

P.S. 53:5A-8

LEGISLATIVE FACT SHEET

ON

N.J.R.S. 53-5A-8 (*State Police - Pension increase*)
(1966 Amendment)

LAWS OF 1966

CHAPTER 153

SENATE 414

~~ASSEMBLY~~

INTRODUCED *May 23, 1966*

BY *Ribolfi*

Fiscal note YES
STATEMENT

YES

NO

AMENDED DURING PASSAGE

YES

NO

HEARING

VETO

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SENATE, No. 414

STATE OF NEW JERSEY

INTRODUCED MAY 23, 1966

By Senator RIDOLFI

Referred to Committee on State, County and Municipal Government

AN ACT to amend the "State Police Retirement System Act," approved June 9, 1965 (P. L. 1965, c. 89).

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

1 1. Section 8 of the act of which this act is amendatory is amended to
2 read as follows:

3 8. a. Any member of the retirement system who was a member of the
4 former "State Police Retirement and Benevolent Fund" on the effective date
5 of this act, may retire on a service retirement allowance upon the attainment
6 of age 50 years and the completion of at least 20 years of creditable service.
7 Upon the filing of a written and duly executed application with the retire-
8 ment system, setting forth at what time, not less than 30 days, subsequent to
9 the filing thereof, he desires to be retired, any such member retiring for serv-
10 ice shall receive a service retirement allowance which shall consist of:

11 (1) Any annuity which shall be the actuarial equivalent of his aggre-
12 gate contributions at the time of retirement, and

13 (2) A pension in the amount which when added to the member's annuity
14 will provide a total retirement allowance of 50% of his final compensation
15 plus 1% of his final compensation multiplied by his number of years of
16 creditable service which exceed 25 years of such service.

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

17 Any member of the retirement system who was a member of the former
18 "State Police Retirement and Benevolent Fund" on the effective date of
19 this act, who has completed at least 25 years of creditable service and who
20 has reached the age of 55 years shall be retired forthwith or on the first day
21 of the next calendar month.

22 b. Any member of the retirement system who was not a member of the
23 former "State Police Retirement and Benevolent Fund" on the effective
24 date of this act who has reached the age of 55 years shall be retired forth-
25 with or on the first day of the next calendar month provided, however, such
26 member, at his option, may continue in the employment of the Division of
27 State Police upon the request of the superintendent, and with the concur-
28 rence of the Attorney General, for an additional year beyond the date upon
29 which he would otherwise be required to retire hereunder, and such member
30 may thereafter in each succeeding year continue in the employment of the
31 Division of State Police upon the request of the superintendent, with the
32 concurrence of the Attorney General, until he has reached the age of 65 years,
33 whereupon he shall be retired forthwith or on the first day of the next
34 calendar month. Any such member retiring for service hereunder shall re-
35 ceive a service retirement allowance which shall consist of:

36 (1) An annuity which shall be the actuarial equivalent of his aggregate
37 contributions at the time of retirement, and

38 (2) A pension in the amount which when added to the member's annuity
39 will provide a total retirement allowance of 2% of his final compensation
40 multiplied by his number of years of creditable service up to 25 plus 1% of
41 his final compensation multiplied by his number of years of creditable
42 service over 25.

43 c. Upon the receipt of proper proofs of the death of a member who has
44 retired on a service retirement allowance, there shall be paid to such person,
45 if living, as he shall have nominated by written designation duly executed
46 and filed with the retirement system, otherwise to the executor or admin-
47 istrator of the member's estate, an amount equal to **[3/16]** 1/4 of the final
48 compensation received by the member.

1 2. Section 9 of the act of which this act is amendatory is amended to
2 read as follows:

3 9. a. Upon the written application by a member in service or by the
4 State, any member who has had 4 or more years of creditable service may
5 be retired, but not less than 30 days next following the date of filing such
6 application with the retirement system, on an ordinary disability retirement
7 allowance; provided, that the medical board, after a medical examination
8 of such member, shall certify that such member is mentally or physically
9 incapacitated for the performance of his usual duty and of any other avail-
10 able duty in the Division of State Police which the Superintendent of State
11 Police is willing to assign to him and that such incapacity is likely to be
12 permanent and of such an extent that he should be retired.

13 b. Upon application for ordinary disability, a member shall receive
14 a service retirement allowance if he meets the requirements therefor, other-
15 wise ordinary disability retirement allowance which shall consist of:

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

18 (2) A pension in the amount which when added to the member's annuity
19 will provide a total retirement allowance of $1\frac{1}{2}\%$ of final compensation mul-
20 tiplied by his number of years of creditable service but in no event shall the
21 total allowance be less than 40% of final compensation.

22 c. Upon the receipt of proper proofs of the death of a member who has
23 retired on an ordinary disability retirement allowance, there shall be paid
24 to such person, if living, as he shall have nominated by written designation
25 duly executed and filed with the retirement system, otherwise to the execu-
26 tor or administrator of the member's estate, an amount equal to **[1 1/2]**
27 $3\frac{1}{2}$ times the final compensation received by the member in the last year
28 of creditable service if such death occurs before the member shall have
29 reached 55 years of age but if such death occurs thereafter, an amount
30 equal to **[3/16]** $1/4$ of the final compensation received by the member.

1 3. Section 10 of the act of which this act is amendatory is amended to
2 read as follows:

3 10. a. Upon the written application by a member in service or by the
4 State, any member may be retired, not less than 30 days next following the
5 date of filing such application, on an accidental disability retirement allow-
6 ance, provided, that the medical board, after a medical examination of such
7 member, shall certify that the member is permanently and totally disabled as
8 a direct result of a traumatic event occurring during and as a result of the
8A performance of his regular or assigned duties and that such disability was
8B not the result of the member's willful negligence and that such member is
8C mentally or physically incapacitated for the performance of usual duties in
8D the Division of State Police which the Superintendent of State Police is will-
9 ing to assign to him. The application to accomplish such retirement must be
10 filed within 5 years of the original traumatic event, but the board of trus-
11 tees may consider an application filed after the 5-year period if it can be
12 factually demonstrated to the satisfaction of the board of trustees that the
13 disability is due to the accident and the filing was not accomplished within
14 the 5-year period due to a delayed manifestation of the disability or to the
15 member's continued employment in a restricted capacity consistent with the
16 nature of his disability in the Division of the State Police upon and at the
17 written request of the superintendent, with the concurrence of the Attorney
18 General, or other circumstances beyond the control of the member.

19 b. Upon retirement for accidental disability, a member shall receive an
20 accidental disability retirement allowance which shall consist of:

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

23 (2) A pension, in addition to the annuity, of $\frac{2}{3}$ of his final compen-
24 sation.

25 c. Upon the receipt of proper proofs of the death of a member who has
26 retired on an accidental disability retirement allowance, there shall be paid
27 to such person, if living, as he shall have nominated by written designation

28 duly executed and filed with the retirement system, otherwise to the executor
29 or administrator of the member's estate, an amount equal to ~~1 1/2~~ 3 1/2
30 times the final compensation received by the member in the last year of
31 creditable service if such death occurs before the member shall have reached
32 55 years of age but if such death occurs thereafter, an amount equal to
33 ~~3/16~~ 1/4 of the final compensation received by the member.

34 d. Permanent and total disability resulting from a cardiovascular, pul-
35 monary or musculo-skeletal condition which was not a direct result of a trau-
36 matic event occurring in the performance of duty shall be deemed an ordinary
37 disability.

1 4. Section 12 of the act of which this act is amendatory is amended to
2 read as follows:

3 12. a. Upon the receipt of proper proofs of the death in service of a
4 member of the retirement system who was a member of the former "State
5 Police Retirement and Benevolent Fund" on account of which no service con-
6 nected death benefit is payable, there shall be paid to his widow a pension
7 of 50% of final compensation for the use of herself and children of the de-
8 ceased, to continue during her widowhood; if there is no surviving widow
9 or in case the widow dies or remarries, 20% of final compensation will be pay-
10 able to one surviving child, 35% of final compensation to 2 surviving children
11 in equal shares and if there be 3 or more children, 50% of final compensa-
12 tion will be payable to such children in equal shares.

13 If there is no surviving widow or child, 25% of final compensation will
14 be payable to one surviving dependent parent or 40% of final compensation
15 will be payable to 2 surviving dependent parents in equal shares.

16 b. If there is no surviving widow, child or dependent parent, there shall
17 be paid to any other beneficiary, if living, as the member shall have nomi-
18 nated by written designation duly executed and filed with the retirement
19 system, otherwise to the executor or administrator of the member's estate~~[:]~~

20 ~~[(1)]~~ his aggregate contributions at the time of death~~[, and]~~.

21 ~~[(2)]~~ an amount equal to 1 1/2 times final compensation.]

22 c. In no case shall the death benefit provided in subsection a. be less
23 than that provided under subsection b.

24 *d. In addition to the foregoing benefits payable under subsection a. or*
25 *b., there shall also be paid in one sum to such beneficiary, if living, as the*
26 *member shall have nominated by written designation duly executed and filed*
27 *with the retirement system, otherwise to the executor or administrator of the*
28 *member's estate, an amount equal to 3 1/2 times final compensation.*

29 **[d.]** e. A member may file, and alter from time to time during his life-
30 time, as desired, a request with the retirement system naming the payee of
31 the death benefit provided under subsection b. *and subsection d.* Such mem-
32 ber may also file, and alter from time to time during his lifetime, as desired,
33 a request with the retirement system directing payment of said benefit *or*
34 *benefits* in one sum or in equal annual installments over a period of years or
35 as a life annuity. Upon the death of such member a beneficiary to whom a
36 benefit is payable in one sum may elect to receive the amount payable in
37 equal annual installments over a period of years or as a life annuity.

38 **[e.]** f. For the purposes of subsection **[b.]** d. of this section, a member
39 shall be deemed to be in service for a period of no more than 93 days while
40 on an official leave of absence without pay.

1 5. Section 13 of the act of which this act is amendatory is amended to
2 read as follows:

3 13. a. Upon the receipt of proper proofs of the death in service of a
4 member of the retirement system who was not a member of the former "State
5 Police Retirement and Benevolent Fund" on account of which no accidental
6 death benefit is payable, there shall be paid to his widow a pension of 25%
7 of final compensation for the use of herself, to continue during her widow-
8 hood, plus 15% of final compensation payable to one surviving child or plus
9 25% of final compensation to 2 or more surviving children; if there is no sur-
10 viving widow or in case the widow dies or remarries, 20% of final compensa-
11 tion will be payable to one surviving child, 35% of final compensation to 2

12 surviving children in equal shares and if there be 3 or more children, 50% of
13 final compensation will be payable to such children in equal shares.

14 If there is no surviving widow or child, 25% of final compensation will
15 be payable to one surviving dependent parent or 40% of final compensation
16 will be payable to 2 surviving dependent parents in equal shares.

17 b. If there is no surviving widow, child or dependent parent, there shall
18 be paid to any other beneficiary, if living, as the member shall have nomi-
19 nated by written designation duly executed and filed with the retirement sys-
20 tem, otherwise to the executor or administrator of the member's estate[.:]

21 [(1)] his aggregate contributions at the time of death[, and].

22 [(2) an amount equal to 1½ times final compensation.]

23 c. In no case shall the death benefit provided in subsection a. be less than
24 that provided in subsection b.

25 *d. In addition to the foregoing benefits payable under subsection a. or*
26 *b., there shall also be paid in one sum to such beneficiary, if living, as the*
27 *member shall have nominated by written designation duly executed and filed*
28 *with the retirement system, otherwise to the executor or administrator of*
29 *the member's estate, an amount equal to 3 1/2 times final compensation.*

30 [d.] e. A member may file, and alter from time to time during his life-
31 time, as desired, a request with the retirement system naming the payee of
32 the death benefit provided under subsection b. and subsection d. Such mem-
33 ber may also file, and alter from time to time during his lifetime, as desired,
34 a request with the retirement system directing payment of said benefit or
35 benefits in one sum or in equal annual installments over a period of years or
36 as a life annuity. Upon the death of such member a beneficiary to whom a
37 benefit is payable in one sum may elect to receive the amount payable in
38 equal annual installments over a period of years or as a life annuity.

39 [e.] f. For the purposes of subsection [b.] d. of this section, a member
40 shall be deemed to be in service for a period of no more than 93 days while
41 on an official leave of absence without pay.

1 6. Section 14 of the act of which this act is amendatory is amended to
2 read as follows:

3 14. a. Upon the death of a member before retirement, provided, that evi-
4 dence shall be submitted to the board of trustees justifying the determina-
5 tion that the natural and proximate cause of such death was an accident
6 met in the actual performance of duty, within 5 years preceding the date of
7 such death, and that such death was not the result of the member's willful
8 negligence, an accidental death benefit shall be payable.

9 b. Upon the receipt of proper proofs of the death of a member on ac-
10 count of which a service-connected death benefit is payable, there shall be
11 paid to his widow a pension of 50% of final compensation for the use of
12 herself and children of the deceased, to continue during her widowhood; if
13 there is no surviving widow or in case the widow dies or remarries, 20%
14 of final compensation will be payable to one surviving child, 35% of final
15 compensation to 2 surviving children in equal shares and if there be 3 or
16 more children, 50% of final compensation will be payable to such children in
17 equal shares.

18 If there is no surviving widow or child, 25% of final compensation will be
19 payable to one surviving dependent parent or 40% of final compensation will
20 be payable to 2 surviving parents in equal shares.

21 c. If there is no surviving widow, child or dependent parent, there shall
22 be paid to any other beneficiary, if living, as the member shall have nomi-
23 nated by written designation duly executed and filed with the retirement
24 system, otherwise to the executor or administrator of the member's estate【;】

25 【(1)】 his aggregate contributions at the time of death【, and】.

26 【(2) an amount equal to 1½ times final compensation.】

27-29 d. In no case shall the death benefit provided in subsection b. be less
30 than that provided under subsection c.

31 *e. In addition to the foregoing benefits payable under subsection a. or b.,*
32 *there shall also be paid in one sum to such beneficiary, if living, as the mem-*
33 *ber shall have nominated by written designation duly executed and filed*

34 *with the retirement system, otherwise to the executor or administrator of*
 35 *the member's estate, an amount equal to 3 1/2 times final compensation.*

36 **[e.]** *f.* A member may file, and alter from time to time during his life-
 37 time, as desired, a request with the retirement system naming the payee of
 38 the death benefit provided under subsection *c* and subsection *e*. Such member
 39 may also file, and alter from time to time during his lifetime, as desired,
 40 a request with the retirement system directing payment of said benefit or
 41 *benefits* in one sum or in equal annual installments over a period of years or
 42 as a life annuity. Upon the death of such member a beneficiary to whom a
 43 benefit is payable in one sum may elect to receive the amount payable in
 44 equal annual installments over a period of years or as a life annuity.

45 *g.* *For the purposes of subsection e. of this section, a member shall be*
 46 *deemed to be in service for a period of no more than 93 days while on an*
 47 *official leave of absence without pay.*

1 7. Section 15 of the act of which this act is amendatory is amended to
 2 read as follows:

3 15. a. **[Any member of the former "State Police Retirement and Benev-**
 4 **olent Fund"** who becomes a member of the retirement system, will be eligible
 5 to purchase the additional death benefit coverage hereinafter described,
 6 provided that he selects such coverage within 1 year after the effective date
 7 of this act. Such member may terminate his additional death benefit cover-
 8 age by giving written notice to the retirement system.]

9 **[b.** Any other person becoming a member of the retirement system
 10 shall, for the first year of such membership be covered by the additional
 11 death benefit coverage provisions of this act. After the completion of the
 12 first year of membership such member may terminate his additional death
 13 benefit coverage by giving written notice to the retirement system, or he
 14 may, without notice, continue the coverage by continuing to make contribu-
 15 tions therefor in the amount fixed by the board of trustees.]

16 **[c.** The board of trustees shall establish, with the advice of the actuary,
 17 schedules of contributions to be made by members while in service and cov-

18 ered by such additional death benefits. Such schedules of contributions
19 shall be subject to adjustment by the board from time to time.】

20 【d. Contributions of a member for additional death benefit coverage,
21 other than that provided by subsections h. and i., shall be deducted from his
22 salary but if there is no salary from which such contributions may be de-
23 ducted, it shall be the obligation of the member to make such contributions
24 directly to the retirement system, as required by the system.】

25 【e. Upon receipt of proper proofs of the death in service of any member
26 while covered for the additional death benefit coverage there shall be paid
27 to such person, if living, as the member shall have nominated by written
28 designation duly executed and filed with the retirement system, otherwise to
29 the executor or administrator of the member's estate, an amount, established
30 by rules and regulations of the board of trustees, which shall not be less
31 than 1½ times nor more than 2 times the member's final compensation. In
32 the event the member had less than 1 year of creditable service, the benefit
33 payable under this subsection shall be an amount, established by rules and
34 regulations of the board of trustees, which shall not be less than 1½ times
35 nor more than 2 times the member's annual rate of salary and mainte-
36 nance.】

37 【f. The board of trustees shall provide for additional death benefit
38 coverage as described in subsection g. of this section for members of the
39 retirement system who retire and receive retirement allowances pursuant
40 to the provisions of this act, subject to the conditions hereinafter stated. In
41 no event shall the additional death benefit coverage described in subsection g.
42 of this section apply to any former member who was not covered by the
43 additional death benefits described in subsection e. of this section during the
44 member's last month of creditable service nor shall it apply to any former
45 member who is covered for additional death benefits pursuant to the provi-
46 sions of subsection h. of this section. No contributions towards the cost of
47 additional death benefit coverage described in subsection g. of this section
48 shall be required of a former member while he is receiving a retirement al-
49 lowance pursuant to the provisions of this act.】

50 **[g.]** Upon receipt of proper proofs of the death of a former member
51 while covered for the additional death benefit coverage pursuant to subsec-
52 tion f. of this section, there shall be paid to such person, if living, as the
53 member shall have nominated by written designation duly executed and filed
54 with the retirement system, otherwise to the executor or administrator of the
55 member's estate, an amount equal to $\frac{3}{16}$ of the member's final compen-
56 sation.]

57 **[h.]** In the case of any officer, noncommissioned officer or trooper of the
58 Division of State Police of the Department of Law and Public Safety of
59 the State of New Jersey becoming a member of the retirement system who
60 was covered on the day immediately prior to the effective date of this act
61 under the then existing group life insurance program of the New Jersey
62 State Police, the **[board of trustees]** *State Treasurer* shall provide for
63 death benefit coverage, in the amounts described in this subsection for such
64 member after he retires and receives a retirement allowance pursuant to the
65 provisions of this act, subject to the conditions hereinafter stated.

66 (1) In order to obtain the coverage during retirement as herein
67 provided, the member must make written request therefor to the board
68 within 90 days of the effective date of this act and must agree to make,
69 after retirement, the contributions required for such coverage as de-
70 scribed by subsection **[j.] c.** of this section, except that if any such officer,
71 noncommissioned officer or trooper was disabled on the effective date of
72 this act but subsequently recovers from such disability and becomes a
73 member of the retirement system, such request may be made within 90
74 days after the date he becomes a member of the retirement system.

75 (2) **[In no event shall the death benefit coverage described in this**
76 subsection apply to any former member who was not covered by the ad-
77 ditional death benefits described in subsection e. of this section during
78 the member's last month of creditable service.]

79 **[(3)]** Each such officer, noncommissioned officer and trooper may
80 cancel his request for the death benefit coverage described herein, either

81 before or after retirement, by giving written notice to the retirement
82 system.

83 The amounts of death benefits provided for under this subsection while the
84 former member is receiving a retirement allowance pursuant to this act shall
85 be the same amount or amounts as would have been continued for such former
86 member after his retirement under the group life insurance program, here-
87 inabove referred to, had such program remained in effect and unchanged
88 and such former member had remained covered thereunder, less an amount
89 equal to **[3/16]** 1/4 of the member's final compensation. The Superin-
90 tendent of the State Police shall, upon request, certify to the board of trus-
91 tees the names of the officers, noncommissioned officers and troopers to
92 whom this subsection could have application and such other information as
93 may be necessary in order for the board to determine the amounts of death
94 benefit under this subsection.

95 **[i.]** b. The **[board of trustees]** *State Treasurer* shall provide on and
96 after the effective date of this act for death benefit coverage in the amounts
97 described in this subsection for each former officer, noncommissioned officer
98 and trooper who was covered on the day immediately prior to the effective
99 date of this act under the then existing group life insurance program of the
100 New Jersey State Police and was then retired and receiving retirement bene-
101 fits under the provisions of the former State Police Retirement and Benev-
102 olent Fund, subject to the conditions hereinafter stated:

103 (1) In order to obtain the death benefit coverage as herein provided,
104 such former officer, noncommissioned officer or trooper must make the
105 contributions required for such coverage as described in subsection **[j.]**
106 c. of this section.

107 (2) If coverage or benefits are afforded a former officer, noncom-
108 missioned officer or trooper under the aforesaid group life insurance
109 program of the New Jersey State Police after the effective date of this
110 act by reason of his disability, the death benefits provided by this sub-
111 section shall in no event apply to him unless such coverage and benefits

112 shall cease by reason of his recovery from disability. In such event the
113 foregoing provisions of this subsection shall apply from the date of such
114 cessation.

115 The amounts of death benefit continued under this subsection shall be the
116 same amount or amounts as would have been continued for such former of-
117 ficer, noncommissioned officer or trooper after his retirement under the
118 group life insurance program, hereinabove referred to, had such program re-
119 mained in effect and unchanged during his retirement and he had remained
120 covered thereunder. The Superintendent of the State Police shall, upon re-
121 quest, certify to the board of trustees the names of the former officers, non-
122 commissioned officers and troopers to whom this subsection applies and such
123 information as may be necessary in order for the board to determine the
124 amounts of death benefit under this subsection.

125 **[j.]** c. The contributions required during retirement for the death bene-
126 fit coverage provided for by **[subsection h. and subsection i. of]** this sec-
127 tion shall be determined from the schedules of contributions established by
128 the board of trustees. Such schedules shall be subject to adjustment by the
129 board from time to time. Such contributions shall be deducted from the
130 former officer's, noncommissioned officer's or trooper's retirement allow-
131 ance or benefits but if there be no retirement allowance or benefits available
132 from which such contributions may be deducted, it shall be the obligation of
133 such former officer, noncommissioned officer or trooper to make such con-
134 tribution directly to the retirement system, as required by the system.

135 **[k.]** d. Upon receipt of proper proofs of the death of any former of-
136 ficer, noncommissioned officer or trooper of the New Jersey State Police
137 while covered for death benefit coverage pursuant to the provisions of **[sub-**
138 **section h. or subsection i. of]** this section, there shall be paid to such person,
139 if living, as the former officer, noncommissioned officer or trooper shall have
140 nominated by written designation duly executed and filed with the retire-
141 ment system, otherwise to the executor or administrator of the former of-
142 ficer's noncommissioned officer's or trooper's estate, the amount for which he

143 is covered at the time of his death pursuant to said subsection [h.] a. or said
144 subsection [i.] b., as the case may be.

145 [l.] e. Any other provisions of this act notwithstanding, the contribu-
146 tions of any person for death benefit coverage under this section shall not be
147 returnable to such person or his beneficiary or death benefit payee in any
148 manner, or for any reason whatsoever, nor shall such contributions be in-
149 cluded in any annuity payable to any such person or his beneficiary.

150 [m. A person covered by the additional death benefit program provided
151 by this section may file with the retirement system, and alter from time to time
152 during his lifetime as desired, a duly attested written new nomination of the
153 payee of the death benefit provided under this section. Such person may also
154 file and alter from time to time during his lifetime, as desired, a request of
155 the retirement system directing payment of said benefit in one sum or in
156 equal annual installments over a period of years or as a life annuity. Upon
157 the death of any person covered for death benefits pursuant to the pro-
158 visions of this section, a death benefit payee to whom the benefit is payable
159 in one sum, may elect to receive the amount payable in equal installments
160 over a period of years or as a life annuity.]

161 [n. For the purpose of this section, a member shall be deemed to be in
162 service for a period of no more than 93 days while on official leave of ab-
163 sence without pay. In order to continue coverage under this section while
164 on official leave of absence without pay, the member must continue to make
165 contributions for such coverage.]

166 [o. The contributions established by the board of trustees pursuant to
167 the foregoing provisions of this section shall be so computed that the aggre-
168 gate contributions made by all persons from whom contributions are required
169 shall be sufficient to provide for the cost of the benefits established by this
170 section.]

1 8. Section 16 of the act of which this act is amendatory is amended to
2 read as follows:

3 16. The State Treasurer is hereby authorized and permitted to purchase
 4 from one or more life insurance companies, as determined by him, group life
 5 insurance coverage to provide for the death benefit specified in sections 8*c*,
 6 9*c*, 10*c*, 12**[b]***d*, 13**[b]***d*, 14**[c]***e*, 15, 27*b* and 28*b*. Such group life insurance
 7 coverage may be provided under one or more policies issued to the State
 7A Treasurer specifically for this purpose, in the discretion of the State
 8 Treasurer, under one or more policies issued to the State Treasurer which
 9 provide group life insurance coverage for members of one or more other re-
 10 tirement systems of the State of New Jersey. **[The board of trustees is**
 11 hereby authorized and permitted to purchase from one or more life insurance
 12 companies, as determined by it, a policy or policies of group life insurance to
 13 provide for the death benefits specified in section 15.] Whenever such policy
 14 or policies of group insurance shall be in effect, the benefits payable there-
 15 under shall be in lieu of the above mentioned death benefits provided by said
 16 sections. Any dividend or retrospective rate credit allowed by an insurance
 17 company shall be credited in an equitable manner to the special insurance
 18 funds from which premiums are paid.

1 9. Section 18 of the act of which this act is amendatory is amended to
 2 read as follows:

3 18. The State Treasurer may, in his discretion, determine to purchase
 4 group insurance coverage for the **[noncontributory]** death benefit provisions
 5 as provided in sections 8*c*, 9*c*, 10*c*, 12**[b]***d*, 13**[b]***d*, 14**[c]***e*, 15, 27*b* and 28*b*,
 6 or may determine not to purchase any group insurance coverage for the
 7 death benefit provisions heretofore mentioned. **[The board of trustees may,**
 8 in its discretion, determine to purchase group insurance coverage for addi-
 9 tional death benefit coverage as provided for in section 15, or may, in its
 10 discretion, determine not to purchase any contributory group insurance cov-
 11 erage for the additional death benefit provisions provided in section 15.]

1 10. Section 19 of the act of which this act is amendatory is amended to
 2 read as follows:

3 19. In the event the State Treasurer shall determine to purchase group
4 insurance coverage for the [noncontributory] death benefits, premiums for
5 the same shall be paid from a special fund, hereby created, called the "Group
6 Insurance Premium Fund." The State Treasurer shall estimate annually
7 the amount which will be required for premiums for such benefits for the en-
8 suing fiscal year. The State shall pay over to the State Treasurer the amount
9 so required who shall deposit it in the Group Insurance Premium Fund.
10 During the period such group insurance policy or policies are in effect the
11 State Treasurer shall in no way commingle moneys in this fund with any pen-
12 sion fund established by this act.

13 [In the event that the board of trustees shall determine to purchase
14 group coverage for the additional death benefits, premiums for same shall
15 be paid from a special fund hereby created called the "Contributory Group
16 Insurance Premium Fund." While such group coverage shall be in force,
17 the contributions to provide such additional death benefits shall be accumu-
18 lated in said contributory group insurance premium fund.]

1 11. Section 20 of the act of which this act is amendatory is amended to
2 read as follows:

3 20. [In the event that the board of trustees shall determine to purchase
4 group insurance coverage for the additional death benefit coverage, the sched-
5 ule of contributions shall be subject to adjustment by said board of trustees
6 from time to time for the purpose of maintaining the contributory group in-
7 surance premium fund at a level sufficient to meet the obligations of the fund
8 for the cost of the insurance.]

9 *Upon the death of a retirant, any unpaid pension benefits due him shall*
10 *be paid in one lump sum to such person, if living, as he shall have nominated*
11 *by written designation duly executed and filed with the board of trustees,*
12 *otherwise to the executor or administrator of the retirant's estate. No pen-*
13 *sion, annuity, or retirement allowance shall be due to a retirant or a bene-*
14 *ficiary unless it constitutes a payment for an entire month.*

1 12. Section 21 of the act of which this act is amendatory is amended to
2 read as follows:

3 21. Any such group policy or policies shall include, with respect to any
4 insurance terminating because an insured person has ceased to be in service
5 or has retired, the conversion privilege available upon termination of em-
6 ployment as prescribed by the law relating to group life insurance; and shall
7 also include, with respect to insurance terminating because of termination of
8 the group policy resulting from a termination of all death benefits estab-
9 lished under sections 8*c*, 9*c*, 10*c*, 12[b]d, 13[b]d, 14[c]e, 15, 27*b* and 28*b*,
10 the conversion privilege available upon termination of the group policy as
11 prescribed by such law. Any such group policy or policies shall also provide
12 that if an insured person dies during the 31-day period during which he
13 would be entitled to exercise the conversion privilege, the amount of insur-
14 ance with respect to which he could have exercised the conversion privilege
15 shall be paid as a claim under the group policy.

16 If any member who has exercised the conversion privilege under the
17 group policy or policies again becomes a member of the retirement system,
18 and the individual policy obtained pursuant to the conversion privilege is
19 still in force, he shall not again be eligible for any of the death benefits pro-
20 vided by sections 8*c*, 9*c*, 10*c*, 12[b]d, 13[b]d, 14[c]e, 15, 27*b* and 28*b*, unless
21 he furnishes satisfactory evidence of insurability.

22 When benefits payable upon the death of a member following retire-
23 ment are determined as though he were an active member at the time of his
24 death, the death benefit payable under the group policy or policies together
25 with the amount of insurance paid under any individual policy obtained
26 under the conversion privilege, shall in no event exceed the amount of insur-
27 ance for which the member was insured under the group policy or policies
28 immediately prior to the date the right of conversion arose.

1 13. Section 22 of the act of which this act is amendatory is amended to
2 read as follows:

3 22. Benefits under such group policy or policies shall be paid by the
4 insurance company to such person, if living, as the insured person shall have
5 nominated by written designation duly executed and filed with the insur-
6 ance company through the policyholder, otherwise to the executors or ad-
7 ministrators of the insured person's estate], except that if an insured per-
8 son dies before or after retirement and claim is made and allowed under
9 sections 12a, 13a, 14b or 25a, the death benefit payable under the policy in
10 such case, exclusive of any additional death benefit provided by section 15,
11 shall, in lieu of being paid as aforesaid, be paid to the State Treasurer].
12 An insured person may file with the insurance company through the policy-
13 holder and alter from time to time during his lifetime, as desired, a duly
14 attested written nomination of his payee for the death benefit.

1 14. Section 23 of the act of which this act is amendatory is amended to
2 read as follows:

3 23. Any such group policy or policies shall provide that payment of
4 any death benefits which are payable by the insurance company may be
5 made in one sum directly to the beneficiary as hereinafter provided, in
6 equal annual installments over a period of years or as a life annuity or in
7 such other manner as may be made available by the insurance company. An
8 insured person may make such arrangements for settlement, and may alter
9 from time to time during his lifetime any arrangement previously made, by
10 making written request to the insurance company through the policyholder.
11 Upon the death of an insured person, a beneficiary to whom a benefit is
12 payable in one sum by the insurance company may likewise arrange for a
13 settlement as described above. If an insured person's or beneficiary's re-
14 quest for settlement of any death benefit in equal annual installments over
15 a period of years or as a life annuity pursuant to the foregoing is approved
16 by the policyholder, the amount of such annual installments or such life an-
17 nuity, as the case may be, shall be determined on the basis of such appli-
18 cable mortality tables and rates of interest as shall have been adopted by the

19 retirement system and are in effect at the death of the insured person. Any
 20 arrangement for payment under the group policy to a beneficiary shall be
 21 in lieu of that provided by sections 8c, 9c, 10c, 12**[b]**d, 13**[b]**d, 14**[c]**e, 15, 27b
 22 and 28b.

1 15. Section 27 of the act of which this act is amendatory is amended to
 2 read as follows:

3 27. a. Should a member resign after having completed 25 years of
 4 creditable service as a full time commissioned officer, noncommissioned offi-
 5 cer or trooper of the Division of State Police, before reaching service re-
 6 tirement age, he may elect to receive, in lieu of the payment provided in
 7 section 26, a retirement allowance which shall consist of:

8 (1) **[a.]** an annuity which shall be the actuarial equivalent of his ag-
 9 gregate contributions and,

10 (2) **[b.]** a pension in the amount, which when added to the member's
 11 annuity will provide a total retirement allowance of 2% of his final compen-
 12 sation multiplied by his number of years of creditable service up to 25 plus
 13 1% of his final compensation multiplied by his number of years of creditable
 14 service over 25; provided, however, that such retirement allowance shall be
 15 reduced in accordance with a table of actuarial equivalents recommended by
 16 the actuary and adopted by the board of trustees reflecting all months that
 17 the member lacks of being age 55.

18 b. Upon the receipt of proper proof of the death of such a retired mem-
 19 ber, there shall be paid to such person, if living, as he shall have nominated
 20 by written designation duly executed and filed with the retirement system,
 21 otherwise to the executor or administrator of the member's estate, an
 22 amount equal to $1/4$ **[3/16]** of the final compensation received by the member.

1 16. Section 28 of the act of which this act is amendatory is amended to
 2 read as follows:

3 28. a. Should a member, after having completed 25 years of creditable
 4 service as a full time commissioned officer, noncommissioned officer or trooper
 5 of the Division of State Police, be separated voluntarily or involuntarily

6 from the service, before reaching service retirement age, and not by re-
7 moval for cause or charges of misconduct or delinquency, such person may
8 elect to receive the payments provided for in sections 26 or 27 or a deferred
9 retirement allowance, beginning at age 55, which shall consist of:

10 (1) **[a.]** an annuity which shall be the actuarial equivalent of his aggre-
11 gate contributions at the time of retirement, and

12 (2) **[b.]** a pension in the amount which when added to the member's an-
13 nuity will provide a total retirement allowance of 2% of his final compensa-
14 tion multiplied by his number of years of creditable service up to 25 plus 1%
15 of his final compensation multiplied by his number of years of creditable
16 service over 25, provided that such election is communicated by such member
17 to the retirement system in writing stating at what time subsequent to the
18 execution and filing thereof he desires to be retired; and provided further,
19 that such member may later elect to receive payments provided under sec-
20 tions 26 or 27, or if such member shall die before attaining age 55, his aggre-
21 gate contributions shall be paid to such person, if living, as he shall have
22 nominated by written designation duly executed and filed with the retirement
23 system, otherwise to the executor or administrator of the member's estate.

24 b. Upon the receipt of proper proofs of the death of a member who was
25 receiving a deferred retirement allowance, there shall be paid to such person,
26 if living, as he shall have nominated by written designation duly executed and
27 filed with the retirement system, otherwise to the executor or administrator
28 of the member's estate, an amount equal to $1/4$ **[3/16]** of the final compensa-
29 tion received by the member.

1 17. Section 31 of the act of which this act is amendatory is amended to
2 read as follows:

3 31a. The board of trustees shall be and are hereby constituted trustees of
4 all the various funds established by this act except the group insurance pre-
5 mium fund; provided, however, that all functions, powers, and duties re-
6 lating to the investment or reinvestment of moneys of, and purchase, sale,
7 or exchange of any investments or securities, of or for any fund established

8 under this act, shall be exercised and performed by the Director of the Divi-
9 sion of Investment in accordance with the provisions of chapter 270, P. L.
10 1950, as amended and supplemented.

11 *Before any such investment, reinvestment, purchase, sale or exchange*
12 *shall be made by said director for or on behalf of the board of trustees, the*
13 *Director of the Division of Investment shall submit the details thereof to*
14 *such board of trustees, which shall, itself or by its finance committee, within*
15 *48 hours, exclusive of Sundays and public holidays, after such submission to*
16 *it, file with the director its written acceptance or rejection of such proposed*
17 *investment, reinvestment, purchase, sale or exchange; and the director shall*
18 *have authority to make such investment, reinvestment, purchase, sale or ex-*
19 *change for or on behalf of such board of trustees, unless there shall have been*
20 *filed with him a written rejection thereof by such board of trustees or its*
21 *finance committee as herein provided.*

22 b. The secretary of the board shall determine from time to time the cash
23 requirements of the various funds established by this act and the amount
24 available for investment, all of which shall be certified to the State Treasurer
25 and the Director of the Division of Investment.

26 c. *A member of the board of trustees to be designated by a majority vote*
27 *thereof shall serve on the State Investment Council as a representative of said*
28 *board of trustees, for a term of 1 year and until his successor is elected and*
29 *qualified.*

30 *The finance committee of the board of trustees shall be appointed on or*
31 *before July 1 of each calendar year by the chairman of the board of trustees*
32 *to serve through June 30 of the ensuing calendar year and until their succes-*
33 *sors are appointed. The finance committee of the board of trustees shall con-*
34 *sist of 3 members of the board of trustees, one of whom shall be the State*
35 *Treasurer.*

36 d. [c.] The Treasurer of the State of New Jersey shall be the custodian
37 of the several funds. All payments from said funds shall be made by him only
38 upon vouchers signed by the secretary and the chairman of the board of

FISCAL NOTE TO
SENATE, No. 414

STATE OF NEW JERSEY

DATED: JUNE 15, 1966

Senate Bill No. 414 increases the benefits of the State Police Retirement System.

It is estimated by the Division of Pensions that if this legislation is enacted, there would be a cost to the State of \$80,000.00 in the first year of its operation, \$60,000.00 in the second year, and \$40,000.00 in the third year.

In compliance with written request received, there is hereby submitted a fiscal estimate for the above bill, pursuant to P. L. 1962, c. 27.