# LEGISLATIVE FISCAL ESTIMATE
## ASSEMBLY, No. 4751
# STATE OF NEW JERSEY
## 221st LEGISLATURE

DATED: OCTOBER 30, 2024

## SUMMARY

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| **Synopsis:** | Permits purchase of service credit in SPRS for period of enrollment in military service academy and in New Jersey State Police Academy, and employment as class two special law enforcement officer. |
| **Type of Impact:** | Annual expenditure increase to the State General Fund. |
| **Agencies Affected:** | Division of Pensions and Benefits in the Department of the Treasury. |

### Office of Legislative Services Estimate

| Fiscal Impact | Annual |
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| **State Expenditure Increase** | Indeterminate |

- The Office of Legislative Services (OLS) finds that permitting the purchase of service credit in the New Jersey State Police Retirement System for all or a portion of the service rendered while enrolled in a United States military service academy, enrolled in the New Jersey State Police Academy, or employed as a class two special law enforcement officer will increase annual State costs by an indeterminate amount to pay for the increase in the unfunded liability of the system and provide State paid health care coverage in retirement to members who would not qualify for this benefit without additional years of service credit in the retirement system.

## BILL DESCRIPTION

This bill allows a member of the State Police Retirement System to purchase credit in the retirement system for the period of enrollment in a United States military academy and the New Jersey State Police Academy, and for the period of employment as a class two special law enforcement officer.

Under the bill, the payment to purchase additional service credit will be determined by the actuarial factor that corresponds to the member's age at the time of purchase, and the greater of the member's salary at the time of purchase or the highest annual compensation for service in this State for which contributions were made during any prior fiscal year of membership.

The bill provides that the purchase may be made in regular installments over a period not to exceed 10 years.

To be eligible to purchase credit for service for the period of employment as a class two special law enforcement officer, the bill requires the break in service as such an officer and the enrollment date in the retirement system to be less than 365 days.

The majority of graduates from United States military academies earn their degree in four years. Training for the New Jersey State Police Academy lasts approximately six months. The OLS does not know the average length of employment current State Police Retirement System members spend as a class two special law enforcement officer before enrolling in the retirement system.

# FISCAL ANALYSIS

## *EXECUTIVE BRANCH*

None received.

## *OFFICE OF LEGISLATIVE SERVICES*

The OLS finds that permitting the purchase of service credit in the New Jersey State Police Retirement System for all or a portion of the service rendered while enrolled in a United States military service academy, enrolled in the New Jersey State Police Academy, or employed as a class two special law enforcement officer will increase annual State costs by an indeterminate amount to pay for the increase in the unfunded liability of the system and provide State paid health care coverage in retirement to members who would not qualify for this benefit without additional years of service credit in the system.

The OLS does not know the number of members who will become eligible to purchase additional service credit in the retirement system or the number of eligible members who will choose to make the purchase. Therefore, the fiscal impact of the bill on the resulting annual increase in State costs is indeterminate.

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| *Section:* | *State Government* |
| *Analyst:* | *Anna Harris*<br>*Associate Fiscal Analyst* |
| *Approved:* | *Thomas Koenig*<br>*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.).