Sponsored by:
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SYNOPSIS
Permits institutions of higher education to make supplemental contributions to ABP.

CURRENT VERSION OF TEXT
As amended by the General Assembly on June 23, 2011.
AN ACT concerning contributions to the Alternate Benefit Program

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

1. Section 8 of P.L.1969, c.242 (C.18A:66-174) is amended to
read as follows:

8. (a) The University of Medicine and Dentistry of New
Jersey, Rutgers, The State University and the New Jersey Institute
of Technology shall reduce the compensation of each participant in
the alternate benefit program and pay over to the insurers or mutual
fund companies for the benefit of the participant an employee
contribution for the retirement annuity contract or contracts equal to
5% of the participant’s base salary. The intervals for deductions or
reductions and payments shall be determined by the respective
school governing bodies.

The Division of Pensions and Benefits shall provide for
reductions from the compensation of each participant in the
alternate benefit program employed by the State and county
colleges of an employee contribution equal to 5% of the
participant's base salary and pay this amount to the insurers or
mutual fund companies for the individual's retirement annuity
contract or contracts. The intervals for deductions or reductions
and payments shall be determined by the Division of Pensions and
Benefits.

The Division of Pensions and Benefits may require that all
participant contributions be made in accordance with section 414(h)
of the federal Internal Revenue Code (26 U.S.C. s.414(h)).

(b) Based on a certification to the Division of Pensions and
Benefits by the University of Medicine and Dentistry of New
Jersey, Rutgers, The State University and the New Jersey Institute
of Technology of the number and base salary of participants, the
division shall authorize the State to make payment of the employer
contributions to the alternate benefit program at a rate equal to 8%
of the employee’s base salary, except the amount of the contribution
shall not exceed 8% of the maximum salary for department officers
established pursuant to section 1 of P.L.1974, c.55 (C.52:14-
15.107), and [a university or institute] the institution of higher
education may [elect] make an irrevocable election to
contribute a supplemental amount resulting in a total contribution
that exceeds 8% of the maximum salary for department officers
established pursuant to section 1 of P.L.1974, c.55 (C.52:14-
15.107) but does not exceed the rate equal to 8% of the employee’s

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.

Matter enclosed in superscript numerals has been adopted as follows:
1Assembly AHI committee amendments adopted January 20, 2011.
2Assembly floor amendments adopted June 23, 2011.
base salary, which moneys shall be paid to the designated insurers or mutual fund companies for the benefit of each participant.

Based on a certification by the Division of Pensions and Benefits of the number and base salary of participants employed by the State and county colleges, the State shall make payment of the employer contributions to the alternate benefit program at a rate equal to 8% of the employee's base salary, except the amount of the contribution shall not exceed 8% of the maximum salary for department officers established pursuant to section 1 of P.L.1974, c.55 (C.52:14-15.107), and a college may make an irrevocable election to contribute a supplemental amount resulting in a total contribution that exceeds 8% of the maximum salary for department officers established pursuant to section 1 of P.L.1974, c.55 (C.52:14-15.107) but does not exceed the rate equal to 8% of the employee's base salary, which moneys shall be paid to the designated insurers or mutual fund companies for the benefit of each participant.

(c) For the member of the Public Employees' Retirement System employed by the county colleges, who is defined in the regulations of the Division of Pensions and Benefits as a full-time faculty member and who is permitted to transfer his membership and does so, the State shall pay the employer contribution to the alternate benefit program at a rate equal to 8% of the member's base salary, except the amount of the contribution shall not exceed 8% of the maximum salary for department officers established pursuant to section 1 of P.L.1974, c.55 (C.52:14-15.107), and a county college may make an irrevocable election to contribute a supplemental amount resulting in a total contribution that exceeds 8% of the maximum salary for department officers established pursuant to section 1 of P.L.1974, c.55 (C.52:14-15.107) but does not exceed the rate equal to 8% of the employee's base salary.

If the member continues membership in the Public Employees' Retirement System, the State shall pay the employer contribution to the retirement system on his behalf and such employer contribution shall be at a rate equal to the normal contribution made by the State on behalf of nonveteran members of the Public Employees' Retirement System.

(d) For any nonacademic employee of a county college, as defined in section 4 of P.L.1969, c.242 (C.18A:66-170), who is eligible for the program according to the regulations of the Director of the Division of Pensions and Benefits, the county college shall pay the employer contribution to the retirement system on the employee's behalf in the same manner as the State, pursuant to this section.

(cf: P.L.2010, c.31, s.1)

2. This act shall take effect immediately.