No. 4498 is identical to Senate Bill No. 3090, which also was reported by the committee on this date.

FISCAL IMPACT:

The Office of Legislative Services (OLS) anticipates this bill will result in an indeterminate increase in the annual contributions required to be paid by the State and local governments to the PFRS. It is not known how many PFRS members will retire to receive the benefit provided by this bill. The increase in the unfunded liability resulting from this bill will be determined by the actuary for the PFRS and will be funded over time.