

**SENATE, No. 2789**  
**STATE OF NEW JERSEY**  
**216th LEGISLATURE**

INTRODUCED MARCH 9, 2015

**Sponsored by:**

**Senator NICHOLAS J. SACCO**

**District 32 (Bergen and Hudson)**

**Senator BRIAN P. STACK**

**District 33 (Hudson)**

**Co-Sponsored by:**

**Senator Cunningham**

**SYNOPSIS**

Allows PFRS to pay pension to member who resigns and retires from PFRS-covered employment to assume elective office with same employer to eliminate conflict of incompatible positions.

**CURRENT VERSION OF TEXT**

As introduced.

**AN ACT** concerning the payment of a retirement allowance by the Police and Firemen's Retirement System and supplementing P.L.1944, c.255 (C.43:16A-1 et seq.).

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

1. Notwithstanding any provision of P.L.1944, c.255 (C.43:16A-1 et seq.) to the contrary, the retirement of a member of the retirement system who resigns from employment covered by the retirement system to comply with the common law doctrine of incompatibility of positions in order to assume an elective office not covered by the retirement system with the same employer shall be considered mandatory. The member shall receive a retirement allowance while in the elective office, and may receive compensation as an elected official for that elective office, notwithstanding that the elective office is with the same employer from whose employment the member retired. This act shall be effective if the qualified status of the retirement system under federal law can be maintained upon its application, and such modifications to the system as may be available shall be made to allow for its application.

2. This act shall take effect upon the enactment of the "Volunteers in Public Service Pension Reform Act,"

pending before the Legislature as Senate Bill No. 2788 of 2015.

## STATEMENT

This bill provides that if a member of the Police and Firemen's Retirement System (PFRS) resigns from PFRS-covered employment to comply with common law doctrine of incompatibility of positions in order to assume an elective office not covered by PFRS with the same employer, the member's retirement will be considered mandatory. The member will receive a retirement allowance while in the elective office, and may receive compensation as an elected official for that elective office, notwithstanding that the elective office is with the same employer from whose employment the member retired.

Currently, PFRS will not pay a retirement allowance to a person in this situation because the former employment was, and the elective office is, with the same entity. The bill provides that it will be effective if the qualified status of PFRS under federal law can be maintained upon its application.

The bill is consistent with the public policy of encouraging persons in public employment to seek elective office to share skills and experience because it eliminates the disincentive of the postponement of an earned PFRS pension benefit if the retiree resigns and assumes an elective office with the same employer.

The bill would take effect upon the enactment of the "Volunteers in Public Service Pension Reform Act," pending before the Legislature to allow municipal elected officials in the Public Employees' Retirement System (PERS) to retire based on other PERS service and remain in office with no salary or health care benefits for that office.