SENATE, No. 345

STATE OF NEW JERSEY

INTRODUCED MARCH 30, 1953

By Mr. SHERSHIN

Referred to Committee on Counties and Municipalities

AN ACT to amend and supplement "An act for the establishment of a police and firemen's retirement system for the police and firemen of a municipality, county or political subdivision thereof," approved May twenty-third, one thousand nine hundred and forty-four (P. L. 1944, c. 255).

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

1. Section five of the act of which this act is amendatory is amended to read as follows:

5. (1) Any member in service who has attained age fifty-five years and has completed at least twenty-five years of creditable service may retire on a service retirement allowance upon written and duly executed application to the board of trustees, setting forth at what time, not less than thirty days nor more than ninety days, subsequent to the filing thereof, he desires to be retired. Any member in service who attains age sixty-five years shall be retired on a service retirement allowance forthwith or on the first day of the next calendar month.

(2) Upon retirement for service a member shall receive a service retirement allowance which shall consist of:

(a) An annuity which shall be the actuarial equivalent of his aggregate contribution at the time of retirement; and

(b) A pension in the amount which when added to the member's annuity will provide a total retirement allowance of one-sixtieth of his average final compensation multiplied by the number of years of his creditable service.

(3) Upon the receipt of proper proofs of the death of a member who has retired on a service retirement allowance, there shall be paid to such person, if living, as he shall have nominated by written designation duly executed and filed with the board of trustees, otherwise to the executor or administrator of the member's estate, an amount equal to three-sixteenths of the compensation received by the member in the last year of creditable service.

2. Section six of the act of which this act is amendatory is amended to read as follows:

6. (1) Upon the written application of a member in service or of his employer, any member who has had five or more years of creditable service may be retired by the board of trustees, not less than thirty days and not more than ninety days next following the date of filing such application, on an ordinary disability retirement allowance; *provided*, that the medical board, after a medical examination of such member, shall certify that such member is mentally or physically incapacitated for the performance of his usual duty and of any other available duty in the department which his employer is willing to assign to him and that such incapacity is likely to be permanent and to such an extent that he should be retired.

(2) Upon retirement for ordinary disability, a member shall receive a service retirement allowance if he has completed at least twenty-five years of creditable service and attained age fifty-five years, otherwise an ordinary disability retirement allowance shall consist of:

(a) An annuity which shall be the actuarial equivalent of his aggregate contributions at the time of retirement; and

(b) A pension equal to the annuity provided by the aggregate contributions, but not less than the amount which when added to the member's annuity will provide a total retirement allowance of twenty-five per centum (25%) of the member's average final compensation.

(3) Upon the receipt of proper proofs of the death of a member who has retired on an ordinary disability retirement allowance, there shall be paid to such person, if living, as he shall have nominated by written designation duly executed and filed with the board of trustees, otherwise to the executor or administrator of the member's estate, an amount equal to three-sixteenths of the compensation received by the member in the last year of creditable service.

3. Section seven of the act of which this act is amendatory is amended to read as follows:

7. (1) Upon the written application of a member or his employer any member may be retired by the board of trustees, not less than thirty nor more than ninety days next following the date of filing such application, on an accidental disability retirement allowance; *provided*, that the medical board, after a medical examination of such member, shall certify that the natural and proximate cause of such disability was an accident met in the actual performance of duty within two years preceding the date of such application and that such disability was not the result of the member's willful negligence and that such member is mentally or physically incapacitated for performance of his usual duty and of any other available duty in the department which his employer is willing to assign to him, and that such incapacity is likely to be permanent and to such an extent that such member should be retired.

(2) Upon retirement for accidental disability, a member shall receive an accidental disability retirement allowance which shall consist of:

(a) An annuity which shall be the actuarial equivalent of the member's aggregate contributions at retirement; and

(b) A pension equal to one-half of the member's average final compensation.

(c) The total of the annual allowance as provided in this section shall not exceed sixty per centum (60%) of the average final compensation of the member.

(3) Upon the receipt of proper proofs of the death of a member who has retired on an accidental disability retirement allowance, there shall be paid a pension of one thousand five hundred dollars ($1,500.00) a year to the widow of the member, if he leaves a widow to whom he was married at the time he became so disabled, to continue until her death or remarriage; or, if there is no widow, or if such widow dies leaving children of the deceased member, a pension to each child under age eighteen to continue to age eighteen or prior death, such pension to be six hundred dollars ($600.00) annually if there is only one such surviving child; or four hundred eighty dollars ($480.00) annually to each child if two such surviving children; or one thousand five hundred ($1,500.00) annually divided equally among the surviving children if there are three or more such children.

4. Section nine of the act of which this act is amendatory is amended to read as follows:

9. (1) Upon the receipt of proper proof of the death of a member in service on account of which no accidental death benefit is payable under section ten [if there be no widow or children under eighteen years of age] there shall be paid to such person, if living, as he shall have nominated by written designation duly executed and filed with the board of trustees, otherwise to the executor or administrator of the member's estate:

(a) His aggregate contributions at the time of death; and

[(b) If the member has less than ten years of creditable service an amount equal to his compensation for six months of service preceding his death; if the member has ten or more years of creditable service an amount equal to his compensation for the twelve months of service preceding his death.

(2) There shall be paid a pension to the widow of the member, if he leaves a widow to whom he was married before he attained fifty years of age, to continue until her death or remarriage. The pension shall consist of the annuity of the member's aggregate contributions plus such additional amount as will bring the total to one thousand dollars ($1,000.00) a year.

If there be a widow and children under the age of eighteen years, of the member, the pension shall be paid to the widow for the use of herself and such children. If there be such children and no widow, or if the widow dies, the pension which the widow would have received had she survived, shall be paid to those children who have not reached eighteen years of age, in equal parts if there be three or more children; if there be two children, they shall be paid forty dollars ($40.00) each monthly; if there be but one child, he shall be paid fifty dollars ($50.00) monthly; but in no event shall the pensions paid to the children exceed, in the aggregate, the sum of one thousand dollars ($1,000.00) annually.

The pension benefits to widows and children payable under this act shall apply only to cases where a member died on or after June first, one thousand nine hundred and fifty, and shall not affect pensions paid or to be paid as the result of deaths occurring prior to this date.]

(b) An amount equal to one and one-half times the compensation received by the member in the last year of creditable service.

[(3) The beneficiary of an ordinary death benefit may elect to receive the amount payable in one sum or in equal annual installments over a period of years or as a life annuity.]

(2) A member may file, and alter from time to time during his lifetime, as desired, a request with the board of trustees naming the payee of the death benefit provided under this section. Such member may also file, and alter from time to time during his lifetime, as desired, a request with the board of trustees directing payment of said benefit in one sum or in equal annual installments over a period of years or as a life annuity. Upon the death of such a member, a beneficiary to whom a benefit is payable in one sum may elect to receive the amount payable in equal annual installments over a period of years or as a life annuity.

5. (1) Within six months after January first, one thousand nine hundred and fifty-four or after the effective date of membership, whichever date is

later, each member shall have the right to select additional death benefit coverage as follows:

(a) Upon the receipt of proper proofs of the death of a member selecting coverage under this section who has retired on a service retirement allowance, there shall be paid to such person, if living, as he shall have nominated by written designation duly executed and filed with the board of trustees, otherwise to the executor or administrator of the member's estate, an amount equal to three-sixteenths of the compensation received by the member in the last year of creditable service.

(b) Upon the receipt of proper proofs of the death of a member selecting coverage under this section who has retired on an ordinary disability retirement allowance, there shall be paid to such person, if living, as he shall have nominated by written designation duly executed and filed with the board of trustees, otherwise to the executor or administrator of the member's estate, an amount equal to three-sixteenths of the compensation received by the member in the last year of creditable service.

(c) Upon the receipt of proper proof of the death in service of a member selecting coverage under this section, on account of which no accidental death benefit is payable under section ten, there shall be paid to such person, if living, as he shall have nominated by written designation duly executed and filed with the board of trustees, otherwise to the executor or administrator of the member's estate, an amount equal to one and one-half times the compensation received by the member in the last year of creditable service.

(2) Each member selecting the additional death benefit coverage under this section shall agree to the deduction of a percentage of his compensation in addition to that required under section fifteen. The actuary of the retirement system shall determine the uniform and constant percentage of contributions which, if deducted from each payment of the prospective earnable compensation throughout active service of all members selecting coverage under this section, is computed to be sufficient to provide for all benefits of this section.

(3) The percentage rate of contribution payable by members selecting coverage under this section shall be subject to adjustment from time to time by the board of trustees on the basis of annual actuarial valuations and experience investigations as provided under section thirteen, so that the value of future contributions of members selecting the additional death benefit coverage under this section shall be equal to the value of prospective benefit payments.

(4) All other provisions of this section notwithstanding, this section and the benefits provided under this section shall not come into effect until a required percentage of the members shall have applied for the additional death benefit coverage under this section. This required percentage shall be fixed by the board of trustees and shall not be less than sixty-five per centum (65%) nor more than seventy-five per centum (75%) of the members. Such application shall be made with the secretary of the board of trustees in such manner and upon such forms as the board of trustees shall provide.

(5) Any other provision of this act notwithstanding, the additional contributions of members selecting the additional death benefit coverage under this section shall not be returnable to the member or his beneficiary in any manner, or for any reason whatsoever, nor shall such contributions be included in any annuity payable to any such member or his beneficiary.

(6) A member selecting the additional death benefit coverage under this section may file, and alter from time to time during his lifetime, as desired, a request with the board of trustees naming the payee of the death benefit provided under this section. Such member may also file and alter from time to time during his lifetime, as desired, a request with the board of trustees directing payment of said benefit in one sum or in equal annual installments over a period of years or as a life annuity. Upon the death of such a member, a beneficiary to whom a benefit is payable in one sum may elect to receive the amount payable in equal annual installments over a period of years or as a life annuity.

6. This act shall take effect July first, one thousand nine hundred and fifty-three.

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(2) Upon retirement for service a member shall receive a service retirement allowance which shall consist of:

(a) An annuity which shall be the actuarial equivalent of his aggregate contribution at the time of retirement; and

(b) A pension in the amount which when added to the member's annuity will provide a total retirement allowance of one-sixtieth of his average final compensation multiplied by the number of years of his creditable service.

(3) Upon the receipt of proper proofs of the death of a member who has retired on a service retirement allowance, there shall be paid to such person, if living, as he shall have nominated by written designation duly executed and filed with the board of trustees, otherwise to the executor or administrator of the member's estate, an amount equal to three-sixteenths of the compensation received by the member in the last year of creditable service.

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9. (1) Upon the receipt of proper proof of the death of a member in service on account of which no accidental death benefit is payable under section ten there shall be paid to such person, if living, as he shall have nominated by written designation duly executed and filed with the board of trustees, otherwise to the executor or administrator of the member's estate:

(a) His aggregate contributions at the time of death; and

(b) An amount equal to one and one-half times the compensation received by the member in the last year of creditable service.

(2) A member may file, and alter from time to time during his lifetime, as desired, a request with the board of trustees naming the payee of the death benefit provided under this section. Such member may also file, and alter from time to time during his lifetime, as desired, a request with the board of trustees directing payment of said benefit in one sum or in equal annual installments over a period of years or as a life annuity. Upon the death of such a member, a beneficiary to whom a benefit is payable in one sum may elect to receive the amount payable in equal annual installments over a period of years or as a life annuity.

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(4) All other provisions of this section notwithstanding, this section and the benefits provided under this section shall not come into effect until a required percentage of the members shall have applied for the additional death benefit coverage under this section. This required percentage shall be fixed by the board of trustees and shall not be less than sixty-five per centum (65%) nor more than seventy-five per centum (75%) of the members. Such application shall be made with the secretary of the board of trustees in such manner and upon such forms as the board of trustees shall provide.

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such a member, a beneficiary to whom a benefit is payable in one sum may elect to receive the amount payable in equal annual installments over a period of years or as a life annuity.

6. This act shall take effect July first, one thousand nine hundred and fifty-three.