

43:13-22.50
THROUGH
43:13-22.66

March 23, 1967

LEGISLATIVE HISTORY OF R.S. 43:13-22.50 thru 43:13-22.66
(Pensions - Cities of the First class)

No similar legislation introduced in 1962 or 1963.

COPY NO.

Two bills introduced in 1964:

1964 - S395 - Died after 2d reading in Senate (copy enclosed).

✓ L. 1964, Chapter 275 - A576

Introduced March 16 by Kijewski & Brady.

No statement (copy of original bill enclosed).

November 16 - Passed Assembly, amended (copy enclosed).

December 17 - Passed Senate, amended (copy enclosed).

December - Senate amendment passed in Assembly.

January 12 - Approved.

L. 1966, Chapter 158 - A186

Introduced January 31 by Brady & McLeon.

No statement (copy of original bill enclosed).

February 14 - Passed Assembly.

March 28 - Passed Senate.

May 31 - Cond. Veto by Governor (copy enclosed).

June 6 - Amended as recommended.

June 6 - Reenacted in Assembly.

June 13 - Reenacted in Senate.

June 18 - Approved.

No hearings or reports were located.

We searched the following without success:

V.F.—N.J.—Pensions (1964, 1966).

RS/PC

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ASSEMBLY, No. 576

STATE OF NEW JERSEY

INTRODUCED MARCH 16, 1964

By Assemblymen KIJEWSKI and BRADY

Referred to Committee on State, County and Municipal Government

AN ACT to provide for the creation, setting apart, maintenance and administration of a city employees' retirement system in cities of the first class having a population of less than 400,000; providing that the said system supersedes any pension system existing in such city pursuant to article 2, chapter 13, Title 43 of the Revised Statutes, and further providing that any such previous pension system shall merge into the system created by this act.

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

1 1. Definitions

2 As used in this act:

3 (a) "Final salary" when used solely for the purpose of fixing benefits
4 under this act, shall mean the average annual salary or compensation earned
5 by a member as an employee for the 5 years during which his salary or
6 compensation was the highest in the last 10 years immediately preceding
7 his death or retirement; provided, however, that as to any member employed
8 by the city prior to the effective date of this act, the annual salary received
9 by such member as a regular employee at the time of his death or retirement
10 shall be considered "final salary" for pension or other purposes under this
11 act, unless otherwise specified herein.

12 (b) "Pension fund" or "fund" shall mean the fund referred to in sec-
13 tion 10 of this act and is the fund from which pensions and other benefits
14 provided for in this act shall be paid.

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

- 15-16 (c) "State" shall, unless otherwise stated, mean the State of New Jersey.
- 17 (d) "City," unless otherwise specified, shall mean any city of the first
18 class of the State having a population of less than 400,000 inhabitants.
- 19 (e) "City employee" or "employee" shall mean and include any regu-
20 lar employee of a city, as herein defined, or an elected or appointed official
21 thereof. "City employee" or "employee" shall not include a member of the
22 fire or police department or an employee of the board of education nor a
23 transient, seasonal or temporary employee, worker or laborer. In all cases
24 of doubt as to whether a person may be included within the meaning of em-
25 ployee the decisions of the pension commission shall be final.
- 26 (f) "Member" shall mean any employee included in the membership of
27 the retirement system of the city as provided in section 3 of this act.
- 28 (g) "Widow" or "widower" shall mean the surviving spouse of a mem-
29 ber married to such member prior to the retirement or death of such mem-
30 ber, except as otherwise provided herein, and said marriage having occurred
31 prior to the time when such member reached the age of 55 years; provided,
32 however, that no pension shall be paid to the widower of a deceased mem-
33 ber unless he shall be and continues to remain dependent upon the income
34 which such member was receiving at the time of her death, or unless he shall
35 be and continues to remain physically or mentally incapable of pursuing a
36 gainful occupation.
- 37 The commission shall determine the question of dependency of the
38 widower, as well as his ability to pursue a gainful occupation.
- 39 (h) "Dependent parent" shall mean a dependent parent or parents who
40 is or are solely dependent as determined by the commission for support upon
41 the member.
- 42 (i) "Commission" shall mean pension commission as constituted under
43 section 13 of this act, and shall be known as the "Pension Commission of
44 the Employees' Retirement System of (name of city)."
- 45 (j) "Retirement system" or "system" shall mean Employees' Retire-
46 ment System of (name of city) which shall be the name of the retirement

47 system provided under this act. By that name all of its business shall be
48 transacted, its funds invested, warrants for money claims and payments
49 made, and all of its cash and securities and other property held.

1 2. Retirement System

2 In each city, as defined in this act, an employees' retirement system
3 shall be and is hereby created, set apart, maintained and administered in the
4 manner prescribed in this act, for the benefit of employees of such city and
5 the widows, widowers, minor children and dependent parents of such em-
6 ployees; and also of all contributors to, participants in, and beneficiaries
7 of any pension fund in operation in such city, at the time of the effective
8 date of this act, under and by virtue of article 2, chapter 13, Title 43 of
9 the Revised Statutes. The retirement system so created shall have the
10 powers and privileges of a corporation and in no event shall be liable for
11 the payment of any pension or other benefits payable on account of members
12 or their dependents for which reserves have not been previously created from
13 funds contributed by the city or by the members for such benefits.

1 3. Members and Conditions for Membership

2 The members and conditions of membership in the retirement system
3 created by this act shall be as follows:

4 (a) Any person who shall become an employee of the city after the effec-
5 tive date of this act and prior to his attainment of the age of 40 years, shall
6 become a member of the retirement system, as a condition of his employment;
7 provided that he shall submit to and pass the physical and mental examina-
8 tions required by the commission and shall provide such evidence of good
9 health, at said time, as the commission shall require.

10 (b) Upon written application made to the commission within 6 months
11 after the effective date of this act, any employee of the city who became such
12 on or before said date and prior to his attainment of the age of 40 years who
13 is not a member of the pension fund in effect in said city under and by virtue
14 of article 2, chapter 13, Title 43 of the Revised Statutes, shall be entitled to
15 become a member of the retirement system. Such member shall receive

16 credit for all or any part of his prior service, as he may elect, in the employ
17 of said city provided that payments are made by such member in an amount
18 or amounts calculated in accordance with the rules of the commission as may
19 be necessary to provide the entire actuarial cost of such prior service credit.

20 (c) Any employee who on the effective date of this act is a member of
21 the pension fund in effect in said city under and by virtue of article 2, chapter
22 13, Title 43 of the Revised Statutes, shall, upon such date, automatically
23 become a member of the retirement system, and any such employee shall be
24 deemed to agree and consent to such transfer of his membership.

25 (d) Upon written application made to the commission within 6 months
26 after the effective date of this act, any employee of the city as of such date,
27 with or without veteran's status, who has not attained the age of 60 years
28 and who has 20 or more years of prior service credit in the Public Employees'
29 Retirement System of the State of New Jersey or in the Teachers' Pension
30 and Annuity Fund of the State of New Jersey, or who has less than 20
31 years of such prior service credit and whose present age reduced by the
32 total years of such prior service credit is less than 40 years, who shall become
33 a member of the retirement system may transfer such prior service credit
34 to the retirement system. Such transfer shall become effective upon the
35 remittance to the retirement system by the said State pension systems of all
36 accumulated member's contributions, with interest, standing to the credit of
37 the member and of that portion of the actuarial reserve accumulated on his
38 account provided for by contributions of the city.

39 (e) The failure of any member to comply with the rules and regulations
40 prescribed by the commission, pursuant to this act, shall result in the suspen-
41 sion or termination of membership in, or benefits of, this retirement system
42 as may be provided from time to time by the commission.

1 4. Retirement for Age and Service After Age 60

2 (a) Any member who shall have served in the employ of the city for a
3 total of 20 or more years and who shall have attained the age of 60 years
4 shall, ***upon his application to the commission but not later than upon his*

5 attainment of age 65** * [upon his application to the commission but not
6 later than upon his attainment of age 65 if employed subsequent to the effec-
7 tive date of this act,] be retired on a pension equal to $\frac{1}{2}$ of his final salary,
8 plus $\frac{1}{2}$ of 1% of such salary for each year of service in excess of 20 years, if
9 the member has more than 20 years of service at retirement.

10 ** (b) Any present members who shall have served in the employ of the
11 city for a total of 20 or more years and who have attained the age of 65 years
12 or older on the effective date of this act shall be retired in the following
13 manner:

14 All members 70 years of age or older shall be retired by July 1, 1966;

15 All members 69 years of age or older shall be retired by July 1, 1966;

16 All members 68 years of age or older shall be retired by July 1, 1967;

17 All members 67 years of age or older, shall be retired by July 1, 1968;

18 All members 66 years of age or older, shall be retired by July 1, 1969;

19 and

20 All members 65 years of age or older shall be retired by July 1, 1970.

21 Thereafter, all members upon attaining age 65, shall be retired. The
22 above pension for each of the above shall be calculated in the same manner
23 as a pension payable, pursuant to section 4(a) of this act.**

1 5. Retirement for Age and Service Prior to Age 60

2 Any member who shall not have attained the age of 60 years but who
3 shall have contributed to the retirement system for a total of 25 or more years
4 shall, upon his application to the commission, be retired on a pension com-
5 mencing at age 60 equal to an amount calculated in the same manner as a
6 pension payable pursuant to section 4 of this act.

1 6. Retirement for Disability

2 Any member *having 5 or more years of service* who shall have become
3 permanently disabled for the further performance of his duty, shall, by
4 resolution of the commission or upon application of such member and ap-
5 proval thereof by the commission, and in either case pursuant to the cer-
6 tificate of a physician or physicians designated for that purpose by the com-
7 mission, be retired on a pension equal to $\frac{1}{2}$ of his final salary.

8 A member who is retired on a disability retirement pursuant to this
9 section shall submit himself at times to be selected by the commission but
10 not more often than twice a year, for a physical examination by a physician
11 or physicians designated by the commission; provided, however, that no
12 member retired for disability whose total years of service, including his
13 period of disability retirement, equals 20 or more years and who shall have
14 attained age 60 shall be required to submit to such physical examination.
15 The physician or physicians shall report to the commission the physical
16 condition of such member and if said report certifies that the member's
17 condition has improved so that he is no longer permanently disabled and that
18 he is engaged in or is able to engage in a gainful occupation, and if the com-
19 mission concurs in this report, then the amount of his pension shall be reduced
20 to an amount which, when added to the amount then earnable by him, shall
21 not exceed his final salary; but only after an opportunity is given such
22 member to be represented by counsel at a hearing on the action by the
23 commission.

1 7. Death Benefits

2 (a) Upon the death of a member in service who shall have paid into the
3 fund the full amount of his contributions and who shall die as a result of
4 injuries or illness received or incurred in the performance of his duties or
5 who shall have served in the employ of the city for 20 or more years; or upon
6 the death of a member who shall have been retired and pensioned under this
7 act.

8 A pension in an amount equal to $\frac{1}{2}$ of the member's final salary shall be
9 paid to the surviving widow, so long as she remains unmarried, surviving
10 dependent widower, so long as he remains unmarried, minor children or de-
11 pendent parents, as the case may be; provided, however, that in no instance
12 shall such pension exceed, in the aggregate, \$2,000.00 per annum. If the pen-
13 sion is payable to minor children, no one of such children shall receive more
14 than \$600.00 per annum, nor shall a pension be paid to any such child after he
15 marries or reaches the age of 18 years.

16 (b) Upon the death of a member in service who shall have paid into the
17 fund the full amount of his contributions and who shall die for causes other
18 than injuries or illness received or incurred in the performance of his duties
19 and who shall have served in the employ of the city for 5 or more years but
20 less than 20 years.

21 A pension in an amount equal to $2\frac{1}{2}\%$ of the member's final salary for
22 each year of his service shall be paid to the surviving widow, so long as
23 she remains unmarried, surviving dependent widower, so long as he remains
24 unmarried, minor children or dependent parents, as the case may be; pro-
25 vided, however, that in no instance shall such pension exceed, in the aggre-
26 gate, an amount equal to \$100.00 per annum for each year of the member's
27 service. If the pension is payable to minor children, no one of such children
28 shall receive more than \$600.00 per annum, nor shall a pension be paid to any
29 such child after he marries or reaches the age of 18 years.

30 In the event a pension shall be payable as a result of the death of a mem-
31 ber in service and there are no eligible surviving dependents at the time of
32 such member's death, an amount equal to such member's contributions to
33 the fund, without interest, shall be paid to his estate.

34 If at the time of the death of a member in service the sole surviving de-
35 pendants of such member are minor children and the total of the aggregate
36 payments on account of such children shall be an amount which is less than
37 such member's contributions to the fund, without interest, the balance of
38 such amount shall be payable to the guardian of such minor children.

1 8. Priority of Payments to Surviving Dependents

2 Upon and after the death of a member or dependent, the benefits herein
3 provided for the surviving dependents shall be paid in the following man-
4 ner of priority:

5 (a) to the surviving widow or dependent widower;

6 (b) if no widow or dependent widower, then to the guardian of the
7 minor children for their exclusive use;

8 (c) in the event there be no surviving widow, dependent widower or
9 minor children, then to the dependent parent or parents in equal shares.

1 9. Refund of Contributions

2 Upon the separation from service with the city of any member who is
 3 not entitled to receive any other benefits from the system, the contribu-
 4 tions, without interest, paid into the fund by such member shall be refunded
 5 to him. Said refund of the member's contributions shall be made at the ex-
 6 piration of 90 days following his separation from service, plus the period
 7 of time during which any legal proceedings pertaining thereto shall be pend-
 8 ing. No such person shall thereafter be eligible for a pension under this act
 9 unless upon a re-employment by the city he shall repay to the fund the amount
 10 of any such refund made to him. The obligation to refund payments made to
 11 the fund shall not apply to an employee suspended or discharged for causes
 12 which bar him from eligibility to reappointment under civil service rules.

1 10. Fund and Contributions Thereto

2 For the purpose of paying pensions pursuant to this act, a trust fund
 3 shall be and is hereby created and maintained in each city as defined in this
 4 act, as follows:

5 (a) In the case of a member who on the effective date of this act was a
 6 member of the pension fund in effect in said city under and by virtue of
 7 article 2, chapter 13, Title 43 of the Revised Statutes, there shall be deducted
 8 from every payment of salary to said member during the entire period of
 9 his membership subsequent to the effective date of this act and paid into
 10 the fund, the percentage of his salary applicable to his age at the time of his
 11 appointment, as follows:

| | % Rate of Contribution |
|--------------------------------------|---------------------------|
| 12 Age at Appointment | |
| 12 Not exceeding 35 years | 6 % |
| 13 Between 35 and 36 years | 6½ |
| 14 Between 36 and 37 years | 7 |
| 15 Between 37 and 38 years | 7½ |
| 16 Between 38 and 39 years | 8 |
| 17 39 and over | 8½ |

18 (b) In the case of a member not included in (a) above, there shall be
 19 deducted from every payment of salary to said member during the entire
 20 period of his membership and paid into the fund the percentage of his salary
 21 applicable to his age at the time of his entrance into membership. These per-
 22 centages shall be as follows:

| | | % Rate of Contribution | |
|----|--------------------|------------------------|-------|
| | Age at Entrance | Men | Women |
| 23 | 20 and under | 6.00% | 6.40% |
| 24 | 21 | 6.00 | 6.40 |
| 25 | 22 | 6.10 | 6.50 |
| 26 | 23 | 6.20 | 6.60 |
| 27 | 24 | 6.30 | 6.70 |
| 28 | 25 | 6.40 | 6.80 |
| 29 | 26 | 6.50 | 6.90 |
| 30 | 27 | 6.60 | 7.00 |
| 31 | 28 | 6.70 | 7.10 |
| 32 | 29 | 6.80 | 7.30 |
| 33 | 30 | 7.00 | 7.50 |
| 34 | 31 | 7.10 | 7.60 |
| 35 | 32 | 7.30 | 7.80 |
| 36 | 33 | 7.50 | 8.00 |
| 37 | 34 | 7.70 | 8.20 |
| 38 | 35 | 7.90 | 8.40 |
| 39 | 36 | 8.10 | 8.60 |
| 40 | 37 | 8.40 | 8.90 |
| 41 | 38 | 8.70 | 9.30 |
| 42 | 39 | 9.00 | 9.60 |
| 43 | 40 | 9.20 | 9.80 |
| 44 | 41 | 9.30 | 9.90 |
| 45 | 42 | 9.30 | 9.90 |
| 46 | 43 | 9.40 | 9.90 |

| | | | |
|----|-------------------|------|-------|
| 47 | 44 | 9.40 | 9.90 |
| 48 | 45 | 9.40 | 10.00 |
| 49 | 46 | 9.50 | 10.10 |
| 50 | 47 | 9.50 | 10.20 |
| 51 | 48 | 9.60 | 10.30 |
| 52 | 49 | 9.60 | 10.40 |
| 53 | 50 and over | 9.70 | 10.60 |

54 (c) The city shall raise by taxation and pay yearly into the fund an
 55 amount equal to a certain percentage of the annual salaries of all members
 56 to be known as the normal contribution, and an additional amount equal to a
 57 percentage of such annual salaries to be known as the accrued liability con-
 58 tribution. The rates of such contributions shall be determined by actuarial
 59 valuation based on such interest rate and such mortality and service tables
 60 as shall be adopted by the commission.

61 Until the first actuarial valuation of the fund after the effective date of
 62 this act, the normal contribution shall be 7% and the accrued liability con-
 63 tribution shall be 18.81% of the annual salaries of all members.

64 On the basis of each actuarial valuation of the fund made after the
 65 effective date of this act, the normal contribution shall be that percentage
 66 of the annual salaries of all members computed to be required to provide
 67 the benefits payable on their account from city contributions currently ac-
 68 cruing to such members. The accrued liability contribution shall be com-
 69 puted on the basis of the first actuarial valuation of the fund after the effec-
 70 tive date of this act and shall be that percentage of the salaries of all
 71 members which shall equal 4% of that part of the total liabilities of the
 72 fund not dischargeable by the assets held, the contributions of members and
 73 the aforesaid normal contributions. After the accrued liability has been
 74 liquidated, the sole contribution payable by the city shall be the normal
 75 contribution which shall then be that percentage of the annual salaries of all
 76 members computed by deducting from the total liabilities of the fund the
 77 amounts of assets held and the present value of the future contributions of

78 members, and dividing the remainder by 1% of the present value of the
79 future salaries of all members.

1 11. Exemption of Fund From Taxation and Process

2 All pensions granted under this act shall be exempt from any State or
3 municipal tax, levy and sale, garnishment or attachment or any other process
4 whatsoever, and shall be unassignable, except for the purpose and to the ex-
5 tent necessary to authorize, with the member's or pensioner's consent, deduc-
6 tions of premiums for group hospitalization and medical-surgical insurance.

1 12. Existing Pension Fund Superseded by and Merged into Retirement
2 System

3 It is the intention of this act that the retirement system herein provided
4 for shall, on and after the effective date of this act, supersede and take the
5 place of any pension system then existing in the said city pursuant to ar-
6 ticle 2, chapter 13, Title 43, of the Revised Statutes.

7 Any aforesaid former pension system shall become a part of and shall
8 be and hereby is merged into the retirement system created by this act. All
9 moneys, securities and other assets of such former pension system shall be
10 transferred as of the effective date of this act by the commission of such
11 pension fund to the commission created by this act; which commission is
12 hereby empowered to receive the said funds and assets for and on behalf of
13 the retirement system herein provided for; and the said pension fund created
14 by virtue of article 2, chapter 13, Title 43, of the Revised Statutes shall then
15 cease to exist as a separate pension fund in said city, subject, however, to
16 the provisions of this section 12 of this act.

17 All pensions and other benefits allowed prior to the effective date of
18 this act, under the statute hereinabove specified governing such former pen-
19 sion fund, shall thereafter be paid from the retirement system herein cre-
20 ated and according to the provisions of the statutes governing such former
21 pension fund, except as herein otherwise provided. It is the intention of this
22 act that all existing obligations of said former pension fund on account of
23 pensioners and beneficiaries of the fund as of the date of transfer as afore-

24 said, are assumed and shall be discharged by the retirement system herein
25 created, and such benefits allowed under said former pension fund shall not
26 be diminished or impaired; provided, however, that nothing in this act shall
27 affect the payment or the rates of contributions required of pensioners re-
28 ceiving benefits under said former pension fund on the effective date of this
29 act.

1 13. Pension Commission

2 A pension commission shall be created in every city of the first class,
3 as defined in this act, which shall consist of the following members:

4 (a) The mayor or other chief executive of such city;

5 (b) The chief financial officer of such city;

6 (c) Two city employees of such city who shall be nominated and elected
7 at a meeting of the city employees of such city held on the third Wednes-
8 day of December of every second year. Their term of office shall be for 2
9 years commencing January 1 following their election; and

10 (d) A citizen of such city who holds no office under such city, who shall
11 be selected by the other 4 members of the commission and shall hold office
12 for the term of 1 year.

13 In case of vacancy for any cause, the commission may fill such vacancy
14 until the next election.

15 The commission shall hold its annual meetings on the first business day
16 of January in each year and elect its president, and such other officers as it
17 deems advisable. The commission shall also at such meeting elect a secre-
18 tary from or outside of the city employees, whose compensation the com-
19 mission shall have power to fix.

20 As of the effective date of this act and until such time as the full mem-
21 bership of the pension commission shall be completed in accordance with the
22 provisions of this act, the powers, duties and obligations of the commission,
23 as provided in this act, shall be assumed by the pension commission of the
24 pension fund of the city in existence on said date created under and by
25 virtue of article 2, chapter 13, Title 43, of the Revised Statutes.

1 14. Powers and Duties of Pension Commission

2 All retirements shall be made and pensions allowed under this act by the
3 commission.

4 The commission shall have control and management of the fund and of
5 the retirement of the members of the system and may make all necessary
6 rules and regulations regarding the same not inconsistent with this act.

7 The members of the commission shall be the trustees of the fund and
8 shall have full power to invest and reinvest the fund, subject to all the terms,
9 conditions, limitations and restrictions imposed by the laws of the State upon
10 life insurance companies in the making and disposing of their investments;
11 and subject to like terms, conditions, limitations, and restrictions, such
12 trustees shall have full power to hold, purchase, sell, assign, transfer, and
13 dispose of any securities and investments in which the fund shall have been
14 invested, as well as the proceeds of such investments; provided, however,
15 that no restrictions as to the percentages of various classifications of invest-
16 ments now or hereafter described by the statutes establishing legal invest-
17 ments for life insurance companies under the laws of the State shall be ap-
18 plicable.

19 The commission shall deposit the fund in any depository lawful for the
20 deposit of municipal funds.

21 Any agreement, release, acquittance, satisfaction, and any and all other
22 documents which may be required in the management of the fund shall be
23 executed by the president and secretary on behalf of the commission.

24 The commission shall make an annual report of the condition of the fund
25 and the manner in which the same is invested.

1 15. Appointment of Attorney, Physician and Actuary

2 The commission shall appoint an attorney and shall secure the services
3 of such physician or physicians as shall be necessary to make the medical
4 examinations required by this act.

5 The commission shall appoint an actuary who shall be the technical ad-
6 viser of the commission on matters regarding the operation of the system
7 and shall perform such other duties as are required in connection therewith.

8 The actuary shall recommend, and the commission shall keep in conven-
 9 ient form, such data as shall be necessary for the actuarial valuation of the
 10 retirement system. Once in every 5-year period after the effective date of
 11 this act, the actuary shall make an actuarial investigation into the mortal-
 12 ity, service and salary experience of the members and dependents of the re-
 13 tirement system, and each year after such date shall make an actuarial valu-
 14 ation of the assets and liabilities of the system.

15 Upon the basis of such investigations and valuations the pension com-
 16 mission shall:

17 (a) Adopt for the retirement system such mortality, service and other
 18 tables as shall be deemed necessary.

19 (b) Certify the rates of contribution expressed as a percentage of the
 20 compensation of members which shall be made by the city to the fund.

1 16. Unlawful Action—Bar to Pension

2 If any member shall become incapacitated from or shall lose his life
 3 in the performance or commission of any unlawful act which would warrant
 4 his dismissal from the employ of the city, no pension shall be paid to such
 5 member or to his widow, her husband, his or her children or dependent
 6 parents.

1 17. Exclusion of Beneficiaries of Other Laws

2 No person who shall receive a pension under any other law of this State
 3 shall be entitled to receive the benefits of this act; provided, however, that
 4 when a member of any retirement system or pension fund of the State or
 5 any political subdivision thereof is transferred or changes his employment
 6 and by such transfer or change of employment becomes a member of the
 7 retirement system created under this act:

8 (a) he may receive such benefits as he shall be entitled to under the
 9 laws governing said prior retirement system or pension fund in addition to
 10 any benefits which may accrue to him under the provisions of the act, or

11 (b) he may transfer to the retirement system such prior service credit
 12 as accrued to him under said prior retirement system or pension fund. Such

13 transfer of prior service credit shall be made only with the consent of the
14 board or administrative head of the retirement systems involved and shall
15 become effective upon the remittance to the retirement system by the said
16 prior retirement system or pension fund of such amounts as may have been
17 agreed upon by the said governing boards.

1 18. Effective Date

2 This act shall take effect immediately.

SENATE AMENDMENTS TO
ASSEMBLY, No. 576
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STATE OF NEW JERSEY

ADOPTED DECEMBER 17, 1964

Amend page 4, section 4, line 4, after the word "shall," insert the following "upon his application to the commission but not later than upon his attainment of age 65".

Amend page 5, section 4, line 8, at the end of the section insert the following:

"(b) Any present members who shall have served in the employ of the city for a total of 20 or more years and who have attained the age of 65 years or older on the effective date of this act shall be retired in the following manner:

All members 70 years of age or older shall be retired by July 1, 1966;

All members 69 years of age or older shall be retired by July 1, 1966;

All members 68 years of age or older shall be retired by July 1, 1967;

All members 67 years of age or older, shall be retired by July 1, 1968;

All members 66 years of age or older, shall be retired by July 1, 1969; and

All members 65 years of age or older shall be retired by July 1, 1970.

Thereafter, all members upon attaining age 65, shall be retired. The above pension for each of the above shall be calculated in the same manner as a pension payable, pursuant to section 4(a) of this act."

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By Assemblymen KLEWSKI and BRADY

Referred to Committee on State, County and Municipal Government

AN ACT to provide for the creation, setting apart, maintenance and administration of a city employees' retirement system in cities of the first class having a population of less than 400,000; providing that the said system supercedes any pension system existing in such city pursuant to article 2, chapter 13, Title 43 of the Revised Statutes, and further providing that any such previous pension system shall merge into the system created by this act.

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

1 I. Definitions

2 As used in this act:

3 (a) "Final salary" when used solely for the purpose of fixing benefits
4 under this act, shall mean the average annual salary or compensation earned
5 by a member as an employee for the 5 years during which his salary or
6 compensation was the highest in the last 10 years immediately preceding
7 his death or retirement; provided, however, that as to any member employed
8 by the city prior to the effective date of this act, the annual salary received
9 by such member as a regular employee at the time of his death or retirement
10 shall be considered "final salary" for pension or other purposes under this
11 act, unless otherwise specified herein.

12 (b) "Pension fund" or "fund" shall mean the fund referred to in sec-
13 tion 10 of this act and is the fund from which pensions and other benefits
14 provided for in this act shall be paid.

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

15-16 (c) "State" shall, unless otherwise stated, mean the State of New Jersey.

17 (d) "City," unless otherwise specified, shall mean any city of the first
18 class of the State having a population of less than 400,000 inhabitants.

19 (e) "City employee" or "employee" shall mean and include any regu-
20 lar employee of a city, as herein defined, or an elected or appointed official
21 thereof. "City employee" or "employee" shall not include a member of the
22 fire or police department or an employee of the board of education nor a
23 transient, seasonal or temporary employee, worker or laborer. In all cases
24 of doubt as to whether a person may be included within the meaning of em-
25 ployee the decisions of the pension commission shall be final.

26 (f) "Member" shall mean any employee included in the membership of
27 the retirement system of the city as provided in section 3 of this act.

28 (g) "Widow" or "widower" shall mean the surviving spouse of a mem-
29 ber married to such member prior to the retirement or death of such mem-
30 ber, except as otherwise provided herein, and said marriage having occurred
31 prior to the time when such member reached the age of 55 years; provided,
32 however, that no pension shall be paid to the widower of a deceased mem-
33 ber unless he shall be and continues to remain dependent upon the income
34 which such member was receiving at the time of her death, or unless he shall
35 be and continues to remain physically or mentally incapable of pursuing a
36 gainful occupation.

37 The commission shall determine the question of dependency of the
38 widower, as well as his ability to pursue a gainful occupation.

39 (h) "Dependent parent" shall mean a dependent parent or parents who
40 is or are solely dependent as determined by the commission for support upon
41 the member.

42 (i) "Commission" shall mean pension commission as constituted under
43 section 13 of this act, and shall be known as the "Pension Commission of
44 the Employees' Retirement System of (name of city)."

45 (j) "Retirement system" or "system" shall mean Employees' Retire-
46 ment System of (name of city) which shall be the name of the retirement

47 system provided under this act. By that name all of its business shall be
48 transacted, its funds invested, warrants for money claims and payments
49 made, and all of its cash and securities and other property held.

1 2. Retirement System

2 In each city, as defined in this act, an employees' retirement system
3 shall be and is hereby created, set apart, maintained and administered in the
4 manner prescribed in this act, for the benefit of employees of such city and
5 the widows, widowers, minor children and dependent parents of such em-
6 ployees; and also of all contributors to, participants in, and beneficiaries
7 of any pension fund in operation in such city, at the time of the effective
8 date of this act, under and by virtue of article 2, chapter 13, Title 43 of
9 the Revised Statutes. The retirement system so created shall have the
10 powers and privileges of a corporation and in no event shall be liable for
11 the payment of any pension or other benefits payable on account of members
12 or their dependents for which reserves have not been previously created from
13 funds contributed by the city or by the members for such benefits.

1 3. Members and Conditions for Membership

2 The members and conditions of membership in the retirement system
3 created by this act shall be as follows:

4 (a) Any person who shall become an employee of the city after the effec-
5 tive date of this act and prior to his attainment of the age of 40 years, shall
6 become a member of the retirement system, as a condition of his employment;
7 provided that he shall submit to and pass the physical and mental examina-
8 tions required by the commission and shall provide such evidence of good
9 health, at said time, as the commission shall require.

10 (b) Upon written application made to the commission within 6 months
11 after the effective date of this act, any employee of the city who became such
12 on or before said date and prior to his attainment of the age of 40 years who
13 is not a member of the pension fund in effect in said city under and by virtue
14 of article 2, chapter 13, Title 43 of the Revised Statutes, shall be entitled to
15 become a member of the retirement system. Such member shall receive

16 credit for all or any part of his prior service, as he may elect, in the employ
17 of said city provided that payments are made by such member in an amount
18 or amounts calculated in accordance with the rules of the commission as may
19 be necessary to provide the entire actuarial cost of such prior service credit.

20 (c) Any employee who on the effective date of this act is a member of
21 the pension fund in effect in said city under and by virtue of article 2, chapter
22 13, Title 43 of the Revised Statutes, shall, upon such date, automatically
23 become a member of the retirement system, and any such employee shall be
24 deemed to agree and consent to such transfer of his membership.

25 (d) Upon written application made to the commission within 6 months
26 after the effective date of this act, any employee of the city as of such date,
27 with or without veteran's status, who has not attained the age of 60 years
28 and who has 20 or more years of prior service credit in the Public Employees'
29 Retirement System of the State of New Jersey or in the Teachers' Pension
30 and Annuity Fund of the State of New Jersey, or who has less than 20
31 years of such prior service credit and whose present age reduced by the
32 total years of such prior service credit is less than 40 years, who shall become
33 a member of the retirement system may transfer such prior service credit
34 to the retirement system. Such transfer shall become effective upon the
35 remittance to the retirement system by the said State pension systems of all
36 accumulated member's contributions, with interest, standing to the credit of
37 the member and of that portion of the actuarial reserve accumulated on his
38 account provided for by contributions of the city.

39 (e) The failure of any member to comply with the rules and regulations
40 prescribed by the commission, pursuant to this act, shall result in the suspen-
41 sion or termination of membership in, or benefits of, this retirement system
42 as may be provided from time to time by the commission.

1 4. Retirement for Age and Service After Age 60

2 (a) Any member who shall have served in the employ of the city for a
3 total of 20 or more years and who shall have attained the age of 60 years
4 shall, * [upon his application to the commission but not later than upon his

5 attainment of age 65 if employed subsequent to the effective date of this act.]*
6 be retired on a pension equal to $\frac{1}{2}$ of his final salary, plus $\frac{1}{2}$ of 1% of such
7 salary for each year of service in excess of 20 years, if the member has more
8 than 20 years of service at retirement.

1 5. Retirement for Age and Service Prior to Age 60

2 Any member who shall not have attained the age of 60 years but who
3 shall have contributed to the retirement system for a total of 25 or more years
4 shall, upon his application to the commission, be retired on a pension com-
5 mencing at age 60 equal to an amount calculated in the same manner as a
6 pension payable pursuant to section 4 of this act.

1 6. Retirement for Disability

2 Any member **having 5 or more years of service** who shall have become
3 permanently disabled for the further performance of his duty, shall, by
4 resolution of the commission or upon application of such member and ap-
5 proval thereof by the commission, and in either case pursuant to the cer-
6 tificate of a physician or physicians designated for that purpose by the com-
7 mission, be retired on a pension equal to $\frac{1}{2}$ of his final salary.

8 A member who is retired on a disability retirement pursuant to this
9 section shall submit himself at times to be selected by the commission but
10 not more often than twice a year, for a physical examination by a physician
11 or physicians designated by the commission; provided, however, that no
12 member retired for disability whose total years of service, including his
13 period of disability retirement, equals 20 or more years and who shall have
14 attained age 60 shall be required to submit to such physical examination.
15 The physician or physicians shall report to the commission the physical
16 condition of such member and if said report certifies that the member's
17 condition has improved so that he is no longer permanently disabled and that
18 he is engaged in or is able to engage in a gainful occupation, and if the com-
19 mission concurs in this report, then the amount of his pension shall be reduced
20 to an amount which, when added to the amount then earnable by him, shall
21 not exceed his final salary; but only after an opportunity is given such

22 member to be represented by counsel at a hearing on the action by the
23 commission.

1 7. Death Benefits

2 (a) Upon the death of a member in service who shall have paid into the
3 fund the full amount of his contributions and who shall die as a result of
4 injuries or illness received or incurred in the performance of his duties or
5 who shall have served in the employ of the city for 20 or more years; or upon
6 the death of a member who shall have been retired and pensioned under this
7 act.

8 A pension in an amount equal to $\frac{1}{2}$ of the member's final salary shall be
9 paid to the surviving widow, so long as she remains unmarried, surviving
10 dependent widower, so long as he remains unmarried, minor children or de-
11 pendent parents, as the case may be; provided, however, that in no instance
12 shall such pension exceed, in the aggregate, \$2,000.00 per annum. If the pen-
13 sion is payable to minor children, no one of such children shall receive more
14 than \$600.00 per annum, nor shall a pension be paid to any such child after he
15 marries or reaches the age of 18 years.

16 (b) Upon the death of a member in service who shall have paid into the
17 fund the full amount of his contributions and who shall die for causes other
18 than injuries or illness received or incurred in the performance of his duties
19 and who shall have served in the employ of the city for 5 or more years but
20 less than 20 years.

21 A pension in an amount equal to $2\frac{1}{2}\%$ of the member's final salary for
22 each year of his service shall be paid to the surviving widow, so long as
23 she remains unmarried, surviving dependent widower, so long as he remains
24 unmarried, minor children or dependent parents, as the case may be; pro-
25 vided, however, that in no instance shall such pension exceed, in the aggre-
26 gate, an amount equal to \$100.00 per annum for each year of the member's
27 service. If the pension is payable to minor children, no one of such children
28 shall receive more than \$600.00 per annum, nor shall a pension be paid to any
29 such child after he marries or reaches the age of 18 years.

30 In the event a pension shall be payable as a result of the death of a mem-
31 ber in service and there are no eligible surviving dependents at the time of
32 such member's death, an amount equal to such member's contributions to
33 the fund, without interest, shall be paid to his estate.

34 If at the time of the death of a member in service the sole surviving de-
35 pendents of such member are minor children and the total of the aggregate
36 payments on account of such children shall be an amount which is less than
37 such member's contributions to the fund, without interest, the balance of
38 such amount shall be payable to the guardian of such minor children.

1 8. Priority of Payments to Surviving Dependents

2 Upon and after the death of a member or dependent, the benefits herein
3 provided for the surviving dependents shall be paid in the following man-
4 ner of priority:

5 (a) to the surviving widow or dependent widower;

6 (b) if no widow or dependent widower, then to the guardian of the
7 minor children for their exclusive use;

8 (c) in the event there be no surviving widow, dependent widower or
9 minor children, then to the dependent parent or parents in equal shares.

1 9. Refund of Contributions

2 Upon the separation from service with the city of any member who is
3 not entitled to receive any other benefits from the system, the contribu-
4 tions, without interest, paid into the fund by such member shall be refunded
5 to him. Said refund of the member's contributions shall be made at the ex-
6 piration of 90 days following his separation from service, plus the period
7 of time during which any legal proceedings pertaining thereto shall be pend-
8 ing. No such person shall thereafter be eligible for a pension under this act
9 unless upon a re-employment by the city he shall repay to the fund the amount
10 of any such refund made to him. The obligation to refund payments made to
11 the fund shall not apply to an employee suspended or discharged for causes
12 which bar him from eligibility to reappointment under civil service rules.

1 10. Fund and Contributions Thereto

2 For the purpose of paying pensions pursuant to this act, a trust fund
3 shall be and is hereby created and maintained in each city as defined in this
4 act, as follows:

5 (a) In the case of a member who on the effective date of this act was a
6 member of the pension fund in effect in said city under and by virtue of
7 article 2, chapter 13, Title 43 of the Revised Statutes, there shall be deducted
8 from every payment of salary to said member during the entire period of
9 his membership subsequent to the effective date of this act and paid into
10 the fund, the percentage of his salary applicable to his age at the time of his
11 appointment, as follows:

| | Age at Appointment | % Rate of Contribution |
|----|-------------------------------|------------------------|
| 12 | Not exceeding 35 years | 6 % |
| 13 | Between 35 and 36 years | 6½ |
| 14 | Between 36 and 37 years | 7 |
| 15 | Between 37 and 38 years | 7½ |
| 16 | Between 38 and 39 years | 8 |
| 17 | 39 and over | 8½ |

18 (b) In the case of a member not included in (a) above, there shall be
19 deducted from every payment of salary to said member during the entire
20 period of his membership and paid into the fund the percentage of his salary
21 applicable to his age at the time of his entrance into membership. These per-
22 centages shall be as follows:

| | Age at Entrance | % Rate of Contribution | |
|----|--------------------|------------------------|-------|
| | | Men | Women |
| 23 | 20 and under | 6.00% | 6.40% |
| 24 | 21 | 6.00 | 6.40 |
| 25 | 22 | 6.10 | 6.50 |
| 26 | 23 | 6.20 | 6.60 |
| 27 | 24 | 6.30 | 6.70 |
| 28 | 25 | 6.40 | 6.80 |

| | | | |
|----|-------------|------|-------|
| 29 | 26 | 6.50 | 6.90 |
| 30 | 27 | 6.60 | 7.00 |
| 31 | 28 | 6.70 | 7.10 |
| 32 | 29 | 6.80 | 7.30 |
| 33 | 30 | 7.00 | 7.50 |
| 34 | 31 | 7.10 | 7.60 |
| 35 | 32 | 7.30 | 7.80 |
| 36 | 33 | 7.50 | 8.00 |
| 37 | 34 | 7.70 | 8.20 |
| 38 | 35 | 7.90 | 8.40 |
| 39 | 36 | 8.10 | 8.60 |
| 40 | 37 | 8.40 | 8.90 |
| 41 | 38 | 8.70 | 9.30 |
| 42 | 39 | 9.00 | 9.60 |
| 43 | 40 | 9.20 | 9.80 |
| 44 | 41 | 9.30 | 9.90 |
| 45 | 42 | 9.30 | 9.90 |
| 46 | 43 | 9.40 | 9.90 |
| 47 | 44 | 9.40 | 9.90 |
| 48 | 45 | 9.40 | 10.00 |
| 49 | 46 | 9.50 | 10.10 |
| 50 | 47 | 9.50 | 10.20 |
| 51 | 48 | 9.60 | 10.30 |
| 52 | 49 | 9.60 | 10.40 |
| 53 | 50 and over | 9.70 | 10.60 |

54 (c) The city shall raise by taxation and pay yearly into the fund an
55 amount equal to a certain percentage of the annual salaries of all members
56 to be known as the normal contribution, and an additional amount equal to a
57 percentage of such annual salaries to be known as the accrued liability con-
58 tribution. The rates of such contributions shall be determined by actuarial
59 valuation based on such interest rate and such mortality and service tables
60 as shall be adopted by the commission.

61 Until the first actuarial valuation of the fund after the effective date of
62 this act, the normal contribution shall be 7% and the accrued liability con-
63 tribution shall be 18.81% of the annual salaries of all members.

64 On the basis of each actuarial valuation of the fund made after the
65 effective date of this act, the normal contribution shall be that percentage
66 of the annual salaries of all members computed to be required to provide
67 the benefits payable on their account from city contributions currently ac-
68 cruing to such members. The accrued liability contribution shall be com-
69 puted on the basis of the first actuarial valuation of the fund after the effec-
70 tive date of this act and shall be that percentage of the salaries of all
71 members which shall equal 4% of that part of the total liabilities of the
72 fund not dischargeable by the assets held, the contributions of members and
73 the aforesaid normal contributions. After the accrued liability has been
74 liquidated, the sole contribution payable by the city shall be the normal
75 contribution which shall then be that percentage of the annual salaries of all
76 members computed by deducting from the total liabilities of the fund the
77 amounts of assets held and the present value of the future contributions of
78 members, and dividing the remainder by 1% of the present value of the
79 future salaries of all members.

1 11. Exemption of Fund From Taxation and Process

2 All pensions granted under this act shall be exempt from any State or
3 municipal tax, levy and sale, garnishment or attachment or any other process
4 whatsoever, and shall be unassignable, except for the purpose and to the ex-
5 tent necessary to authorize, with the member's or pensioner's consent, deduc-
6 tions of premiums for group hospitalization and medical-surgical insurance.

1 12. Existing Pension Fund Superseded by and Merged into Retirement
2 System

3 It is the intention of this act that the retirement system herein provided
4 for shall, on and after the effective date of this act, supersede and take the
5 place of any pension system then existing in the said city pursuant to ar-
6 ticle 2, chapter 13, Title 43, of the Revised Statutes.

61 Until the first actuarial valuation of the fund after the effective date of
62 this act, the normal contribution shall be 7% and the accrued liability con-
63 tribution shall be 18.81% of the annual salaries of all members.

64 On the basis of each actuarial valuation of the fund made after the
65 effective date of this act, the normal contribution shall be that percentage
66 of the annual salaries of all members computed to be required to provide
67 the benefits payable on their account from city contributions currently ac-
68 cruing to such members. The accrued liability contribution shall be com-
69 puted on the basis of the first actuarial valuation of the fund after the effec-
70 tive date of this act and shall be that percentage of the salaries of all
71 members which shall equal 4% of that part of the total liabilities of the
72 fund not dischargeable by the assets held, the contributions of members and
73 the aforesaid normal contributions. After the accrued liability has been
74 liquidated, the sole contribution payable by the city shall be the normal
75 contribution which shall then be that percentage of the annual salaries of all
76 members computed by deducting from the total liabilities of the fund the
77 amounts of assets held and the present value of the future contributions of
78 members, and dividing the remainder by 1% of the present value of the
79 future salaries of all members.

1 11. Exemption of Fund From Taxation and Process

2 All pensions granted under this act shall be exempt from any State or
3 municipal tax, levy and sale, garnishment or attachment or any other process
4 whatsoever, and shall be unassignable, except for the purpose and to the ex-
5 tent necessary to authorize, with the member's or pensioner's consent, deduc-
6 tions of premiums for group hospitalization and medical-surgical insurance.

1 12. Existing Pension Fund Superseded by and Merged into Retirement 2 System

3 It is the intention of this act that the retirement system herein provided
4 for shall, on and after the effective date of this act, supersede and take the
5 place of any pension system then existing in the said city pursuant to ar-
6 ticle 2, chapter 13, Title 43, of the Revised Statutes.

7 Any aforesaid former pension system shall become a part of and shall
8 be and hereby is merged into the retirement system created by this act. All
9 moneys, securities and other assets of such former pension system shall be
10 transferred as of the effective date of this act by the commission of such
11 pension fund to the commission created by this act; which commission is
12 hereby empowered to receive the said funds and assets for and on behalf of
13 the retirement system herein provided for; and the said pension fund created
14 by virtue of article 2, chapter 13, Title 43, of the Revised Statutes shall then
15 cease to exist as a separate pension fund in said city, subject, however, to
16 the provisions of this section 12 of this act.

17 All pensions and other benefits allowed prior to the effective date of
18 this act, under the statute hereinabove specified governing such former pen-
19 sion fund, shall thereafter be paid from the retirement system herein cre-
20 ated and according to the provisions of the statutes governing such former
21 pension fund, except as herein otherwise provided. It is the intention of this
22 act that all existing obligations of said former pension fund on account of
23 pensioners and beneficiaries of the fund as of the date of transfer as afore-
24 said, are assumed and shall be discharged by the retirement system herein
25 created, and such benefits allowed under said former pension fund shall not
26 be diminished or impaired; provided, however, that nothing in this act shall
27 affect the payment or the rates of contributions required of pensioners re-
28 ceiving benefits under said former pension fund on the effective date of this
29 act.

1 13. Pension Commission

2 A pension commission shall be created in every city of the first class,
3 as defined in this act, which shall consist of the following members:

4 (a) The mayor or other chief executive of such city;

5 (b) The chief financial officer of such city;

6 (c) Two city employees of such city who shall be nominated and elected
7 at a meeting of the city employees of such city held on the third Wednes-
8 day of December of every second year. Their term of office shall be for 2
9 years commencing January 1 following their election; and

10 (d) A citizen of such city who holds no office under such city, who shall
11 be selected by the other 4 members of the commission and shall hold office
12 for the term of 1 year.

13 In case of vacancy for any cause, the commission may fill such vacancy
14 until the next election.

15 The commission shall hold its annual meetings on the first business day
16 of January in each year and elect its president, and such other officers as it
17 deems advisable. The commission shall also at such meeting elect a secre-
18 tary from or outside of the city employees, whose compensation the com-
19 mission shall have power to fix.

20 As of the effective date of this act and until such time as the full mem-
21 bership of the pension commission shall be completed in accordance with the
22 provisions of this act, the powers, duties and obligations of the commission,
23 as provided in this act, shall be assumed by the pension commission of the
24 pension fund of the city in existence on said date created under and by
25 virtue of article 2, chapter 13, Title 43, of the Revised Statutes.

1 14. Powers and Duties of Pension Commission

2 All retirements shall be made and pensions allowed under this act by the
3 commission.

4 The commission shall have control and management of the fund and of
5 the retirement of the members of the system and may make all necessary
6 rules and regulations regarding the same not inconsistent with this act.

7 The members of the commission shall be the trustees of the fund and
8 shall have full power to invest and reinvest the fund, subject to all the terms,
9 conditions, limitations and restrictions imposed by the laws of the State upon
10 life insurance companies in the making and disposing of their investments;
11 and subject to like terms, conditions, limitations, and restrictions, such
12 trustees shall have full power to hold, purchase, sell, assign, transfer, and
13 dispose of any securities and investments in which the fund shall have been
14 invested, as well as the proceeds of such investments; provided, however,
15 that no restrictions as to the percentages of various classifications of invest-

16 ments now or hereafter described by the statutes establishing legal invest-
17 ments for life insurance companies under the laws of the State shall be ap-
18 plicable.

19 The commission shall deposit the fund in any depository lawful for the
20 deposit of municipal funds.

21 Any agreement, release, acquittance, satisfaction, and any and all other
22 documents which may be required in the management of the fund shall be
23 executed by the president and secretary on behalf of the commission.

24 The commission shall make an annual report of the condition of the fund
25 and the manner in which the same is invested.

1 15. Appointment of Attorney, Physician and Actuary

2 The commission shall appoint an attorney and shall secure the services
3 of such physician or physicians as shall be necessary to make the medical
4 examinations required by this act.

5 The commission shall appoint an actuary who shall be the technical ad-
6 viser of the commission on matters regarding the operation of the system
7 and shall perform such other duties as are required in connection therewith.

8 The actuary shall recommend, and the commission shall keep in conven-
9 ient form, such data as shall be necessary for the actuarial valuation of the
10 retirement system. Once in every 5-year period after the effective date of
11 this act, the actuary shall make an actuarial investigation into the mortal-
12 ity, service and salary experience of the members and dependents of the re-
13 tirement system, and each year after such date shall make an actuarial valu-
14 ation of the assets and liabilities of the system.

15 Upon the basis of such investigations and valuations the pension com-
16 mission shall:

17 (a) Adopt for the retirement system such mortality, service and other
18 tables as shall be deemed necessary.

19 (b) Certify the rates of contribution expressed as a percentage of the
20 compensation of members which shall be made by the city to the fund.

1 16. Unlawful Action—Bar to Pension

2 If any member shall become incapacitated from or shall lose his life
3 in the performance or commission of any unlawful act which would warrant
4 his dismissal from the employ of the city, no pension shall be paid to such
5 member or to his widow, her husband, his or her children or dependent
6 parents.

1 17. Exclusion of Beneficiaries of Other Laws

2 No person who shall receive a pension under any other law of this State
3 shall be entitled to receive the benefits of this act; provided, however, that
4 when a member of any retirement system or pension fund of the State or
5 any political subdivision thereof is transferred or changes his employment
6 and by such transfer or change of employment becomes a member of the
7 retirement system created under this act:

8 (a) he may receive such benefits as he shall be entitled to under the
9 laws governing said prior retirement system or pension fund in addition to
10 any benefits which may accrue to him under the provisions of the act, or

11 (b) he may transfer to the retirement system such prior service credit
12 as accrued to him under said prior retirement system or pension fund. Such
13 transfer of prior service credit shall be made only with the consent of the
14 board or administrative head of the retirement systems involved and shall
15 become effective upon the remittance to the retirement system by the said
16 prior retirement system or pension fund of such amounts as may have been
17 agreed upon by the said governing boards.

1 18. Effective Date

2 This act shall take effect immediately.

ASSEMBLY COMMITTEE AMENDMENTS TO

ASSEMBLY, No. 576

STATE OF NEW JERSEY

ADOPTED NOVEMBER 9, 1964

Amend page 4, section 4, line 4, omit “, upon his application to the commission but not later than upon his”.

Amend page 5, section 4, line 5, omit the entire line.

Amend page 5, section 6, line 2, after “member”, insert “having 5 or more years of service”.

ASSEMBLY, No. 576

STATE OF NEW JERSEY

INTRODUCED MARCH 16, 1964

By Assemblymen KIJEWSKI and BRADY

Referred to Committee on State, County and Municipal Government

AN ACT to provide for the creation, setting apart, maintenance and administration of a city employees' retirement system in cities of the first class having a population of less than 400,000; providing that the said system supercedes any pension system existing in such city pursuant to article 2, chapter 13, Title 43 of the Revised Statutes, and further providing that any such previous pension system shall merge into the system created by this act.

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

1 1. Definitions

2 As used in this act:

3 (a) "Final salary" when used solely for the purpose of fixing benefits
4 under this act, shall mean the average annual salary or compensation earned
5 by a member as an employee for the 5 years during which his salary or
6 compensation was the highest in the last 10 years immediately preceding
7 his death or retirement; provided, however, that as to any member employed
8 by the city prior to the effective date of this act, the annual salary received
9 by such member as a regular employee at the time of his death or retirement
10 shall be considered "final salary" for pension or other purposes under this
11 act, unless otherwise specified herein.

12 (b) "Pension fund" or "fund" shall mean the fund referred to in sec-
13 tion 10 of this act and is the fund from which pensions and other benefits
14 provided for in this act shall be paid.

15-16 (c) "State" shall, unless otherwise stated, mean the State of New Jersey.

17 (d) "City," unless otherwise specified, shall mean any city of the first
18 class of the State having a population of less than 400,000 inhabitants.

19 (e) "City employee" or "employee" shall mean and include any regu-
20 lar employee of a city, as herein defined, or an elected or appointed official
21 thereof. "City employee" or "employee" shall not include a member of the
22 fire or police department or an employee of the board of education nor a
23 transient, seasonal or temporary employee, worker or laborer. In all cases
24 of doubt as to whether a person may be included within the meaning of em-
25 ployee the decisions of the pension commission shall be final.

26 (f) "Member" shall mean any employee included in the membership of
27 the retirement system of the city as provided in section 3 of this act.

28 (g) "Widow" or "widower" shall mean the surviving spouse of a mem-
29 ber married to such member prior to the retirement or death of such mem-
30 ber, except as otherwise provided herein, and said marriage having occurred
31 prior to the time when such member reached the age of 55 years; provided,
32 however, that no pension shall be paid to the widower of a deceased mem-
33 ber unless he shall be and continues to remain dependent upon the income
34 which such member was receiving at the time of her death, or unless he shall
35 be and continues to remain physically or mentally incapable of pursuing a
36 gainful occupation.

37 The commission shall determine the question of dependency of the
38 widower, as well as his ability to pursue a gainful occupation.

39 (h) "Dependent parent" shall mean a dependent parent or parents who
40 is or are solely dependent as determined by the commission for support upon
41 the member.

42 (i) "Commission" shall mean pension commission as constituted under
43 section 13 of this act, and shall be known as the "Pension Commission of
44 the Employees' Retirement System of (name of city)."

45 (j) "Retirement system" or "system" shall mean Employees' Retire-
46 ment System of (name of city) which shall be the name of the retirement

47 system provided under this act. By that name all of its business shall be
48 transacted, its funds invested, warrants for money claims and payments
49 made, and all of its cash and securities and other property held.

1 2. Retirement System

2 In each city, as defined in this act, an employees' retirement system
3 shall be and is hereby created, set apart, maintained and administered in the
4 manner prescribed in this act, for the benefit of employees of such city and
5 the widows, widowers, minor children and dependent parents of such em-
6 ployees; and also of all contributors to, participants in, and beneficiaries
7 of any pension fund in operation in such city, at the time of the effective
8 date of this act, under and by virtue of article 2, chapter 13, Title 43 of
9 the Revised Statutes. The retirement system so created shall have the
10 powers and privileges of a corporation and in no event shall be liable for
11 the payment of any pension or other benefits payable on account of members
12 or their dependents for which reserves have not been previously created from
13 funds contributed by the city or by the members for such benefits.

1 3. Members and Conditions for Membership

2 The members and conditions of membership in the retirement system
3 created by this act shall be as follows:

4 (a) Any person who shall become an employee of the city after the effec-
5 tive date of this act and prior to his attainment of the age of 40 years, shall
6 become a member of the retirement system, as a condition of his employment;
7 provided that he shall submit to and pass the physical and mental examina-
8 tions required by the commission and shall provide such evidence of good
9 health, at said time, as the commission shall require.

10 (b) Upon written application made to the commission within 6 months
11 after the effective date of this act, any employee of the city who became such
12 on or before said date and prior to his attainment of the age of 40 years who
13 is not a member of the pension fund in effect in said city under and by virtue
14 of article 2, chapter 13, Title 43 of the Revised Statutes, shall be entitled to
15 become a member of the retirement system. Such member shall receive

16 credit for all or any part of his prior service, as he may elect, in the employ
17 of said city provided that payments are made by such member in an amount
18 or amounts calculated in accordance with the rules of the commission as may
19 be necessary to provide the entire actuarial cost of such prior service credit.

20 (c) Any employee who on the effective date of this act is a member of
21 the pension fund in effect in said city under and by virtue of article 2, chapter
22 13, Title 43 of the Revised Statutes, shall, upon such date, automatically
23 become a member of the retirement system, and any such employee shall be
24 deemed to agree and consent to such transfer of his membership.

25 (d) Upon written application made to the commission within 6 months
26 after the effective date of this act, any employee of the city as of such date,
27 with or without veteran's status, who has not attained the age of 60 years
28 and who has 20 or more years of prior service credit in the Public Employees'
29 Retirement System of the State of New Jersey or in the Teachers' Pension
30 and Annuity Fund of the State of New Jersey, or who has less than 20
31 years of such prior service credit and whose present age reduced by the
32 total years of such prior service credit is less than 40 years, who shall become
33 a member of the retirement system may transfer such prior service credit
34 to the retirement system. Such transfer shall become effective upon the
35 remittance to the retirement system by the said State pension systems of all
36 accumulated member's contributions, with interest, standing to the credit of
37 the member and of that portion of the actuarial reserve accumulated on his
38 account provided for by contributions of the city.

39 (e) The failure of any member to comply with the rules and regulations
40 prescribed by the commission, pursuant to this act, shall result in the suspen-
41 sion or termination of membership in, or benefits of, this retirement system
42 as may be provided from time to time by the commission.

1 4. Retirement for Age and Service After Age 60

2 (a) Any member who shall have served in the employ of the city for a
3 total of 20 or more years and who shall have attained the age of 60 years
4 shall, upon his application to the commission but not later than upon his

5 attainment of age 65 if employed subsequent to the effective date of this act,
6 be retired on a pension equal to $\frac{1}{2}$ of his final salary, plus $\frac{1}{2}$ of 1% of such
7 salary for each year of service in excess of 20 years, if the member has more
8 than 20 years of service at retirement.

1 5. Retirement for Age and Service Prior to Age 60

2 Any member who shall not have attained the age of 60 years but who
3 shall have contributed to the retirement system for a total of 25 or more years
4 shall, upon his application to the commission, be retired on a pension com-
5 mencing at age 60 equal to an amount calculated in the same manner as a
6 pension payable pursuant to section 4 of this act.

1 6. Retirement for Disability

2 Any member who shall have become permanently disabled for the further
3 performance of his duty, shall, by resolution of the commission or upon
4 application of such member and approval thereof by the commission, and in
5 either case pursuant to the certificate of a physician or physicians designated
6 for that purpose by the commission, be retired on a pension equal to $\frac{1}{2}$ of
7 his final salary.

8 A member who is retired on a disability retirement pursuant to this
9 section shall submit himself at times to be selected by the commission but
10 not more often than twice a year, for a physical examination by a physician
11 or physicians designated by the commission; provided, however, that no
12 member retired for disability whose total years of service, including his
13 period of disability retirement, equals 20 or more years and who shall have
14 attained age 60 shall be required to submit to such physical examination.
15 The physician or physicians shall report to the commission the physical
16 condition of such member and if said report certifies that the member's
17 condition has improved so that he is no longer permanently disabled and that
18 he is engaged in or is able to engage in a gainful occupation, and if the com-
19 mission concurs in this report, then the amount of his pension shall be reduced
20 to an amount which, when added to the amount then earnable by him, shall
21 not exceed his final salary; but only after an opportunity is given such

22 member to be represented by counsel at a hearing on the action by the
23 commission.

1 7. Death Benefits

2 (a) Upon the death of a member in service who shall have paid into the
3 fund the full amount of his contributions and who shall die as a result of
4 injuries or illness received or incurred in the performance of his duties or
5 who shall have served in the employ of the city for 20 or more years; or upon
6 the death of a member who shall have been retired and pensioned under this
7 act.

8 A pension in an amount equal to $\frac{1}{2}$ of the member's final salary shall be
9 paid to the surviving widow, so long as she remains unmarried, surviving
10 dependent widower, so long as he remains unmarried, minor children or de-
11 pendent parents, as the case may be; provided, however, that in no instance
12 shall such pension exceed, in the aggregate, \$2,000.00 per annum. If the pen-
13 sion is payable to minor children, no one of such children shall receive more
14 than \$600.00 per annum, nor shall a pension be paid to any such child after he
15 marries or reaches the age of 18 years.

16 (b) Upon the death of a member in service who shall have paid into the
17 fund the full amount of his contributions and who shall die for causes other
18 than injuries or illness received or incurred in the performance of his duties
19 and who shall have served in the employ of the city for 5 or more years but
20 less than 20 years.

21 A pension in an amount equal to $2\frac{1}{2}\%$ of the member's final salary for
22 each year of his service shall be paid to the surviving widow, so long as
23 she remains unmarried, surviving dependent widower, so long as he remains
24 unmarried, minor children or dependent parents, as the case may be; pro-
25 vided, however, that in no instance shall such pension exceed, in the aggre-
26 gate, an amount equal to \$100.00 per annum for each year of the member's
27 service. If the pension is payable to minor children, no one of such children
28 shall receive more than \$600.00 per annum, nor shall a pension be paid to any
29 such child after he marries or reaches the age of 18 years.

30 In the event a pension shall be payable as a result of the death of a mem-
31 ber in service and there are no eligible surviving dependents at the time of
32 such member's death, an amount equal to such member's contributions to
33 the fund, without interest, shall be paid to his estate.

34 If at the time of the death of a member in service the sole surviving de-
35 pendants of such member are minor children and the total of the aggregate
36 payments on account of such children shall be an amount which is less than
37 such member's contributions to the fund, without interest, the balance of
38 such amount shall be payable to the guardian of such minor children.

1 8. Priority of Payments to Surviving Dependents

2 Upon and after the death of a member or dependent, the benefits herein
3 provided for the surviving dependents shall be paid in the following man-
4 ner of priority:

5 (a) to the surviving widow or dependent widower;

6 (b) if no widow or dependent widower, then to the guardian of the
7 minor children for their exclusive use;

8 (c) in the event there be no surviving widow, dependent widower or
9 minor children, then to the dependent parent or parents in equal shares.

1 9. Refund of Contributions

2 Upon the separation from service with the city of any member who is
3 not entitled to receive any other benefits from the system, the contribu-
4 tions, without interest, paid into the fund by such member shall be refunded
5 to him. Said refund of the member's contributions shall be made at the ex-
6 piration of 90 days following his separation from service, plus the period
7 of time during which any legal proceedings pertaining thereto shall be pend-
8 ing. No such person shall thereafter be eligible for a pension under this act
9 unless upon a re-employment by the city he shall repay to the fund the amount
10 of any such refund made to him. The obligation to refund payments made to
11 the fund shall not apply to an employee suspended or discharged for causes
12 which bar him from eligibility to reappointment under civil service rules.

1 10. Fund and Contributions Thereto

2 For the purpose of paying pensions pursuant to this act, a trust fund
3 shall be and is hereby created and maintained in each city as defined in this
4 act, as follows:

5 (a) In the case of a member who on the effective date of this act was a
6 member of the pension fund in effect in said city under and by virtue of
7 article 2, chapter 13, Title 43 of the Revised Statutes, there shall be deducted
8 from every payment of salary to said member during the entire period of
9 his membership subsequent to the effective date of this act and paid into
10 the fund, the percentage of his salary applicable to his age at the time of his
11 appointment, as follows:

| | Age at Appointment | % Rate of Contribution |
|----|-------------------------------|------------------------|
| 12 | Not exceeding 35 years | 6 % |
| 13 | Between 35 and 36 years | 6½ |
| 14 | Between 36 and 37 years | 7 |
| 15 | Between 37 and 38 years | 7½ |
| 16 | Between 38 and 39 years | 8 |
| 17 | 39 and over | 8½ |

18 (b) In the case of a member not included in (a) above, there shall be
19 deducted from every payment of salary to said member during the entire
20 period of his membership and paid into the fund the percentage of his salary
21 applicable to his age at the time of his entrance into membership. These per-
22 centages shall be as follows:

| | Age at Entrance | % Rate of Contribution | |
|----|--------------------|------------------------|-------|
| | | Men | Women |
| 23 | 20 and under | 6.00% | 6.40% |
| 24 | 21 | 6.00 | 6.40 |
| 25 | 22 | 6.10 | 6.50 |
| 26 | 23 | 6.20 | 6.60 |
| 27 | 24 | 6.30 | 6.70 |
| 28 | 25 | 6.40 | 6.80 |

| | | | |
|----|-------------|------|-------|
| 29 | 26 | 6.50 | 6.90 |
| 30 | 27 | 6.60 | 7.00 |
| 31 | 28 | 6.70 | 7.10 |
| 32 | 29 | 6.80 | 7.30 |
| 33 | 30 | 7.00 | 7.50 |
| 34 | 31 | 7.10 | 7.60 |
| 35 | 32 | 7.30 | 7.80 |
| 36 | 33 | 7.50 | 8.00 |
| 37 | 34 | 7.70 | 8.20 |
| 38 | 35 | 7.90 | 8.40 |
| 39 | 36 | 8.10 | 8.60 |
| 40 | 37 | 8.40 | 8.90 |
| 41 | 38 | 8.70 | 9.30 |
| 42 | 39 | 9.00 | 9.60 |
| 43 | 40 | 9.20 | 9.80 |
| 44 | 41 | 9.30 | 9.90 |
| 45 | 42 | 9.30 | 9.90 |
| 46 | 43 | 9.40 | 9.90 |
| 47 | 44 | 9.40 | 9.90 |
| 48 | 45 | 9.40 | 10.00 |
| 49 | 46 | 9.50 | 10.10 |
| 50 | 47 | 9.50 | 10.20 |
| 51 | 48 | 9.60 | 10.30 |
| 52 | 49 | 9.60 | 10.40 |
| 53 | 50 and over | 9.70 | 10.60 |

54 (c) The city shall raise by taxation and pay yearly into the fund an
55 amount equal to a certain percentage of the annual salaries of all members
56 to be known as the normal contribution, and an additional amount equal to a
57 percentage of such annual salaries to be known as the accrued liability con-
58 tribution. The rates of such contributions shall be determined by actuarial
59 valuation based on such interest rate and such mortality and service tables
60 as shall be adopted by the commission.

61 Until the first actuarial valuation of the fund after the effective date of
62 this act, the normal contribution shall be 7% and the accrued liability con-
63 tribution shall be 18.81% of the annual salaries of all members.

64 On the basis of each actuarial valuation of the fund made after the
65 effective date of this act, the normal contribution shall be that percentage
66 of the annual salaries of all members computed to be required to provide
67 the benefits payable on their account from city contributions currently ac-
68 cruing to such members. The accrued liability contribution shall be com-
69 puted on the basis of the first actuarial valuation of the fund after the effec-
70 tive date of this act and shall be that percentage of the salaries of all
71 members which shall equal 4% of that part of the total liabilities of the
72 fund not dischargeable by the assets held, the contributions of members and
73 the aforesaid normal contributions. After the accrued liability has been
74 liquidated, the sole contribution payable by the city shall be the normal
75 contribution which shall then be that percentage of the annual salaries of all
76 members computed by deducting from the total liabilities of the fund the
77 amounts of assets held and the present value of the future contributions of
78 members, and dividing the remainder by 1% of the present value of the
79 future salaries of all members.

1 11. Exemption of Fund From Taxation and Process

2 All pensions granted under this act shall be exempt from any State or
3 municipal tax, levy and sale, garnishment or attachment or any other process
4 whatsoever, and shall be unassignable, except for the purpose and to the ex-
5 tent necessary to authorize, with the member's or pensioner's consent, deduc-
6 tions of premiums for group hospitalization and medical-surgical insurance.

1 12. Existing Pension Fund Superseded by and Merged into Retirement
2 System

3 It is the intention of this act that the retirement system herein provided
4 for shall, on and after the effective date of this act, supersede and take the
5 place of any pension system then existing in the said city pursuant to ar-
6 ticle 2, chapter 13, Title 43, of the Revised Statutes.

7 Any aforesaid former pension system shall become a part of and shall
8 be and hereby is merged into the retirement system created by this act. All
9 moneys, securities and other assets of such former pension system shall be
10 transferred as of the effective date of this act by the commission of such
11 pension fund to the commission created by this act; which commission is
12 hereby empowered to receive the said funds and assets for and on behalf of
13 the retirement system herein provided for; and the said pension fund created
14 by virtue of article 2, chapter 13, Title 43, of the Revised Statutes shall then
15 cease to exist as a separate pension fund in said city, subject, however, to
16 the provisions of this section 12 of this act.

17 All pensions and other benefits allowed prior to the effective date of
18 this act, under the statute hereinabove specified governing such former pen-
19 sion fund, shall thereafter be paid from the retirement system herein ere-
20 ated and according to the provisions of the statutes governing such former
21 pension fund, except as herein otherwise provided. It is the intention of this
22 act that all existing obligations of said former pension fund on account of
23 pensioners and beneficiaries of the fund as of the date of transfer as afore-
24 said, are assumed and shall be discharged by the retirement system herein
25 created, and such benefits allowed under said former pension fund shall not
26 be diminished or impaired; provided, however, that nothing in this act shall
27 affect the payment or the rates of contributions required of pensioners re-
28 ceiving benefits under said former pension fund on the effective date of this
29 act.

1 13. Pension Commission

2 A pension commission shall be created in every city of the first class,
3 as defined in this act, which shall consist of the following members:

- 4 (a) The mayor or other chief executive of such city;
- 5 (b) The chief financial officer of such city;
- 6 (c) Two city employees of such city who shall be nominated and elected
7 at a meeting of the city employees of such city held on the third Wednes-
8 day of December of every second year. Their term of office shall be for 2
9 years commencing January 1 following their election; and

10 (d) A citizen of such city who holds no office under such city, who shall
11 be selected by the other 4 members of the commission and shall hold office
12 for the term of 1 year.

13 In case of vacancy for any cause, the commission may fill such vacancy
14 until the next election.

15 The commission shall hold its annual meetings on the first business day
16 of January in each year and elect its president, and such other officers as it
17 deems advisable. The commission shall also at such meeting elect a secre-
18 tary from or outside of the city employees, whose compensation the com-
19 mission shall have power to fix.

20 As of the effective date of this act and until such time as the full mem-
21 bership of the pension commission shall be completed in accordance with the
22 provisions of this act, the powers, duties and obligations of the commission,
23 as provided in this act, shall be assumed by the pension commission of the
24 pension fund of the city in existence on said date created under and by
25 virtue of article 2, chapter 13, Title 43, of the Revised Statutes.

1 14. Powers and Duties of Pension Commission

2 All retirements shall be made and pensions allowed under this act by the
3 commission.

4 The commission shall have control and management of the fund and of
5 the retirement of the members of the system and may make all necessary
6 rules and regulations regarding the same not inconsistent with this act.

7 The members of the commission shall be the trustees of the fund and
8 shall have full power to invest and reinvest the fund, subject to all the terms,
9 conditions, limitations and restrictions imposed by the laws of the State upon
10 life insurance companies in the making and disposing of their investments;
11 and subject to like terms, conditions, limitations, and restrictions, such
12 trustees shall have full power to hold, purchase, sell, assign, transfer, and
13 dispose of any securities and investments in which the fund shall have been
14 invested, as well as the proceeds of such investments; provided, however,
15 that no restrictions as to the percentages of various classifications of invest-

16 ments now or hereafter described by the statutes establishing legal invest-
17 ments for life insurance companies under the laws of the State shall be ap-
18 plicable.

19 The commission shall deposit the fund in any depository lawful for the
20 deposit of municipal funds.

21 Any agreement, release, acquittance, satisfaction, and any and all other
22 documents which may be required in the management of the fund shall be
23 executed by the president and secretary on behalf of the commission.

24 The commission shall make an annual report of the condition of the fund
25 and the manner in which the same is invested.

1 15. Appointment of Attorney, Physician and Actuary

2 The commission shall appoint an attorney and shall secure the services
3 of such physician or physicians as shall be necessary to make the medical
4 examinations required by this act.

5 The commission shall appoint an actuary who shall be the technical ad-
6 viser of the commission on matters regarding the operation of the system
7 and shall perform such other duties as are required in connection therewith.

8 The actuary shall recommend, and the commission shall keep in conven-
9 ient form, such data as shall be necessary for the actuarial valuation of the
10 retirement system. Once in every 5-year period after the effective date of,
11 this act, the actuary shall make an actuarial investigation into the mortal-
12 ity, service and salary experience of the members and dependents of the re-
13 tirement system, and each year after such date shall make an actuarial valu-
14 ation of the assets and liabilities of the system.

15 Upon the basis of such investigations and valuations the pension com-
16 mission shall:

17 (a) Adopt for the retirement system such mortality, service and other
18 tables as shall be deemed necessary.

19 (b) Certify the rates of contribution expressed as a percentage of the
20 compensation of members which shall be made by the city to the fund.

1 16. Unlawful Action—Bar to Pension

2 If any member shall become incapacitated from or shall lose his life
3 in the performance or commission of any unlawful act which would warrant
4 his dismissal from the employ of the city, no pension shall be paid to such
5 member or to his widow, her husband, his or her children or dependent
6 parents.

1 17. Exclusion of Beneficiaries of Other Laws

2 No person who shall receive a pension under any other law of this State
3 shall be entitled to receive the benefits of this act; provided, however, that
4 when a member of any retirement system or pension fund of the State or
5 any political subdivision thereof is transferred or changes his employment
6 and by such transfer or change of employment becomes a member of the
7 retirement system created under this act:

8 (a) he may receive such benefits as he shall be entitled to under the
9 laws governing said prior retirement system or pension fund in addition to
10 any benefits which may accrue to him under the provisions of the act, or

11 (b) he may transfer to the retirement system such prior service credit
12 as accrued to him under said prior retirement system or pension fund. Such
13 transfer of prior service credit shall be made only with the consent of the
14 board or administrative head of the retirement systems involved and shall
15 become effective upon the remittance to the retirement system by the said
16 prior retirement system or pension fund of such amounts as may have been
17 agreed upon by the said governing boards.

1 18. Effective Date

2 This act shall take effect immediately.

Chapter 158- Approved June 18, 1966

[OFFICIAL COPY REPRINT]

ASSEMBLY, No. 186

STATE OF NEW JERSEY

INTRODUCED JANUARY 31, 1966

By Assemblymen BRADY and McLEON

Referred to Committee on County and Municipal Government

AN ACT concerning city employees' retirement systems in certain cases, and amending chapter 275 of the laws of 1964, approved January 12, 1965.

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

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

3 1. Definitions

4 As used in this act:

5 (a) "Final salary" when used solely for the purpose of fixing benefits
6 under this act, shall mean the average annual salary or compensation earned
7 by a member as an employee for the 5 years during which his salary or
8 compensation was the highest in the last 10 years immediately preceding
9 his death or retirement; provided, however, that as to any member employed
10 by the city prior to the effective date of this act, the annual salary received
11 by such member as a regular employee at the time of his death or retirement
12 shall be considered "final salary" for pension or other purposes under this
13 act, unless otherwise specified herein.

14 (b) "Pension fund" or "fund" shall mean the fund referred to in sec-
15 tion 10 of this act and is the fund from which pensions and other benefits
16 provided for in this act shall be paid.

17 (c) "State" shall, unless otherwise stated, mean the State of New
18 Jersey.

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

19 (d) "City," unless otherwise specified, shall mean any city of the first
20 class of the State having a population of less than 400,000 inhabitants.

21 (e) "City employee" or "employee" shall mean and include any reg-
22 ular employee of a city, as herein defined, or an elected or appointed official
23 thereof. "City employee" or "employee" shall not include a member of the
24 fire or police department or an employee of the board of education nor a
25 transient, seasonal or temporary employee, worker or laborer. In all cases
26 of doubt as to whether a person may be included within the meaning of
27 employee the decisions of the pension commission shall be final.

28 (f) "Member" shall mean any employee included in the membership of
29 the retirement system of the city as provided in section 3 of this act.

30 (g) "Widow" or "widower" shall mean the surviving **unremarried**
31 spouse of a member married to such member prior to the retirement or death
32 of such member, except as otherwise provided herein, and said marriage hav-
33 ing occurred [prior to the time when such member reached the age of 55
34 years] *at least 5 years prior to the member's death or retirement, whichever*
35 *is earlier*; provided, however, that no pension shall be paid to the widower of
36 a deceased member unless he shall be and continues to remain dependent
37 upon the income which such member was receiving at the time of her death,
38 or unless he shall be and continues to remain physically or mentally in-
39 capable of pursuing a gainful occupation.

40 The commission shall determine the question of dependency of the
41 widower, as well as his ability to pursue a gainful occupation.

42 (h) "Dependent parent" shall mean a dependent parent or parents who
43 is or are solely dependent as determined by the commission for support
44 upon the member. **The dependency of such a parent will be considered*
44A *terminated by marriage of the parent subsequent to the death of the*
44B *member.**

45 (i) "Commission" shall mean pension commission as constituted under
46 section 13 of this act, and shall be known as the "Pension Commission of the
47 Employees' Retirement System of (name of city)."

48 (j) "Retirement system" or "system" shall mean Employees' Retirement
 49 ment System of (name of city) which shall be the name of the retirement
 50 system provided under this act. By that name all of its business shall be
 51 transacted, its funds invested, warrants for money claims and payments
 52 made, and all of its cash and securities and other property held.

53 *(k) "Child" shall mean a deceased member's unmarried child under
 54 the age of 18.*

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

3 3. Members and conditions for membership

4 The members and conditions of membership in the retirement system
 5 created by this act shall be as follows:

6 (a) Any person who shall become an employee of the city after the
 7 effective date of this act and prior to his attainment of the age of 40 years,
 8 shall become a member of the retirement system, as a condition of his em-
 9 ployment; provided that he shall submit to and pass the physical and mental
 10 examinations required by the commission and shall provide such evidence
 11 of good health, at said time, as the commission shall require.

12 (b) Upon written application made to the commission within 6 months
 13 after the effective date of this act, any employee of the city who became such
 14 on or before said date and prior to his attainment of the age of 40 years who
 15 is not a member of the pension fund in effect in said city under and by
 16 virtue of article 2, chapter 13, Title 43 of the Revised Statutes, shall be
 17 entitled to become a member of the retirement system. Such member shall
 18 receive credit for all *~~or any part~~* of his prior service* ~~as he may elect,~~*
 19 in the employ of said city provided that payments are made by such member
 20 in an amount or amounts calculated in accordance with the rules of the
 21 commission as may be necessary to provide the entire actuarial cost of such
 22 prior service credit. **In the event that such member retires before he com-
 22A pletes the payment for all of his prior service credit, credit for such service
 22B shall be given in direct proportion as the amount paid bears to the total
 22C amount of the obligation.**

23 (e) Any employee who on the effective date of this act is a member of
24 the pension fund in effect in said city under and by virtue of article 2,
25 chapter 13, Title 43 of the Revised Statutes, shall, upon such date, automati-
26 cally become a member of the retirement system, and any such employee
27 shall be deemed to agree and consent to such transfer of his membership.

28 (d) Upon written application made to the commission within 6 months
29 after the effective date of this act, any employee of the city as of such date,
30 with or without veteran's status, who has not attained the age of 60 years
31 and who has 20 or more years of prior service credit in the Public Em-
32 ployees' Retirement System of the State of New Jersey or in the Teachers'
33 Pension and Annuity Fund of the State of New Jersey, or who has less than
34 20 years of such prior service credit and whose present age reduced by the
35 total years of such prior service credit is less than 40 years, who shall be-
36 come a member of the retirement system may transfer such prior service
37 credit to the retirement system. Such transfer shall become effective upon
38 the remittance to the retirement system by the said State pension systems
39 of all accumulated member's contributions, with interest, standing to the
40 credit of the member and of that portion of the actuarial reserve accumu-
41 lated on his account provided for by contributions of the city.

42 (e) *Upon written application made to the commission within 6 months*
43 *after the effective date of this act, any permanent employee of the city who*
44 *became such on or before February 22, 1965 and prior to his attainment*
45 *of age 50 but on or after his attainment of age 40, who was not a member*
46 *of the pension fund in effect in said city under and by virtue of article 2,*
47 *chapter 13, Title 43 of the Revised Statutes, shall be entitled to become a*
48 *member of the retirement system. Such member shall receive credit for all*
49 *or any part of his prior service, as he may elect, in the employ of said*
50 *city provided that payments are made by such member in an amount or*
51 *amounts *["calculated in accordance with the rules of the commission]"* as*
52 *may be necessary to provide the entire actuarial cost of such prior service*
52A *credit.*

53 [(e)] (f) The failure of any member to comply with the rules and regu-
54 lations prescribed by the commission, pursuant to this act, shall result in
55 the suspension or termination of membership in, or benefits of, this retire-
56 ment system as may be provided from time to time by the commission.

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

3 4. Retirement for age and service after age 60

4 (a) Any member who shall have served in the employ of the city for
5 a total of 20 or more years and who shall have attained the age of 60 years
6 shall, upon his application to the commission but not later than upon his
7 attainment of age 65 be retired on a pension equal to $\frac{1}{2}$ of his final salary,
8 plus $\frac{1}{2}$ of 1% of such salary for each year of service in excess of 20 years,
9 if the member has more than 20 years of service at retirement. **The benefit*
9A *increment of 1/2 of 1% shall apply only to members as of the effective date*
9B *of this amendatory act.**

10 (b) Any present members who shall have served in the employ of the
11 city for a total of 20 or more years and who have attained the age of 65
12 years or older on the effective date of this act shall be retired in the following
13 manner:

14 All members 70 years of age or older shall be retired by July 1, 1966;

15 All members 69 years of age or older shall be retired by July 1, 1966;

16 All members 68 years of age or older shall be retired by July 1, 1967;

17 All members 67 years of age or older, shall be retired by July 1, 1968;

18 All members 66 years of age or older, shall be retired by July 1, 1969;

19 and

20 All members 65 years of age or older shall be retired by July 1, 1970.

21 Thereafter, all members upon attaining age 65, shall be retired. The
22 above pension for each of the above shall be calculated in the same manner
23 as a pension payable, pursuant to section 4(a) of this act.

24 (c) Any member who upon his attainment of age 65 shall have served in
25 the employ of the city for a total of less than 20 years shall be retired on

26 a pension equal to ***[2 1/2%]*** ***2%*** of his final salary for each year of his
27 service.

1 4. Section 6 of the act of which this act is amendatory is amended to
2 read as follows:

3 6. Retirement for disability

4 ***(a)*** Any member having 5 or more years of service who shall have
5 become permanently disabled for the further performance of his duty, ***[ex-**
6 **cept as a result of personal injuries sustained in or from an accident arising**
7 **out of and in the course of his employment,]*** shall, by resolution of the com-
8 mission or upon application of such member and approval thereof by the
9 commission, and in either case pursuant to the certificate of a physician or
10 physicians designated for that purpose by the commission, be retired on a
11 pension equal to 1/2 of his final salary plus 1/2 of 1% of such salary for each
12 year of service in excess of 20 years, if the member has more than 20 years of
13 service at retirement.

14 ***[Any member who shall have become permanently disabled as a result**
15 **of personal injuries sustained in or from an accident arising out of and in**
16 **the course of his employment, shall by resolution of the commission or upon**
17 **application of such member and approval thereof by the commission, and in**
18 **either case pursuant to the certificate of a physician or physicians desig-**
19 **nated for that purpose by the commission, be retired on a pension equal to**
20 **2/3 of the annual salary received by the member at the time of the occur-**
21 **rence of the accident.]***

21A ***(b) Any member who shall become permanently and totally disabled as**
21B **a result of a traumatic event occurring during and as a result of the perform-**
21C **ance of his regular or assigned duties and where such disability is not the**
21D **result of the member's willful negligence and the member is mentally or**
21E **physically incapacitated for the performance of his usual duty and of any**
21F **other available duty shall, by resolution of the commission or upon applica-**
21G **tion of such member and approval thereof by the commission, and in either**
21H **case pursuant to the certificate of a physician or physicians designated for**

21 *that purpose by the commission, be retired on a pension equal to 2/3 of his*
 22 *final salary. The application to accomplish such retirement must be filed*
 23 *within 5 years of the original traumatic event.**

22 A member who is retired on a disability retirement pursuant to this sec-
 23 tion shall submit himself at times to be selected by the commission but not
 24 more often than twice a year, for a physical examination by a physician or
 25 physicians designated by the commission; provided, however, that no mem-
 26 ber retired for disability whose total years of service, including his period
 27 of disability retirement, equals 20 or more years and who shall have attained
 28 age 60 shall be required to submit to such physical examination. The physi-
 29 cian or physicians shall report to the commission the physical condition of
 30 such member and if said report certifies that the member's condition has
 31 improved so that he is no longer permanently disabled **[and that]* *or if**
 32 *he is engaged in *or is able to engage in a gainful* *an* occupation, *and*
 33 *if the commission concurs in this report,]** then the amount of his pension
 34 shall be reduced to an amount which, when added to the amount **[then*
 35 *earnable by him]*, *of his earnings* shall not exceed **[his final salary]*;*
 36 **the salary now attributable to his former position** but only after an oppor-
 37 tunity is given such member to be represented by counsel at a hearing on
 38 the action by the commission.*

1 5. Section 7 of the act of which this act is amendatory is amended to
 2 read as follows:

3 7. Death benefits

4 (a) Upon the death of a member in service who shall have paid into the
 5 fund the full amount of his contributions and who shall die as a result of
 6 injuries or illness received or incurred in the performance of his duties or
 7 who shall have served in the employ of the city for 20 or more years; or
 8 upon the death of a member who shall have been retired and pensioned
 9 under this act.

10 A pension in an amount equal to $\frac{1}{2}$ of the member's final salary, *but*
 11 *not more than the pension which was payable prior to his death to a member*
 12 *retired and pensioned under this act,* shall be paid to the surviving widow,

13 so long as she remains unmarried, surviving dependent widower, so long as
14 he remains unmarried, minor children or dependent parents, as the case may
15 be; provided, however, that in no instance shall such pension exceed, in the
16 aggregate, \$2,000.00 per annum. If the pension is payable to minor children,
17 no one of such children shall receive more than \$600.00 per annum, nor shall
18 a pension be paid to any such child after he marries or reaches the age of
19 18 years.

20 (b) Upon the death of a member in service who shall have paid into the
21 fund the full amount of his contributions and who shall die for causes other
22 than injuries or illness received or incurred in the performance of his duties
23 and who shall have served in the employ of the city for 5 or more years
24 but less than 20 years.

25 A pension in an amount equal to $2\frac{1}{2}\%$ of the member's final salary for
26 each year of his service shall be paid to the surviving widow, so long as she
27 remains unmarried, surviving dependent widower, so long as he remains un-
28 married, minor children or dependent parents, as the case may be; provided,
29 however, that in no instance shall such pension exceed, in the aggregate, an
30 amount equal to \$100.00 per annum for each year of the member's service. If
31 the pension is payable to minor children, no one of such children shall re-
32 ceive more than \$600.00 per annum, nor shall a pension be paid to any such
33 child after he marries or reaches the age of 18 years.

34 In the event a pension shall be payable as a result of the death of a
35 member in service and there are no eligible surviving dependents at the
36 time of such member's death, an amount equal to such member's contribu-
37 tions to the fund, without interest, shall be paid to his estate.

38 If at the time of the death of a member in service the sole surviving
39 dependents of such member are minor children and the total of the aggregate
40 payments on account of such children shall be an amount which is less than
41 such member's contributions to the fund, without interest, the balance of such
42 amount shall be payable to the guardian of such minor children.

1 6. This act shall take effect immediately.

ASSEMBLY AMENDMENTS TO
ASSEMBLY, No. 186

STATE OF NEW JERSEY

ADOPTED MAY 31, 1966

Amend page 2, section 1, line 30, after the word "surviving", insert "unremarried".

Amend page 2, section 1, line 44, add the following new sentence: "The dependency of such a parent will be considered terminated by marriage of the parent subsequent to the death of the member".

Amend page 3, section 1, line 52, after line 52, add the following new subsection:

"(k) 'Child' shall mean a deceased member's unmarried child under the age of 18."

Amend page 3, section 2, line 18, delete "or any part", and ", as he may elect,".

Amend page 3, section 2, line 22, add the following new sentence: "In the event that such member retires before he completes the payment for all of his prior service credit, credit for such service shall be given in direct proportion as the amount paid bears to the total amount of the obligation."

Amend page 4, section 2, line 51, delete "calculated in accordance with the rules of the commission".

Amend page 5, section 3, line 9, add the following new sentence: "The benefit increment of $\frac{1}{2}$ of 1% shall apply only to members as of the effective date of this amendatory act."

Amend page 5, section 3, line 26, delete "2½%", and insert in lieu thereof "2%".

Amend page 5, section 4, line 4, before "Any", insert "(a)".

Amend page 5, section 4, lines 5 to 7, delete "except as a result of personal injuries sustained in or from an accident arising out of or in the course of his employment,".

Amend page 6, section 4, lines 14 through 21, delete these lines in their entirety and insert in lieu thereof:

"(b) Any member who shall become permanently and totally disabled as a direct result of a traumatic event occurring during and as a result of the performance of his regular or assigned duties and where such disability is not the result of the member's willful negligence and the member is mentally or physically incapacitated for the performance of his usual duty and of any other available duty shall, by resolution of the commission or upon application of such member and approval thereof by the commission, and in either case pursuant to the certificate of a physician or physicians designated for that purpose by the commission, be retired on a pension equal to ⅔ of his final salary. The application to accomplish such retirement must be filed within 5 years of the original traumatic event."

Amend page 6, section 4, line 31, delete "and that", and insert in lieu thereof, "or if".

Amend page 6, section 4, lines 32 and 33, delete "or is able to engage in a gainful", and insert in lieu thereof "an", and delete "and if the commission concurs in this report,".

Amend page 6, section 4, line 34, delete "then earnable by him", and insert in lieu thereof, "of his earnings".

Amend page 6, section 4, line 35, delete "his final salary", and insert in lieu thereof "the salary now attributable to his former position".

ASSEMBLY, No. 186

STATE OF NEW JERSEY

INTRODUCED JANUARY 31, 1966

By Assemblymen BRADY and McLEON

Referred to Committee on County and Municipal Government

AN ACT concerning city employees' retirement systems in certain cases, and amending chapter 275 of the laws of 1964, approved January 12, 1965.

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

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

3 1. Definitions

4 As used in this act:

5 (a) "Final salary" when used solely for the purpose of fixing benefits
6 under this act, shall mean the average annual salary or compensation earned
7 by a member as an employee for the 5 years during which his salary or
8 compensation was the highest in the last 10 years immediately preceding
9 his death or retirement; provided, however, that as to any member employed
10 by the city prior to the effective date of this act, the annual salary received
11 by such member as a regular employee at the time of his death or retirement
12 shall be considered "final salary" for pension or other purposes under this
13 act, unless otherwise specified herein.

14 (b) "Pension fund" or "fund" shall mean the fund referred to in sec-
15 tion 10 of this act and is the fund from which pensions and other benefits
16 provided for in this act shall be paid.

17 (c) "State" shall, unless otherwise stated, mean the State of New
18 Jersey.

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

50 system provided under this act. By that name all of its business shall be
51 transacted, its funds invested, warrants for money claims and payments
52 made, and all of its cash and securities and other property held.

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

3 3. Members and conditions for membership

4 The members and conditions of membership in the retirement system
5 created by this act shall be as follows:

6 (a) Any person who shall become an employee of the city after the
7 effective date of this act and prior to his attainment of the age of 40 years,
8 shall become a member of the retirement system, as a condition of his em-
9 ployment; provided that he shall submit to and pass the physical and mental
10 examinations required by the commission and shall provide such evidence
11 of good health, at said time, as the commission shall require.

12 (b) Upon written application made to the commission within 6 months
13 after the effective date of this act, any employee of the city who became such
14 on or before said date and prior to his attainment of the age of 40 years who
15 is not a member of the pension fund in effect in said city under and by
16 virtue of article 2, chapter 13, Title 43 of the Revised Statutes, shall be
17 entitled to become a member of the retirement system. Such member shall
18 receive credit for all or any part of his prior service, as he may elect, in
19 the employ of said city provided that payments are made by such member
20 in an amount or amounts calculated in accordance with the rules of the
21 commission as may be necessary to provide the entire actuarial cost of such
22 prior service credit.

23 (c) Any employee who on the effective date of this act is a member of
24 the pension fund in effect in said city under and by virtue of article 2,
25 chapter 13, Title 43 of the Revised Statutes, shall, upon such date, automati-
26 cally become a member of the retirement system, and any such employee
27 shall be deemed to agree and consent to such transfer of his membership.

28 (d) Upon written application made to the commission within 6 months

29 after the effective date of this act, any employee of the city as of such date,
30 with or without veteran's status, who has not attained the age of 60 years
31 and who has 20 or more years of prior service credit in the Public Em-
32 ployees' Retirement System of the State of New Jersey or in the Teachers'
33 Pension and Annuity Fund of the State of New Jersey, or who has less than
34 20 years of such prior service credit and whose present age reduced by the
35 total years of such prior service credit is less than 40 years, who shall be-
36 come a member of the retirement system may transfer such prior service
37 credit to the retirement system. Such transfer shall become effective upon
38 the remittance to the retirement system by the said State pension systems
39 of all accumulated member's contributions, with interest, standing to the
40 credit of the member and of that portion of the actuarial reserve accumu-
41 lated on his account provided for by contributions of the city.

42 *(e) Upon written application made to the commission within 6 months*
43 *after the effective date of this act, any permanent employee of the city who*
44 *became such on or before February 22, 1965 and prior to his attainment*
45 *of age 50 but on or after his attainment of age 40, who was not a member*
46 *of the pension fund in effect in said city under and by virtue of article 2,*
47 *chapter 13, Title 43 of the Revised Statutes, shall be entitled to become a*
48 *member of the retirement system. Such member shall receive credit for all*
49 *or any part of his prior service, as he may elect, in the employ of said*
50 *city provided that payments are made by such member in an amount or*
51 *amounts calculated in accordance with the rules of the commission as may*
52 *be necessary to provide the entire actuarial cost of such prior service credit.*

53 **[(e)]** *(f) The failure of any member to comply with the rules and regu-*
54 *lations prescribed by the commission, pursuant to this act, shall result in*
55 *the suspension or termination of membership in, or benefits of, this retire-*
56 *ment system as may be provided from time to time by the commission.*

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

3 4. Retirement for age and service after age 60

4 (a) Any member who shall have served in the employ of the city for
 5 a total of 20 or more years and who shall have attained the age of 60 years
 6 shall, upon his application to the commission but not later than upon his
 7 attainment of age 65 be retired on a pension equal to $\frac{1}{2}$ of his final salary,
 8 plus $\frac{1}{2}$ of 1% of such salary for each year of service in excess of 20 years,
 9 if the member has more than 20 years of service at retirement.

10 (b) Any present members who shall have served in the employ of the
 11 city for a total of 20 or more years and who have attained the age of 65
 12 years or older on the effective date of this act shall be retired in the following
 13 manner:

14 All members 70 years of age or older shall be retired by July 1, 1966;

15 All members 69 years of age or older shall be retired by July 1, 1966;

16 All members 68 years of age or older shall be retired by July 1, 1967;

17 All members 67 years of age or older, shall be retired by July 1, 1968;

18 All members 66 years of age or older, shall be retired by July 1, 1969;

19 and

20 All members 65 years of age or older shall be retired by July 1, 1970.

21 Thereafter, all members upon attaining age 65, shall be retired. The
 22 above pension for each of the above shall be calculated in the same manner
 23 as a pension payable, pursuant to section 4(a) of this act.

24 (c) Any member who upon his attainment of age 65 shall have served in
 25 the employ of the city for a total of less than 20 years shall be retired on
 26 a pension equal to $2\frac{1}{2}\%$ of his final salary for each year of his service.

1 4. Section 6 of the act of which this act is amendatory is amended to
 2 read as follows:

3 6. Retirement for disability

4 Any member having 5 or more years of service who shall have become
 5 permanently disabled for the further performance of his duty, *except as a*
 6 *result of personal injuries sustained in or from an accident arising out of*
 7 *and in the course of his employment*, shall, by resolution of the commission
 8 or upon application of such member and approval thereof by the commis-

9 sion, and in either case pursuant to the certificate of a physician or physi-
10 cians designated for that purpose by the commission, be retired on a pension
11 equal to $1/2$ of his final salary plus $1/2$ of 1% of such salary for each year
12 of service in excess of 20 years, if the member has more than 20 years of
13 service at retirement.

14 *Any member who shall have become permanently disabled as a result*
15 *of personal injuries sustained in or from an accident arising out of and in*
16 *the course of his employment, shall by resolution of the commission or upon*
17 *application of such member and approval thereof by the commission, and in*
18 *either case pursuant to the certificate of a physician or physicians desig-*
19 *nated for that purpose by the commission, be retired on a pension equal to*
20 *$2/3$ of the annual salary received by the member at the time of the occur-*
21 *rence of the accident.*

22 A member who is retired on a disability retirement pursuant to this sec-
23 tion shall submit himself at times to be selected by the commission but not
24 more often than twice a year, for a physical examination by a physician or
25 physicians designated by the commission; provided, however, that no mem-
26 ber retired for disability whose total years of service, including his period
27 of disability retirement, equals 20 or more years and who shall have attained
28 age 60 shall be required to submit to such physical examination. The physi-
29 cian or physicians shall report to the commission the physical condition of
30 such member and if said report certifies that the member's condition has
31 improved so that he is no longer permanently disabled and that he is en-
32 gaged in or is able to engage in a gainful occupation, and if the commission
33 concurs in this report, then the amount of his pension shall be reduced to
34 an amount which, when added to the amount then earnable by him, shall not
35 exceed his final salary; but only after an opportunity is given such member
36 to be represented by counsel at a hearing on the action by the commission.

1 5. Section 7 of the act of which this act is amendatory is amended to
2 read as follows:

3 **7. Death benefits**

4 (a) Upon the death of a member in service who shall have paid into the
5 fund the full amount of his contributions and who shall die as a result of
6 injuries or illness received or incurred in the performance of his duties or
7 who shall have served in the employ of the city for 20 or more years; or
8 upon the death of a member who shall have been retired and pensioned
9 under this act.

10 A pension in an amount equal to $\frac{1}{2}$ of the member's final salary, *but*
11 *not more than the pension which was payable prior to his death to a member*
12 *retired and pensioned under this act*, shall be paid to the surviving widow,
13 so long as she remains unmarried, surviving dependent widower, so long as
14 he remains unmarried, minor children or dependent parents, as the case may
15 be; provided, however, that in no instance shall such pension exceed, in the
16 aggregate, \$2,000.00 per annum. If the pension is payable to minor children,
17 no one of such children shall receive more than \$600.00 per annum, nor shall
18 a pension be paid to any such child after he marries or reaches the age of
19 18 years.

20 (b) Upon the death of a member in service who shall have paid into the
21 fund the full amount of his contributions and who shall die for causes other
22 than injuries or illness received or incurred in the performance of his duties
23 and who shall have served in the employ of the city for 5 or more years
24 but less than 20 years.

25 A pension in an amount equal to $2\frac{1}{2}\%$ of the member's final salary for
26 each year of his service shall be paid to the surviving widow, so long as she
27 remains unmarried, surviving dependent widower, so long as he remains un-
28 married, minor children or dependent parents, as the case may be; provided,
29 however, that in no instance shall such pension exceed, in the aggregate, an
30 amount equal to \$100.00 per annum for each year of the member's service. If
31 the pension is payable to minor children, no one of such children shall re-
32 ceive more than \$600.00 per annum, nor shall a pension be paid to any such
33 child after he marries or reaches the age of 18 years.

34 In the event a pension shall be payable as a result of the death of a
35 member in service and there are no eligible surviving dependents at the
36 time of such member's death, an amount equal to such member's contribu-
37 tions to the fund, without interest, shall be paid to his estate.

38 If at the time of the death of a member in service the sole surviving
39 dependents of such member are minor children and the total of the aggregate
40 payments on account of such children shall be an amount which is less than
41 such member's contributions to the fund, without interest, the balance of such
42 amount shall be payable to the guardian of such minor children.

1 6. This act shall take effect immediately.

Nevertheless, State government does have a responsibility to insure that local benefit programs are generally consistent with the benefit programs available in the State systems as well as in other local programs. In addition, the State does have a responsibility to insure the financial integrity of any system legislated. Indeed, it was in recognition of this general responsibility that the State undertook a review of the local police and firemen's retirement systems and agreed to direct financial participation in the rehabilitation of the Consolidated Police and Firemen's Pension Fund.

The State Division of Pensions has reviewed this legislation and has suggested that the provisions relating to disability be amended to conform to the provisions which have recently been adopted in the police and firemen's pension laws. It has also been suggested that the retirement benefits be modified somewhat so that they conform generally with the benefit provisions of other laws. I believe these suggestions are sound. With these modifications, the Jersey City pension program will be comparable to the other pension programs available to public employees generally while providing a meaningful improvement in the benefits available to the municipality's employees.

Accordingly, I herewith return Assembly Bill No. 186 for reconsideration and recommend that it be amended as follows:

On page 2, section 1, line 30, after the word "surviving" insert "unremarried".

On page 2, section 1, line 44, add the following new sentence: "The dependency of such a parent will be considered terminated by marriage of the parent subsequent to the death of the member."

On page 3, section 1, line 52, after line 52, add the following new subsection:

"(k) 'Child' shall mean a deceased member's unmarried child under the age of 18."

On page 3, section 2, line 18, delete "or any part" and ", as he may elect,".

On page 3, section 3, line 22, add the following new sentence: "In the event that such member retires before he completes the payment for all of his prior serv-

ice credit, credit for such service shall be given in direct proportion as the amount paid bears to the total amount of the obligation.”.

On page 4, section 2, line 51, delete “calculated in accordance with the rules of the commission”.

On page 5, section 3, line 9, add the following new sentence: “The benefit increment of $\frac{1}{2}$ of 1% shall apply only to members as of the effective date of this amendatory act.”.

On page 5, section 3, line 26, delete “2½%” and insert in lieu thereof “2%”.

On page 5, section 4, line 4, before “Any” insert “(a)”.

On page 5, section 4, lines 5 to 7, delete “except as a result of personal injuries sustained in or from an accident arising out of or in the course of his employment,”.

On page 6, section 4, lines 14 through 21, delete these lines in their entirety and insert in lieu thereof:

“(b) Any member who shall become permanently and totally disabled as a direct result of a traumatic event occurring during and as a result of the performance of his regular or assigned duties and where such disability is not the result of the member’s willful negligence and the member is mentally or physically incapacitated for the performance of his usual duty and of any other available duty shall, by resolution of the commission or upon application of such member and approval thereof by the commission, and in either case pursuant to the certificate of a physician or physicians designated for that purpose by the commission, be retired on a pension equal to $\frac{2}{3}$ of his final salary. The application to accomplish such retirement must be filed within 5 years of the original traumatic event.”.

On page 6, section 4, line 31, delete “and that” and insert in lieu thereof, “or if”.

On page 6, section 4, lines 32 and 33, delete “or is able to engage in a gainful” and insert in lieu thereof “an”, and delete “and if the commission concurs in this report,”.

On page 6, section 4, line 34, delete "then earnable by him" and insert in lieu thereof, "of his earnings".

On page 6, section 4, line 35, delete "his final salary" and insert in lieu thereof "the salary now attributable to his former position".

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: Governor.
/s/ JOHN W. GLEESON,
Secretary to the Governor.

STATE OF NEW JERSEY, }
EXECUTIVE DEPARTMENT, }
December 5, 1966. }

ASSEMBLY BILL No. 305

To the General Assembly:

Pursuant to Article V, Section I, paragraph 14(b) of the Constitution, I herewith return Assembly Bill No. 305, with my objections, for reconsideration.

This measure would permit persons holding public office, position or employment with any county or municipality or any board, body, agency or commission thereof or any board of education to have deductions made from their pay, with their employers' concurrence, to be paid over to a credit union the membership of which is limited to public employees. The objective of the bill—the establishment of a method whereby thrift is encouraged through the convenience of payroll deduction—is praiseworthy and has my complete support. Certain technical defects in the bill, however, require me to suggest several amendments.

Assembly Bill No. 305 is designed to give both the employee and the employer a choice in the matter of making deductions for credit unions. The language employed, however, does not clearly achieve that result. While the employer's concurrence in the employee's decision to have a portion of his pay directed to a credit union is to be expressed by resolution, the bill speaks only of a resolution of a board, body, agency or commission of a county or