

43:15A-50

LEGISLATIVE HISTORY CHECKLIST

NJSA: 43:15A-50, 18A:66-47

(Public employee retirement system-TPAF survivor-optional benefits)

LAWS OF: 1984

CHAPTER: 96

Bill No: S1541

Sponsor(s): Stockman

Date Introduced: April 30, 1984

Committee: Assembly: -----

Senate: -----

Amended during passage: No

Date of Passage: Assembly: May 17, 1984

Senate: May 17, 1984

Date of Approval: July 25, 1984

Following statements are attached if available:

Sponsor statement: Yes

Committee statement: Assembly No

Senate No

Fiscal Note: No

Veto Message: No

Message on Signing: ~~No~~ yes

Following were printed:

Reports: No

Hearings: No

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SENATE, No. 1541

STATE OF NEW JERSEY

INTRODUCED APRIL 30, 1984

By Senator STOCKMAN

(Without Reference)

AN ACT concerning optional selections for beneficiaries in public employee retirement systems, amending P. L. 1954, c. 84 and N. J. S. 18A:66-47.

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

1 1. Section 50 of P. L. 1954, c. 84 (C. 43:15A-50) is amended to
2 read as follows:

3 50. **[Subject to the provisions of section 59 of this act, at]** *At*
4 the time of his retirement a member shall receive his benefits in a
5 retirement allowance payable throughout life, or he may, on retire-
6 ment, elect to receive the actuarial equivalent of his retirement
7 allowance, in a lesser retirement allowance payable throughout life,
8 with the provision that:

9 Option 1. If he dies before he has received in payments the
10 present value of his retirement allowance as it was at the time of
11 his retirement, the balance shall be paid to his legal representatives
12 or to such person as he shall nominate by written designation
13 acknowledged and filed with the retirement system, either in a
14 lump sum or by equal payments over a period of years at the option
15 of the payee. If the member shall have designated a natural person
16 as the payee, said payee may elect to receive such payments in the
17 form of a life annuity.

18 Option 2. Upon his death, his retirement allowance shall be
19 continued throughout the life of and paid to such person as he shall
20 nominate by written designation duly acknowledged and filed with
21 the retirement system at the time of his retirement.

22 Option 3. Upon his death, $\frac{1}{2}$ of his retirement allowance shall
23 be continued throughout the life of and paid to such person as he

**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 printed in italics thus is new matter.

24 shall nominate by written designation duly acknowledged and filed
25 with the retirement system at the time of his retirement.

26 Option 4. Some other benefit or benefits shall be paid either to
27 the member or to whomever he nominates, if such other benefit or
28 benefits, together with the lesser retirement allowance, shall be
29 certified by the actuary to be of equivalent actuarial value. In no
30 case, however, shall the lesser retirement allowance be smaller than
31 that provided under Option 2.

32 Except in the case of members who have elected to receive (1) a
33 deferred retirement allowance pursuant to section 38 or (2) early
34 retirement allowances pursuant to section 41b after separation from
35 service pursuant to section 38, if a member dies within 30 days after
36 the date of retirement or the date of board approval, whichever is
37 later, his retirement allowance shall not become effective and he
38 shall be considered an active member at the time of death. *However,*
39 *if the member dies 30 days or more after the date the application*
40 *for retirement was filed with the system, the retirement will become*
41 *effective if:*

42 a. *The application for retirement was received by the system,*
43 *prior to the date of death;*

44 b. *The deceased member had terminated covered public employ-*
45 *ment at least one day prior to the effective date of retirement;*

46 c. *The deceased member had designated a beneficiary under an*
47 *optional settlement provided by this section; and*

48 d. *The surviving beneficiary requests in writing that the board*
49 *make such a selection. Upon formal action by the board approving*
50 *that request, the request shall become irrevocable.*

51 *The board may select an Option 3 settlement, on behalf of the*
52 *beneficiary of a member who applied for and was eligible for retire-*
53 *ment but who died prior to the effective date of the retirement*
54 *allowance, if all of the above conditions, with the exception of c., are*
55 *met.*

1 2. N. J. S. 18A:66-47 is amended to read as follows:

2 18A:66-47. At the time of his retirement a member shall receive
3 his benefits in a retirement allowance payable throughout life, or
4 he may on retirement elect to receive the actuarial equivalent of
5 his retirement allowance, in a lesser retirement allowance payable
6 throughout life, with the provision that:

7 Option 1. If he dies before he has received in payments the
8 present value of his retirement allowance as it was at the time of
9 his retirement, the balance shall be paid to his legal representatives
10 or to such person as he shall nominate by written designation
11 acknowledged and filed with the retirement system, either in a

12 lump sum or by equal payments over a period of years at the option
13 of the payee. If the member shall have designated a natural person
14 as a payee, said payee may elect to receive such payments in the
15 form of a life annuity.

16 Option 2. Upon his death, his retirement allowance shall be con-
17 tinued throughout the life of and paid to such person as he shall
18 nominate by written designation duly acknowledged and filed with
19 the retirement system at the time of his retirement.

20 Option 3. Upon his death, one half of his retirement allowance
21 shall be continued throughout the life of and paid to such person
22 as he shall nominate by written designation duly acknowledged and
23 filed with the retirement system at the time of his retirement.

24 Option 4. Some other benefit or benefits shall be paid either to
25 the member or to whomever he nominates, if such other benefit or
26 benefits, together with the lesser retirement allowance, shall be
27 certified by the actuary to be of equivalent actuarial value. In no
28 case, however, shall the lesser retirement allowance be smaller than
29 that provided under Option 2.

30 Except in the case of members who have elected to receive (1) a
31 deferred retirement allowance pursuant to section 18A:66-36 or
32 (2) early retirement allowances pursuant to section 18A:66-37 after
33 separation from service pursuant to section 18A:66-36, if a member
34 dies within 30 days after the date of retirement or the date of board
35 approval, whichever is later, his retirement allowance shall not
36 become effective and he shall be considered an active member at the
37 time of death. *However, if the member dies 30 days or more after*
38 *the date the application for retirement was filed with the system,*
39 *the retirement will become effective if:*

40 a. *The application for retirement was received by the system,*
41 *prior to the date of death;*

42 b. *The deceased member had terminated covered public employ-*
43 *ment at least one day prior to the effective date of retirement;*

44 c. *The deceased member had designated a beneficiary under an*
45 *optional settlement provided by this section; and*

46 d. *The surviving beneficiary requests in writing that the board*
47 *make such a selection. Upon formal action by the board approving*
48 *that request, the request shall become irrevocable.*

49 *The board may select an Option 3 settlement, on behalf of the*
50 *beneficiary of a member who applied for and was eligible for*
51 *retirement but who died prior to the effective date of the retirement*
52 *allowance, if all of the above conditions, with the exception of c., are*
53 *met.*

1 3. This act shall take effect immediately and shall be retroactive
2 to September 1, 1983.

STATEMENT

The purpose of this bill is to allow a surviving beneficiary the opportunity to elect an optional settlement in the Public Employees' Retirement System and the Teachers' Pension and Annuity Fund, where such optional settlements are possible in lieu of specific survivor benefits provided by other systems. The opportunity is designed to protect the system against death-bed selection and at the same time offer the surviving beneficiary the protection the dying member had expected the system to provide.

STATEMENT

The purpose of this bill is to allow a surviving beneficiary the opportunity to elect an optional settlement in the Public Employees' Retirement System and the Teachers' Pension and Annuity Fund, where such optional settlements are possible in lieu of specific survivor benefits provided by other systems. The opportunity is designed to protect the system against death-bed selection and at the same time offer the surviving beneficiary the protection the dying member had expected the system to provide.

S1541 (1984)

Bill Signings

Wednesday, July 25, 1984

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Under the old system an assessment was made against any electric utility which had an ownership or operating interest in a nuclear generating plant. The assessment was made based on the intrastate receipts of the utility, with no correlation between the size of the utility's gross receipts and the expense incurred attributable to that company.

The new system provides for a more equitable distribution of costs. The bill requires that costs directly related to a particular facility be borne by the operator of the facility. All other expenses incurred under the act would be equally divided among the various operators.

The old assessment was limited to one tenth of one percent of gross receipts derived from intrastate operation of the utility. The new system changes this cap to not exceed either that formula or \$2 million, whichever is greater.

S-1541, sponsored by State Senator Gerald R. Stockman, D-Mercer, which amends the law pertaining to the Public Employees Retirement System and the Teachers Pension and Annuity Fund to provide that a member's retirement shall become effective if he or she dies 30 days or more after the date of filing an application for retirement with the system.

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