

43:16A-16.1

LEGISLATIVE HISTORY CHECKLIST  
Compiled by the NJ State Law Library

(PRFS--increase for surviving  
widows & widowers)

NJSA: 43:16A-16.1

LAWS OF: 1991 CHAPTER: 511

BILL NO: A3753/1958

SPONSOR(S): Ford

DATE INTRODUCED: September 10, 1991

COMMITTEE: ASSEMBLY: Appropriations; State Operations  
SENATE: Revenue, Finance & Appropriations

AMENDED DURING PASSAGE: Yes

DATE OF PASSAGE: ASSEMBLY: May 23, 1991 Re-enactd 1-13-92  
SENATE: January 6, 1991 Re-enacted 1-13-92

DATE OF APPROVAL: January 18, 1992

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: ASSEMBLY: Yes 4-29-91 & 3-22-90  
SENATE: Yes

FISCAL NOTE: Yes

VETO MESSAGE: Yes

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: No

KBG/pp

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**Legislative History Checklist**  
**(Compiled by the Office of Legislative Services Library)**

**Increases regular pension and extends higher minimum pension to all widows and widowers in PFRS**

**NJSA: 43:3B-8.4, 43:16A-15.7**

**LAWS OF: 1991**

**CHAPTER: 511**

**Bill No: A3753 (substituted for S3511)**

**Sponsor(s): Ford/Doyle/Moran**

**Date Introduced: September 10, 1990**

**Committee: Assembly: State Operations**

**Senate: State Government  
Revenue, Finance and Appropriations**

**Amended During Passage: Yes**

**Date of Passage: Assembly: January 13, 1992**

**Senate: January 13, 1992**

**Date of Approval: January 18, 1992**

**Following Statements Are Attached If Available:**

**Sponsor Statement: Yes**

**Committee Statement: Assembly: Yes (A3753)**

**Senate: Yes (A3753, S3511)**

**Fiscal Note: Yes (A3753, S3511)**

**Veto Message: Yes**

**Message on Signing: No**

**Following Were Printed:**

**Reports: Yes**

**Hearings: Yes**

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**A 1945 (A 4010) Moran, Connors**  
Mar. 7, 1991—See A722.

**A 1946 (A 4351) Moran, Shinn**  
Pre-filed—Subjects persons engaged in illegal dumping of solid waste to enhanced penalties.

Jan. 18, 1990—Waste Management, Planning & Recycling Com.

**A 1947 (A 4510) Moran, Connors**  
Pre-filed—Regulates the operations of sexually oriented businesses.

Jan. 18, 1990—Judiciary, Law & Public Safety Com.

**A 1948 (A 4539) Moran, Connors**  
Pre-filed—Requires criminal checks of persons applying for jobs for elderly care.

Jan. 18, 1990—Senior Citizens Com.

**A 1949 (A 4540) Moran, Connors**  
Apr. 30, 1990—See A3039.

**A 1950 (A 4574) Moran, Connors**  
Pre-filed—Establishes State aid program to upgrade and augment local police services and programs for senior citizens; \$3,000,000.

Jan. 18, 1990—Judiciary, Law & Public Safety Com.

**A 1951 (A 4586) Moran, Connors**  
Pre-filed—Clarifies that certain lands are situate in Beachwood Boro.

Feb. 26, 1990—Passed in Assembly. (77-0)

Apr. 5, 1990—Passed in Senate. (34-0)

May 10, 1990—Approved, Chapter 21, 1990.

**A 1952 (A 4839) Moran, Connors**  
Pre-filed—Regulates shallow-draft vessels in certain areas.

Jan. 18, 1990—Economic Growth, Agri., Tourism & Coastal Com.

**A 1953 (A 4850) Moran, Connors**  
Pre-filed—Provides for the State acquisition of damage prone and environmentally sensitive lands in the coastal area.

Jan. 18, 1990—Conservation & Natural Resources Com.

**A 1954 (A 4851) Moran, Connors**  
Pre-filed—Provides a tax deduction for donations of certain environmentally sensitive or undeveloped lands to the State.

Jan. 18, 1990—Conservation & Natural Resources Com.

**A 1955 (A 4852) Moran, Connors**  
Pre-filed—The "Coastal Area Preservation Bond Act"; \$200,000,000.

Jan. 18, 1990—Economic Growth, Agri., Tourism & Coastal Com.

**A 1956 (A 5019) Moran, Connors**  
Pre-filed—Prohibits collision and comprehensive coverages by the JUA.

Jan. 18, 1990—Insurance Com.

**A 1957 (A 5020) Moran, Connors**  
Pre-filed—Permits waiver or modification of construction code fees and surcharges.

Jan. 18, 1990—Municipal Government Com.

**A 1958 (A 1152) Moran, Connors, Doyle, Ford**  
Apr. 29, 1991—See A3753.

**A 1959 (A 3275) Moran, Doria**  
Pre-filed—Provides employment credit for military service for county college employees.

Jan. 18, 1990—Higher Education Com.

Apr. 29, 1991—Reported.

Apr. 29, 1991—Appropriations/GO Com.

**A 1960 (A 3602) Moran, Doria**  
Pre-filed—Revises certain experience requirements for a certificate as a CPA.

Oct. 4, 1990—Passed in Assembly. (73-0)

Dec. 9, 1991—Passed in Senate. (33-0)

Jan. 9, 1992—Approved, Chapter 361, 1991.

Sep. 10—Clarifies that major expansion of hazardous waste facility are subject to same siting requirements as new facility.

Sep. 10, 1990—Waste Management, Planning & Recycling Com.

**A 3742 Withdrawn from the files.**

**A 3743 Haytaian, Collins, Shinn, Felice, Franks, Farragher, Martin, Kamin, J. Smith, Moran, Connors, Hardwick, LoBiondo, Rooney, Littell, Schiuter, Shusted, Cooper, Rocco, Crecco, Colburn, Randall, Zecker, DeCroce, Russo, Kavanaugh, Penn, Kyrillos, Kelly, Ogden, Roma, Arnone, Catania**

Sep. 10—Shifts responsibility for paying teachers pensions from district to State.

Sep. 10, 1990—Education Com.

Oct. 4, 1990—Committee given 24 hour notice.

**A 3744 LoBiondo**

Sep. 10—Provides that membership in PERS be optional for a quadriplegic.

Sep. 10, 1990—State Operations & Personnel Com.

**A 3745 LoBiondo**

Sep. 10—Appropriates \$2,065,000 for Municipal Revitalization Program funding.

Sep. 10, 1990—Municipal Government Com.

**A 3746 Ford, Doyle**

Sep. 10, 1990—See A3217.

**A 3747 Ford, Doyle**

June 28—Provides for payment of Spill Comp Fund monies to municipalities.

June 28, 1990—Energy & Environment Com.

Sep. 10, 1990—Reported with com. amend., 2nd reading.

Dec. 3, 1990—Passed in Assembly, amended. (73-0)

Dec. 3, 1990—Received in Senate.

Dec. 3, 1990—Environmental Quality Com.

**A 3748 Stuhltrager, Collins**

Sep. 10—Provides communication services for handicapped in private schools.

Sep. 10, 1990—Education Com.

**A 3749 Kyrillos, Ogden**

Sep. 10—Requires each State dept. to assess environmental problems created by its operation.

Sep. 10, 1990—State Operations & Personnel Com.

**A 3750 Duch, Gill**

Sep. 10—Permits roadway solicitations by certain organizations.

Sep. 10, 1990—Judiciary, Law & Public Safety Com.

Nov. 25, 1991—Reported with com. amend., 2nd reading.

**A 3751 Zecker**

Sep. 10—Revises law pertaining to recycling and disposal of leaves.

Sep. 10, 1990—Waste Management, Planning & Recycling Com.

**A 3752 Ford, Doyle**

Sep. 10—Creates mobility impaired driver training units; \$900,000.

Sep. 10, 1990—Judiciary, Law & Public Safety Com.

**A 3753 Ford, Doyle, Kronick; Senator Russo**

Sep. 10—Extends minimum, annual pension to all widows and widowers of PFRS retirees.

May 23, 1991—Com. Sub. passed in Assembly. (70-5)

Dec. 19, 1991—Substituted for S3511.

Jan. 6, 1992—Passed in Senate, amended. (34-0)

Jan. 8, 1992—Senate amend. passed in Assembly. (53-9)

Jan. 13, 1992—Returned by Governor with recommended amendment.

Jan. 13, 1992—Amended as recommended.

Jan. 13, 1992—Re-enacted in Assembly. (55-9)

Jan. 13, 1992—Re-enacted in Senate. (26-0)

Jan. 18, 1992—Approved, Chapter 511, 1991.

**A 3754 Collins, Stuhltrager**

Sep. 10—Permits film producers to temporarily possess and use assault firearms.

Sep. 10, 1990—Judiciary, Law & Public Safety Com.

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C.43:16A-15.7  
§4  
Note

P.L.1991, CHAPTER 511, *approved January 18, 1992*  
Assembly Committee Substitute (*Second Reprint*) for  
1991 Assembly Nos. 3753 and 1958

1 AN ACT concerning the pensions of widows and widowers of  
2 members of the Police and Firemen's Retirement System of  
3 New Jersey, amending P.L.1967, c.250 and supplementing  
4 P.L.1958, c.143 (C.43:3B-1 et seq.).

5  
6 BE IT ENACTED by the Senate and General Assembly of the  
7 State of New Jersey:

8 1. Section 26 of P.L.1967, c.250 (C.43:16A-12.1) is amended to  
9 read as follows:

10 26. a. Upon the death after retirement of any member of the  
11 retirement system there shall be paid to his widow or widower a  
12 pension of [35%] 50% of average final compensation for the use  
13 of herself or himself, to continue during her or his widowhood,  
14 plus 15% of such compensation payable to one surviving child or  
15 an additional 25% of such compensation to two or more children;  
16 if there is no surviving widow or widower or in case the widow or  
17 widower dies or remarries, 20% of average final compensation  
18 will be payable to one surviving child, 35% of such compensation  
19 to two surviving children in equal shares and if there be three or  
20 more children, 50% of such compensation would be payable to  
21 such children in equal shares.

22 b. The increased pension benefits payable under this act shall  
23 apply only to cases where such policeman or fireman retires on or  
24 after December 18, 1967 and shall not affect pensions paid or to  
25 be paid as a result of retirements occurring prior to said date.  
26 The increased pension benefits payable under this subsection of  
27 this 1991 amendatory and supplementary act shall apply only to  
28 pension benefits payable on or after the effective date of this  
29 1991 amendatory and supplementary act, P.L. , c. (C. ).

30 c. As of [December 18, 1967] the effective date of this 1991  
31 amendatory and supplementary act, P.L. , c. (C. ), all  
32 widows' and widowers' pensions previously granted or to be  
33 granted pursuant to the provisions of subsection a. of this section  
34 or section 10 of chapter 255 of the laws of 1944, as amended, and  
35 all such pensions previously granted, or to be granted where  
36 retirement for accidental disability occurred prior to [said date]

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup> Senate floor amendments adopted December 19, 1991.

<sup>2</sup> Assembly amendments adopted in accordance with Governor's  
recommendation January 13, 1992.

1 December 18, 1967, pursuant to the provisions of section 7(3) of  
2 chapter 255 of the laws of 1944[, as amended] prior to the  
3 amendment of that section by P.L.1967, c.250, will be subject to  
4 a minimum, annual, aggregate payment of [\$1,600.00] \$4,500.  
5 The increased pension benefits payable under this subsection of  
6 this 1991 amendatory and supplementary act shall apply only to  
7 pension benefits payable on or after the effective date of this  
8 1991 amendatory and supplementary act, P.L. , c. (C. ).

9 d. The State shall reimburse local governments for additional  
10 pension costs arising from any increase in the annual pension  
11 payable to a widow or widower pursuant to this section of this  
12 1991 amendatory and supplementary act, P.L. , c. (C. ).

13 (cf: P.L.1985, c.393, s.1)

14 2. (New section) The provisions of section 7 of P.L.1969, c.169  
15 (C.43:3B-8) shall not apply to section 26 of P.L.1967, c.250  
16 (C.43:16A-12.1) as amended by this amendatory and  
17 supplementary act, P.L. , c. (C. ), and the annual cost of  
18 living adjustment received by widows and widowers under  
19 P.L.1958, c.143 (C.43:3B-1 et seq.) shall be calculated as of the  
20 date of the benefit year of the member of the retirement system.

21 23. (New section) The actuary for the Police and Firemen's  
22 Retirement System shall determine for the valuation period of  
23 the retirement system in which this act takes effect the liability  
24 of the retirement system for the increased pension and pension  
25 adjustment benefits provided under this act for all participants of  
26 the retirement system as of the last day of the valuation period.  
27 This liability shall be added to the unfunded accrued liability of  
28 the retirement system and shall be paid by the State in the same  
29 manner and over the remaining time period provided for the  
30 State's unfunded accrued liability under section 15 of P.L.1944,  
31 c.255 (C.43:16A-15). The actuary shall determine annually  
32 thereafter the liability of the retirement system for the  
33 increased pension and pension adjustment benefits provided under  
34 this act for new participants which shall be included in the  
35 normal contribution paid by the State. The State shall pay the  
36 cost of the actuarial work to determine the additional liabilities  
37 of the retirement system for the benefits under this act.<sup>2</sup>

38 <sup>2</sup>[3.] <sup>4</sup> This act shall take effect <sup>1</sup>[immediately] upon the  
39 enactment into law of P.L. , c. (C. ) (now pending before the  
40 Legislature as Senate, No. 277 of 1990)<sup>1</sup>.

41  
42  
43 PUBLIC EMPLOYEE BENEFITS

44  
45 Increases regular pension and extends higher minimum pension to  
46 all widows and widowers of retirees of PFRS.

ASSEMBLY, No. 1958  
STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel  
PRE-FILED FOR INTRODUCTION IN THE 1990 SESSION

By Assemblymen MORAN and CONNORS

AN ACT concerning the pensions of widows and widowers of members of the Police and Firemen's Retirement System of New Jersey, amending P.L. 1967, c. 250 and supplementing P.L. 1958, c. 143 (C. 43:3B-1 et seq.).

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

1. Section 26 of P.L. 1967, c. 250 (C. 43:16A-12.1) is amended to read as follows:

26. a. Upon the death after retirement of any member of the retirement system there shall be paid to his widow or widower a pension of [35%] 50% of average final compensation for the use of herself or himself, to continue during her or his widowhood, plus 15% of such compensation payable to one surviving child or an additional 25% of such compensation to two or more children; if there is no surviving widow or widower or in case the widow or widower dies or remarries, 20% of average final compensation will be payable to one surviving child, 35% of such compensation to two surviving children in equal shares and if there be three or more children, 50% of such compensation would be payable to such children in equal shares.

b. The increased pension benefits payable under this act shall apply only to cases where such policeman or fireman retires on or after December 18, 1967 and shall not affect pensions paid or to be paid as a result of retirements occurring prior to said date.

c. As of December 18, 1967, all widows' pensions previously granted pursuant to the provisions of section 10 of chapter 255 of the laws of 1944, as amended, and all such pensions previously granted, or to be granted where retirement for accidental disability occurred prior to said date, pursuant to the provisions of section 7(3) of chapter 255 of the laws of 1944, as amended, will be subject to a minimum, annual, aggregate payment of [\$1,600.00] \$4,500.

d. The State shall reimburse local governments for additional pension costs arising from the increase from 35% to 50% of a pension payable to a surviving spouse pursuant to this 1988 amendatory act.

(cf: P.L. 1985, c. 393, s. 1)

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

Matter underlined thus is new matter.

2. (New section) The provisions of section 7 of P.L. 1969, c. 169 (C. 43:3B-8) shall not apply to section 26 of P.L. 1967, c. 250 (C. 43:16A-12.1) as amended by this 1988 amendatory and supplementary act, and the annual cost of living adjustment received by widows and widowers under P.L. 1958, c. 143 (C. 43:3B-1 et seq.) shall be calculated as of the date of retirement of the member of the retirement system.

3. This act shall take effect immediately.

#### STATEMENT

This bill increases the pension paid to the widow or widower of a member of the Police and Firemen's Retirement System who dies after retirement from 35% of average final compensation to 50% of average final compensation, and provides that the State shall reimburse local governments for the additional pension costs. The bill also increases from \$1,600.00 to \$4,500.00 the minimum for widows' pensions which were granted prior to December 18, 1967 upon a member's accidental death and upon a retiree's death after accidental disability retirement prior to that date. Finally, the bill permits a widow or widower to continue receiving cost-of-living adjustments based upon the date of the spouse's retirement.

#### PUBLIC EMPLOYEE BENEFITS

Increases PFRS survivor's pension from 35% to 50% of average final compensation and permits COLA based on date of retirement.

ASSEMBLY STATE OPERATIONS AND PERSONNEL  
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1958

with committee amendments

STATE OF NEW JERSEY

DATED: MARCH 22, 1990

The Assembly State Operations and Personnel Committee reports favorably and with committee amendments Assembly, No. 1958.

This bill increases the pension paid to the widow or widower of a member of the Police and Firemen's Retirement System who dies after retirement from 35% to 50% of average final compensation. The State shall reimburse local governments for the additional pension costs. The bill also increases the minimum pension for certain widows from \$1,600 to \$4,500. Finally, the bill permits a widow or widower to continue to receive cost of living adjustments based upon the date of the spouse's retirement.

This bill was pre-filed for introduction in the 1990 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

COMMITTEE AMENDMENTS

The committee amended the bill to clarify that the increased benefits are payable as of the effective date of the act and are not retroactive.

ASSEMBLY ASO COMMITTEE

ADOPTED

AMENDMENTS

MAR 22 1990

to

ASSEMBLY, No. 1958

(Sponsored by Assemblymen Moran and Connors)

REPLACE SECTION 1 TO READ:

1. Section 26 of P.L. 1967, c. 250 (C. 43:16A-12.1) is amended to read as follows:

26. a. Upon the death after retirement of any member of the retirement system there shall be paid to his widow or widower a pension of [35%] 50% of average final compensation for the use of herself or himself, to continue during her or his widowhood, plus 15% of such compensation payable to one surviving child or an additional 25% of such compensation to two or more children; if there is no surviving widow or widower or in case the widow or widower dies or remarries, 20% of average final compensation will be payable to one surviving child, 35% of such compensation to two surviving children in equal shares and if there be three or more children, 50% of such compensation would be payable to such children in equal shares.

b. The increased pension benefits payable under this act shall apply only to cases where such policeman or fireman retires on or after December 18, 1967 and shall not affect pensions paid or to be paid as a result of retirements occurring prior to said date. <sup>1</sup>The increased pension benefits payable under this 1990 amendatory and supplementary act shall apply only to pension benefits payable on or after the effective date of this 1990 act.<sup>1</sup>

c. As of <sup>1</sup>[December 18, 1967] the effective date of this 1990 amendatory and supplementary act<sup>1</sup>, all widows' pensions previously granted pursuant to the provisions of section 10 of chapter 255 of the laws of 1944, as amended, and all such pensions previously granted, or to be granted where retirement for accidental disability occurred prior to said date, pursuant to the provisions of section 7(3) of chapter 255 of the laws of 1944, as amended, will be subject to a minimum, annual, aggregate payment of [\$1,600.00] \$4,500.

d. The State shall reimburse local governments for additional pension costs arising from the increase from 35% to 50% of a pension payable to a surviving spouse pursuant to this 1990 amendatory and supplementary act.

(cf: P.L. 1985, c. 393, s. 1)

[FIRST REPRINT]  
ASSEMBLY, No. 1958

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1990 SESSION

By Assemblymen MORAN and CONNORS

1 AN ACT concerning the pensions of widows and widowers of  
2 members of the Police and Firemen's Retirement System of  
3 New Jersey, amending P.L.1967, c.250 and supplementing  
4 P.L.1958, c.143 (C.43:3B-1 et seq.).  
5

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

8 1. Section 26 of P.L.1967, c.250 (C.43:16A-12.1) is amended to  
9 read as follows:

10 26. a. Upon the death after retirement of any member of the  
11 retirement system there shall be paid to his widow or widower a  
12 pension of [35%] 50% of average final compensation for the use  
13 of herself or himself, to continue during her or his widowhood,  
14 plus 15% of such compensation payable to one surviving child or  
15 an additional 25% of such compensation to two or more children;  
16 if there is no surviving widow or widower or in case the widow or  
17 widower dies or remarries, 20% of average final compensation  
18 will be payable to one surviving child, 35% of such compensation  
19 to two surviving children in equal shares and if there be three or  
20 more children, 50% of such compensation would be payable to  
21 such children in equal shares.

22 b. The increased pension benefits payable under this act shall  
23 apply only to cases where such policeman or fireman retires on or  
24 after December 18, 1967 and shall not affect pensions paid or to  
25 be paid as a result of retirements occurring prior to said date.  
26 <sup>1</sup>The increased pension benefits payable under this 1990  
27 amendatory and supplementary act shall apply only to pension  
28 benefits payable on or after the effective date of this 1990 act.<sup>1</sup>

29 c. As of <sup>1</sup>[December 18, 1967] the effective date of this 1990  
30 amendatory and supplementary act<sup>1</sup>, all widows' pensions  
31 previously granted pursuant to the provisions of section 10 of  
32 chapter 255 of the laws of 1944, as amended, and all such  
33 pensions previously granted, or to be granted where retirement  
34 for accidental disability occurred prior to said date, pursuant to  
35 the provisions of section 7(3) of chapter 255 of the laws of 1944,  
36 as amended, will be subject to a minimum, annual, aggregate  
37 payment of [\$1,600.00] \$4,500.

38 d. The State shall reimburse local governments for additional  
39 pension costs arising from the increase from 35% to 50% of a

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup> Assembly ASO committee amendments adopted March 22, 1990.

1 pension payable to a surviving spouse pursuant to this 1990  
2 amendatory and supplementary act.

3 (cf: P.L.1985, c.393, s.1)

4 2. (New section) The provisions of section 7 of P.L.1969, c.169  
5 (C.43:3B-8) shall not apply to section 26 of P.L.1967, c.250  
6 (C.43:16A-12.1) as amended by this 1988 amendatory and  
7 supplementary act, and the annual cost of living adjustment  
8 received by widows and widowers under P.L.1958, c.143  
9 (C.43:3B-1 et seq.) shall be calculated as of the date of  
10 retirement of the member of the retirement system.

11 3. This act shall take effect immediately.

12

13

14

#### PUBLIC EMPLOYEE BENEFITS

15

16 Increases PFRS survivor's pension from 35% to 50% of average  
17 final compensation and permits COLA based on date of  
18 retirement.

FISCAL NOTE TO  
[FIRST REPRINT]  
ASSEMBLY, No. 1958  
STATE OF NEW JERSEY

DATED: November 26, 1990

Assembly Bill No. 1958 (1R) of 1990 increases the pension paid to the widow or widower of a member of the Police and Firemen's Retirement System (PFRS) who dies after retirement from 35 percent to 50 percent of average final compensation. The State shall reimburse local governments for the additional pension costs. The bill also increases the minimum pension from \$1,600 to \$4,500. In addition, the bill permits a widow or widower to receive cost-of-living adjustments on the increased benefit based upon the date of the spouse's retirement.

The Division of Pensions estimates the increase in the normal cost, or annual cost, of funding the retirement system for the additional benefits provided by this legislation at \$40 million for FY 1990. This estimate is based on the most recent actuarial valuation for PFRS, dated June 30, 1989, which shows the present value of pension benefits for current and prospective widows as \$1,102,022,708. This figure is adjusted by the proposed increase in benefits, 42.86 percent, to arrive at the new liability which is used to calculate the increase in the normal cost.

The Office of Legislative Services (OLS) concurs with the division's estimate for the increase in the liability of benefits for widows. The OLS notes that the division's estimate of \$40 million for the increase in the normal cost is based on the total additional liability. Since part of this liability is for existing beneficiaries, that portion of the liability might be funded as part of the accrued liability of the retirement system. Funding a portion of the additional liability as an accrued liability (versus normal cost) would decrease the annual cost of providing this benefit enhancement.

This fiscal note has been prepared pursuant to P.L.1980, c.67.

ASSEMBLY, No. 3753

STATE OF NEW JERSEY

INTRODUCED SEPTEMBER 10, 1990

By Assemblywoman FORD and Assemblyman DOYLE

1 AN ACT concerning the pensions of widows and widowers of  
2 members of the Police and Firemen's Retirement System of  
3 New Jersey, amending P.L.1967, c.250 and supplementing  
4 P.L.1958, c.143 (C.43:3B-1 et seq.).

5  
6 BE IT ENACTED by the Senate and General Assembly of the  
7 State of New Jersey:

8 1. Section 26 of P.L.1967, c.250 (C.43:16A-12.1) is amended to  
9 read as follows:

10 26. a. Upon the death after retirement of any member of the  
11 retirement system there shall be paid to his widow or widower a  
12 pension of 35% of average final compensation for the use of  
13 herself or himself, to continue during her or his widowhood, plus  
14 15% of such compensation payable to one surviving child or an  
15 additional 25% of such compensation to two or more children; if  
16 there is no surviving widow or widower or in case the widow or  
17 widower dies or remarries, 20% of average final compensation  
18 will be payable to one surviving child, 35% of such compensation  
19 to two surviving children in equal shares and if there be three or  
20 more children, 50% of such compensation would be payable to  
21 such children in equal shares.

22 b. The increased pension benefits payable under this act shall  
23 apply only to cases where such policeman or fireman retires on or  
24 after December 18, 1967 and shall not affect pensions paid or to  
25 be paid as a result of retirements occurring prior to said date.

26 c. As of [December 18, 1967] the effective date of this  
27 amendatory and supplementary act, P.L. . c. (C. ), all  
28 widows' and widowers' pensions previously granted or to be  
29 granted pursuant to the provisions of subsection a. of this section  
30 or section 10 of chapter 255 of the laws of 1944, as amended, and  
31 all such pensions previously granted, or to be granted where  
32 retirement for accidental disability occurred prior to [said date]  
33 December 18, 1967, pursuant to the provisions of section 7(3) of  
34 chapter 255 of the laws of 1944[, as amended] prior to the  
35 amendment of that section by P.L.1967, c.250. will be subject to  
36 a minimum, annual, aggregate payment of [\$1,600.00] \$4,500.  
37 The increased pension benefits payable under this subsection shall  
38 apply only to pension benefits payable on or after the effective  
39 date of this amendatory and supplementary act, P.L. . c.  
40 (C. ).

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

Matter underlined thus is new matter.

1 d. The State shall reimburse local governments for additional  
2 pension costs arising from the increase from \$1,600 to \$4,500 in  
3 the minimum, annual pension payable to a widow or widower  
4 pursuant to this amendatory and supplementary act, P.L. , c.  
5 (C. ).

6 (cf: P.L.1985, c.393, s.1)

7 2. (New section) The provisions of section 7 of P.L.1969, c.169  
8 (C.43:3B-8) shall not apply to section 26 of P.L.1967, c.250  
9 (C.43:16A-12.1) as amended by this amendatory and  
10 supplementary act, P.L. , c. (C. ), and the annual cost of  
11 living adjustment received by widows and widowers under  
12 P.L.1958, c.143 (C.43:3B-1 et seq.) shall be calculated as of the  
13 date of the benefit year of the member of the retirement system.

14 3. This act shall take effect immediately.

15  
16  
17 STATEMENT

18  
19 This bill (1) extends to all widows and widowers of retirees of  
20 the Police and Firemen's Retirement System the minimum,  
21 annual pension presently payable to the widow of a member of  
22 the Police and Firemen's Retirement System who retired on the  
23 accidental disability retirement allowance or who died in active  
24 service as a result of an accident; (2) increases the amount of  
25 the minimum pension from \$1,600 to \$4,500; and (3) permits the  
26 continuation of cost-of-living adjustments based upon the date of  
27 the benefit year of the retiree of the retirement system.

28  
29  
30 PUBLIC EMPLOYEE BENEFITS

31  
32 Extends minimum, annual pension to all widows and widowers of  
33 retirees of PFRS and increases amount from \$1,600 to \$4,500.

LEGISLATIVE FISCAL ESTIMATE TO  
**ASSEMBLY, No. 3753**

**STATE OF NEW JERSEY**

DATED: May 29, 1991

Assembly Bill No. 3753 of 1990 increases the minimum pension payable to all widows and widowers of retirees from the Police and Firemen's Retirement System (PFRS) from \$1,600 to \$4,500. In addition, the bill provides that the annual cost-of-living adjustment received by widows and widowers shall be calculated based upon the date the member retired from PFRS. The bill requires the State to reimburse local governments for the additional cost of this legislation.

The Division of Pensions, in an estimate prepared for Assembly Bill No. 1958 (1R) of 1990, estimated the cost of increasing the minimum pension payable to all widows and widowers from \$1,600 to \$4,500 and basing the cost-of-living adjustments upon the initial date of the deceased member's retirement to be approximately \$2 million per year for 28 years if paid as part of the retirement system's accrued liability.

The Office of Legislative Services (OLS) has no information with which to verify the division's estimate. The OLS notes that the present value of the division's estimate of \$2 million per year for 28 years is approximately \$26 million.

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.

ASSEMBLY COMMITTEE SUBSTITUTE FOR  
ASSEMBLY, Nos. 3753 and 1958

STATE OF NEW JERSEY

ADOPTED APRIL 29, 1991

By Assemblywoman FORD, Assemblymen DOYLE,  
MORAN and CONNORS

1 AN ACT concerning the pensions of widows and widowers of  
2 members of the Police and Firemen's Retirement System of  
3 New Jersey, amending P.L.1967, c.250 and supplementing  
4 P.L.1958, c.143 (C.43:3B-1 et seq.).  
5

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

8 1. Section 26 of P.L.1967, c.250 (C.43:16A-12.1) is amended to  
9 read as follows:

10 26. a. Upon the death after retirement of any member of the  
11 retirement system there shall be paid to his widow or widower a  
12 pension of [35%] 50% of average final compensation for the use  
13 of herself or himself, to continue during her or his widowhood,  
14 plus 15% of such compensation payable to one surviving child or  
15 an additional 25% of such compensation to two or more children;  
16 if there is no surviving widow or widower or in case the widow or  
17 widower dies or remarries, 20% of average final compensation  
18 will be payable to one surviving child, 35% of such compensation  
19 to two surviving children in equal shares and if there be three or  
20 more children, 50% of such compensation would be payable to  
21 such children in equal shares.

22 b. The increased pension benefits payable under this act shall  
23 apply only to cases where such policeman or fireman retires on or  
24 after December 18, 1967 and shall not affect pensions paid or to  
25 be paid as a result of retirements occurring prior to said date.  
26 The increased pension benefits payable under this subsection of  
27 this 1991 amendatory and supplementary act shall apply only to  
28 pension benefits payable on or after the effective date of this  
29 1991 amendatory and supplementary act, P.L. , c. (C. ).

30 c. As of [December 18, 1967] the effective date of this 1991  
31 amendatory and supplementary act, P.L. , c. (C. ), all  
32 widows' and widowers' pensions previously granted or to be  
33 granted pursuant to the provisions of subsection a. of this section  
34 or section 10 of chapter 255 of the laws of 1944, as amended, and  
35 all such pensions previously granted, or to be granted where  
36 retirement for accidental disability occurred prior to [said date]  
37 December 18, 1967, pursuant to the provisions of section 7(3) of  
38 chapter 255 of the laws of 1944[, as amended] prior to the  
39 amendment of that section by P.L.1967, c.250, will be subject to

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

Matter underlined thus is new matter.

1 a minimum, annual, aggregate payment of [\$1,600.00] \$4,500.  
2 The increased pension benefits payable under this subsection of  
3 this 1991 amendatory and supplementary act shall apply only to  
4 pension benefits payable on or after the effective date of this  
5 1991 amendatory and supplementary act, P.L. , c. (C. ).

6 d. The State shall reimburse local governments for additional  
7 pension costs arising from any increase in the annual pension  
8 payable to a widow or widower pursuant to this section of this  
9 1991 amendatory and supplementary act, P.L. , c. (C. ).

10 (cf: P.L.1985, c.393, s.1)

11 2. (New section) The provisions of section 7 of P.L.1969, c.169  
12 (C.43:3B-8) shall not apply to section 26 of P.L.1967, c.250  
13 (C.43:16A-12.1) as amended by this amendatory and  
14 supplementary act, P.L. , c. (C. ), and the annual cost of  
15 living adjustment received by widows and widowers under  
16 P.L.1958, c.143 (C.43:3B-1 et seq.) shall be calculated as of the  
17 date of the benefit year of the member of the retirement system.

18 3. This act shall take effect immediately.  
19  
20

21 PUBLIC EMPLOYEE BENEFITS  
22

23 Increases regular pension and extends higher minimum pension to  
24 all widows and widowers of retirees of PFRS.

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ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR

ASSEMBLY, Nos. 3753 and 1958

STATE OF NEW JERSEY

DATED: APRIL 29, 1991

The Assembly Appropriations Committee reports favorably the Assembly Committee Substitute for Assembly Bill Nos. 3753 and 1958.

The Assembly Committee Substitute for Assembly Bill Nos. 3753 and 1958 increases the pension paid to the widow or widower of a member of the Police and Firemen's Retirement System who dies after retirement from 35% to 50% of average final compensation. The substitute also increases from \$1,600 to \$4,500 the minimum pension currently payable to the widow or widower of certain members of the Police and Firemen's Retirement System (PFRS) who retired on the accidental disability retirement allowance or who died in active service as a result of an accident. The substitute also extends this minimum pension provision to all widows and widowers of retirees of the Police and Firemen's Retirement System. The State is directed to reimburse local governments for all additional costs due to these benefit increases. Finally, the bill permits the continuation of cost-of-living adjustments based upon the date of the benefit year of the retiree.

FISCAL IMPACT

In a fiscal note prepared for Assembly Bill No. 1958 1R, the Division of Pensions estimated that the normal, or annual, PFRS cost of funding the increase in the minimum pension and the increase from 35% to 50% of average final compensation for certain widows and widowers would have been \$40 million for FY 1990. The Office of Legislative Services concurred in the division's estimate, but noted that if the portion of the cost that is for existing beneficiaries were funded as part of the accrued liability of PFRS, rather than on an annual basis, then the total annual cost increase would be somewhat lower.

A fiscal note has not been completed on Assembly Bill No. 3753, so the cost of extending the minimum pension to all PFRS retirees' widows and widowers is not known at this time.

COMMITTEE SUBSTITUTE

The proposed committee substitute for Assembly Bill Nos. 3753 and 1958 increases from \$1,600 to \$4,500 the minimum pension payable to the widow or widower of certain PFRS retirees, which provision is included in each bill. The substitute also extends this minimum to all PFRS retirees' widows and widowers and requires

the State to finance all of this benefit increase, which provisions are included in Assembly Bill No. 3753. Finally, the substitute increases the pension payable to all PFRS retirees' widows and widowers from 35% to 50% of average final compensation and requires the State to finance all of this benefit increase, as included in Assembly Bill No. 1958 1R.

SENATE REVENUE, FINANCE AND  
APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR  
ASSEMBLY, Nos. 3753 and 1958

STATE OF NEW JERSEY

DATED: JUNE 17, 1991

The Senate Revenue, Finance and Appropriations Committee reports favorably the Assembly Committee Substitute for Assembly Bill Nos. 3753 and 1958.

The Assembly Committee Substitute for Assembly Bill Nos. 3753 and 1958 increases the pension paid to the widow or widower of a member of the Police and Firemen's Retirement System (PFRS) who dies after retirement from 35% to 50% of average final compensation. The substitute also increases from \$1,600 to \$4,500 the minimum pension currently payable to the widow or widower of certain members of PFRS who retired on the accidental disability retirement allowance or who died in active service as a result of an accident. The substitute also extends this minimum pension provision to all widows and widowers of PFRS retirees. The State is directed to reimburse local governments for all additional costs due to these benefit increases. Finally, the bill permits the continuation of cost-of-living adjustments based upon the date of the benefit year of the retiree.

This bill is identical to Senate Bill No. 3511.

FISCAL IMPACT

In a fiscal estimate to earlier legislation the Division of Pensions estimated that the normal, or annual cost, to fund the retirement system for the increase in the minimum pension and the increase from 35% to 50% of average final compensation for certain widows and widowers would have been \$40 million in FY 1990. The Office of Legislative Services concurred with the division's estimate but noted that part of the additional liability might be funded as part of the accrued liability of the retirement system. Funding a portion of the additional liability as an accrued liability over a longer period of time would decrease the annual cost, but not the total cost, of providing this benefit.

A fiscal note has not been completed on this substitute, so the cost of extending the minimum pension to all PFRS retirees' widows and widowers is not known at this time.

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SR XXXX 600 6  
TR XXXX 000 6

SENATE Amendments  
(Proposed by Senator LYNCH)

to

**ASSEMBLY, Nos. 3753 and 1958 ACS**  
(Sponsored by Assemblywoman FORD and Assemblymen DOYLE  
and MORAN)

**ADOPTED**  
DEC 19 1991

REPLACE SECTION 3 TO READ:

3. This act shall take effect <sup>1</sup>[immediately] upon the enactment into law of P.L. , c. (C. ) (now pending before the Legislature as Senate, No. 277 of 1990)<sup>1</sup>.

**STATEMENT**

This amendment provides that this act shall take effect upon the enactment into law of Senate, No. 277 of 1990 which establishes the Pension and Health Benefits Review Commission.

[FIRST REPRINT]

ASSEMBLY COMMITTEE SUBSTITUTE FOR  
**ASSEMBLY, Nos. 3753 and 1958**

**STATE OF NEW JERSEY**

ADOPTED APRIL 29, 1991

By Assemblywoman FORD, Assemblymen DOYLE,  
MORAN and CONNORS

1 **AN ACT** concerning the pensions of widows and widowers of  
2 members of the Police and Firemen's Retirement System of  
3 New Jersey, amending P.L.1967, c.250 and supplementing  
4 P.L.1958, c.143 (C.43:3B-1 et seq.).  
5

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

8 1. Section 26 of P.L.1967, c.250 (C.43:16A-12.1) is amended to  
9 read as follows:

10 26. a. Upon the death after retirement of any member of the  
11 retirement system there shall be paid to his widow or widower a  
12 pension of [35%] 50% of average final compensation for the use  
13 of herself or himself, to continue during her or his widowhood,  
14 plus 15% of such compensation payable to one surviving child or  
15 an additional 25% of such compensation to two or more children;  
16 if there is no surviving widow or widower or in case the widow or  
17 widower dies or remarries, 20% of average final compensation  
18 will be payable to one surviving child, 35% of such compensation  
19 to two surviving children in equal shares and if there be three or  
20 more children, 50% of such compensation would be payable to  
21 such children in equal shares.

22 b. The increased pension benefits payable under this act shall  
23 apply only to cases where such policeman or fireman retires on or  
24 after December 18, 1967 and shall not affect pensions paid or to  
25 be paid as a result of retirements occurring prior to said date.  
26 The increased pension benefits payable under this subsection of  
27 this 1991 amendatory and supplementary act shall apply only to  
28 pension benefits payable on or after the effective date of this  
29 1991 amendatory and supplementary act, P.L. , c. (C. ).

30 c. As of [December 18, 1967] the effective date of this 1991  
31 amendatory and supplementary act, P.L. , c. (C. ), all  
32 widows' and widowers' pensions previously granted or to be  
33 granted pursuant to the provisions of subsection a. of this section  
34 or section 10 of chapter 255 of the laws of 1944, as amended, and  
35 all such pensions previously granted, or to be granted where  
36 retirement for accidental disability occurred prior to [said date]

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:  
Senate floor amendments adopted December 19, 1991.

1 December 18, 1967, pursuant to the provisions of section 7(3) of  
2 chapter 255 of the laws of 1944[ , as amended] prior to the  
3 amendment of that section by P.L.1967, c.250, will be subject to  
4 a minimum, annual, aggregate payment of [\$1,600.00] \$4,500.  
5 The increased pension benefits payable under this subsection of  
6 this 1991 amendatory and supplementary act shall apply only to  
7 pension benefits payable on or after the effective date of this  
8 1991 amendatory and supplementary act, P.L. , c. (C. ).

9 d. The State shall reimburse local governments for additional  
10 pension costs arising from any increase in the annual pension  
11 payable to a widow or widower pursuant to this section of this  
12 1991 amendatory and supplementary act, P.L. , c. (C. ).

13 (cf: P.L.1985, c.393, s.1)

14 2. (New section) The provisions of section 7 of P.L.1969, c.169  
15 (C.43:3B-8) shall not apply to section 26 of P.L.1967, c.250  
16 (C.43:16A-12.1) as amended by this amendatory and  
17 supplementary act, P.L. , c. (C. ), and the annual cost of  
18 living adjustment received by widows and widowers under  
19 P.L.1958, c.143 (C.43:3B-1 et seq.) shall be calculated as of the  
20 date of the benefit year of the member of the retirement system.

21 3. This act shall take effect <sup>1</sup>[immediately] upon the  
22 enactment into law of P.L. , c. (C. ) (now pending before the  
23 Legislature as Senate, No. 277 of 1990)<sup>1</sup>.

24  
25

26 PUBLIC EMPLOYEE BENEFITS

27

28 Increases regular pension and extends higher minimum pension to  
29 all widows and widowers of retirees of PFRS.

04/24/91bk  
5/1455

Document ID 639  
RF 0094  
SR 003  
TR 023

ASSEMBLY COMMITTEE SUBSTITUTE FOR

ADOPTED

ASSEMBLY, Nos. 3753/1958 (1R)  
STATE OF NEW JERSEY

APR 29 1991

By Assemblywoman FORD, and Assemblymen DOYLE,  
MORAN, and CONNORS

Aug. 22bc.  
§ 2  
43:38-8.3

AN ACT concerning the pensions of widows and widowers of members of the Police and Firemen's Retirement System of New Jersey, amending P.L.1967, c.250 and supplementing P.L.1958, c.143 (C.43:3B-1 et seq.).

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

1. Section 26 of P.L.1967, c.250 (C.43:16A-12.1) is amended to read as follows:

26. a. Upon the death after retirement of any member of the retirement system there shall be paid to his widow or widower a pension of [35%] 50% of average final compensation for the use of herself or himself, to continue during her or his widowhood, plus 15% of such compensation payable to one surviving child or an additional 25% of such compensation to two or more children; if there is no surviving widow or widower or in case the widow or widower dies or remarries, 20% of average final compensation will be payable to one surviving child, 35% of such compensation to two surviving children in equal shares and if there be three or more children, 50% of such compensation would be payable to such children in equal shares.

b. The increased pension benefits payable under this act shall apply only to cases where such policeman or fireman retires on or after December 18, 1967 and shall not affect pensions paid or to be paid as a result of retirements occurring prior to said date. The increased pension benefits payable under this subsection of this 1991 amendatory and supplementary act shall apply only to pension benefits payable on or after the effective date of this 1991 amendatory and supplementary act, P.L. . c. (C. ).

c. As of [December 18, 1967] the effective date of this 1991 amendatory and supplementary act, P.L. . c. (C. ), all widows' and widowers' pensions previously granted or to be granted pursuant to the provisions of subsection a. of this section or section 10 of chapter 255 of the laws of 1944, as amended, and all such pensions previously granted, or to be granted where retirement for accidental disability occurred prior to [said date] December 18, 1967, pursuant to the provisions of section 7(3) of chapter 255 of the laws of 1944[. as amended] prior to the amendment of that section by P.L.1967, c.250, will be subject to

Assembly Committee Substitute for  
A3753/1958 1R

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a minimum, annual, aggregate payment of ~~[\$1,600.00]~~ \$4,500.  
The increased pension benefits payable under this subsection of this 1991 amendatory and supplementary act shall apply only to pension benefits payable on or after the effective date of this 1991 amendatory and supplementary act, P.L. , c. (C. ).

d. The State shall reimburse local governments for additional pension costs arising from any increase in the annual pension payable to a widow or widower pursuant to this section of this 1991 amendatory and supplementary act, P.L. , c. (C. ).

(cf: P.L.1985, c.393, s.1)

2. (New section) The provisions of section 7 of P.L.1969, c.169 (C.43:3B-8) shall not apply to section 26 of P.L.1967, c.250 (C.43:16A-12.1) as amended by this amendatory and supplementary act, P.L. , c. (C. ), and the annual cost of living adjustment received by widows and widowers under P.L.1958, c.143 (C.43:3B-1 et seq.) shall be calculated as of the date of the benefit year of the member of the retirement system.

3. This act shall take effect immediately.

PUBLIC EMPLOYEE BENEFITS

Increases regular pension and extends higher minimum pension to all widows and widowers of retirees of PFRS.

1991  
1991  
1991

[SECOND REPRINT]

ASSEMBLY COMMITTEE SUBSTITUTE FOR  
ASSEMBLY, Nos. 3753 and 1958

STATE OF NEW JERSEY

ADOPTED APRIL 29, 1991

By Assemblywoman FORD, Assemblymen DOYLE,  
MORAN, CONNORS and Kronick

1 AN ACT concerning the pensions of widows and widowers of  
2 members of the Police and Firemen's Retirement System of  
3 New Jersey, amending P.L.1967, c.250 and supplementing  
4 P.L.1958, c.143 (C.43:3B-1 et seq.).

5  
6 BE IT ENACTED by the Senate and General Assembly of the  
7 State of New Jersey:

8 1. Section 26 of P.L.1967, c.250 (C.43:16A-12.1) is amended to  
9 read as follows:

10 26. a. Upon the death after retirement of any member of the  
11 retirement system there shall be paid to his widow or widower a  
12 pension of [35%] 50% of average final compensation for the use  
13 of herself or himself, to continue during her or his widowhood,  
14 plus 15% of such compensation payable to one surviving child or  
15 an additional 25% of such compensation to two or more children;  
16 if there is no surviving widow or widower or in case the widow or  
17 widower dies or remarries, 20% of average final compensation  
18 will be payable to one surviving child, 35% of such compensation  
19 to two surviving children in equal shares and if there be three or  
20 more children, 50% of such compensation would be payable to  
21 such children in equal shares.

22 b. The increased pension benefits payable under this act shall  
23 apply only to cases where such policeman or fireman retires on or  
24 after December 18, 1967 and shall not affect pensions paid or to  
25 be paid as a result of retirements occurring prior to said date.  
26 The increased pension benefits payable under this subsection of  
27 this 1991 amendatory and supplementary act shall apply only to  
28 pension benefits payable on or after the effective date of this  
29 1991 amendatory and supplementary act, P.L. , c. (C. ).

30 c. As of [December 18, 1967] the effective date of this 1991  
31 amendatory and supplementary act, P.L. , c. (C. ), all  
32 widows' and widowers' pensions previously granted or to be  
33 granted pursuant to the provisions of subsection a. of this section  
34 or section 10 of chapter 255 of the laws of 1944, as amended, and  
35 all such pensions previously granted, or to be granted where  
36 retirement for accidental disability occurred prior to [said date]

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup> Senate floor amendments adopted December 19, 1991.

<sup>2</sup> Assembly amendments adopted in accordance with Governor's  
recommendation January 13, 1992.

1 December 18, 1967, pursuant to the provisions of section 7(3) of  
2 chapter 255 of the laws of 1944[, as amended] prior to the  
3 amendment of that section by P.L.1967, c.250, will be subject to  
4 a minimum, annual, aggregate payment of [\$1,600.00] \$4,500.  
5 The increased pension benefits payable under this subsection of  
6 this 1991 amendatory and supplementary act shall apply only to  
7 pension benefits payable on or after the effective date of this  
8 1991 amendatory and supplementary act, P.L. , c. (C. ).

9 d. The State shall reimburse local governments for additional  
10 pension costs arising from any increase in the annual pension  
11 payable to a widow or widower pursuant to this section of this  
12 1991 amendatory and supplementary act, P.L. , c. (C. ).  
13 (cf: P.L.1985, c.393, s.1)

14 2. (New section) The provisions of section 7 of P.L.1969, c.169  
15 (C.43:3B-8) shall not apply to section 26 of P.L.1967, c.250  
16 (C.43:16A-12.1) as amended by this amendatory and  
17 supplementary act, P.L. , c. (C. ), and the annual cost of  
18 living adjustment received by widows and widowers under  
19 P.L.1958, c.143 (C.43:3B-1 et seq.) shall be calculated as of the  
20 date of the benefit year of the member of the retirement system.

21 23. (New section) The actuary for the Police and Firemen's  
22 Retirement System shall determine for the valuation period of  
23 the retirement system in which this act takes effect the liability  
24 of the retirement system for the increased pension and pension  
25 adjustment benefits provided under this act for all participants of  
26 the retirement system as of the last day of the valuation period.  
27 This liability shall be added to the unfunded accrued liability of  
28 the retirement system and shall be paid by the State in the same  
29 manner and over the remaining time period provided for the  
30 State's unfunded accrued liability under section 15 of P.L.1944,  
31 c.255 (C.43:16A-15). The actuary shall determine annually  
32 thereafter the liability of the retirement system for the  
33 increased pension and pension adjustment benefits provided under  
34 this act for new participants which shall be included in the  
35 normal contribution paid by the State. The State shall pay the  
36 cost of the actuarial work to determine the additional liabilities  
37 of the retirement system for the benefits under this act.<sup>2</sup>

38 <sup>2</sup>[3.] 4.<sup>2</sup> This act shall take effect <sup>1</sup>[immediately] upon the  
39 enactment into law of P.L. , c. (C. ) (now pending before the  
40 Legislature as Senate, No. 277 of 1990)<sup>1</sup>.

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PUBLIC EMPLOYEER BENEFITS

44

45 Increases regular pension and extends higher minimum pension to  
46 all widows and widowers of retirees of PFRS.

STATE OF NEW JERSEY  
EXECUTIVE DEPARTMENT

ASSEMBLY COMMITTEE SUBSTITUTE FOR  
ASSEMBLY BILL NOS. 3753 AND 1958  
(First Reprint)

January 13, 1992

To the Assembly:

Pursuant to Article V, Section I, Paragraph 14, of the New Jersey Constitution, I am returning Assembly Committee Substitute for Assembly Bill Nos. 3753 and 1958 (First Reprint) with my objections for reconsideration.

This bill would increase the pension paid to the widow or widower of a member of the Police and Firemen's Retirement System (PFRS) who dies after retirement. The rate would increase from 35 percent of average final compensation to the rate of 50 percent of average final compensation. The bill would also increase the minimum annual pension currently payable to the widow or widower of all retired members of PFRS from \$1,600 to \$4,500 if the member retired on an accidental disability retirement allowance or died in active service as the result of an accident. In addition, the bill would extend this minimum annual pension to all widows and widowers of retirees of PFRS.

I am supportive of the purpose of this legislation, which is to ensure that widows and widowers of PFRS retirees receive adequate benefits and that the minimum amount received each year is sufficient. However, I am concerned that the cost of the enhanced benefits provided in this legislation be funded in a manner which both maintains the fiscal integrity of the pension fund and comports with prudent financial planning on behalf of the State. Accordingly, I am returning the bill with a recommendation that it be amended to allow the cost of this legislation to be funded as a part of the accrued liability of PFRS, rather than on an annual basis. This will allow the State to provide these needed and humane benefits to the deserving spouses of the deceased retirees of PFRS, while still managing the pension system according to accepted actuarial principles.

STATE OF NEW JERSEY  
EXECUTIVE DEPARTMENT

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Therefore, I herewith return Assembly Committee Substitute for Assembly Bill Nos. 3753 and 1958 (First Reprint) and recommend that it be amended as follows:

Page 2, Section 2, After Line 20:

Insert new section 3 as follows:

"3. The actuary for the Police and Firemen's Retirement System shall determine for the valuation period of the retirement system in which this act takes effect the liability of the retirement system for the increased pension and pension adjustment benefits provided under this act for all participants of the retirement system as of the last day of the valuation period. This liability shall be added to the unfunded accrued liability of the retirement system and shall be paid by the State in the same manner and over the remaining time period provided for the State's unfunded accrued liability under section 15 of P.L. 1944, c.255 (C.43:16A-15). The actuary shall determine annually thereafter the liability of the retirement system for the increased pension and pension adjustment benefits provided under this act for new participants which shall be included in the normal contribution paid by the State. The State shall pay the cost of the actuarial work to determine the additional liabilities of the retirement system for the benefits under this act."

Page 2, Section 3, Line 21:

Delete "3" insert "4"

Respectfully,

/s/ Jim Florio

GOVERNOR

[seal]

Attest:

/s/ Elizabeth A. Ryan

Assistant Counsel to the Governor