

R.S. 53:5A¹ et seq.

LEGISLATIVE FACT SHEET

ON

N.J.R.S. 53:5A-1 et seq (state Police - ^{irement} ~~Retire~~ system)
(1965 Amendment)

LAWS OF 1965

CHAPTER 89

SENATE 219

~~ASSEMBLY~~

INTRODUCED Mar 15, 1965

BY Radolfi & Ozzard

STATEMENT

YES

NO

AMENDED DURING PASSAGE

YES

NO

HEARING

VETO

Governor's Statement

YES

fiscal note YES

SENATE, No. 219

STATE OF NEW JERSEY

INTRODUCED MARCH 15, 1965

By Senators RIDOLFI and OZZARD

Referred to Committee on Public Safety, Defense and Veterans Affairs

AN ACT establishing the State Police Retirement System, specifying contributions to be paid and benefit rights therein, and repealing chapter 5 of Title 53 of the Revised Statutes, including acts amendatory thereof and supplementary thereto.

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

ARTICLE I

1 1. Chapter 5 of Title 53 of the Revised Statutes of New Jersey and all
2 amendments and supplements thereto, designated as the "State Police Re-
3 tirement and Benevolent Fund," is repealed as of the effective date of this
4 act.

1 2. Repeal of chapter 5 of Title 53 of the Revised Statutes of New Jersey
2 and all amendments and supplements thereto is subject to the following pro-
3 visos:

4 a. Any person retired under any of the provisions of said chapter and
5 receiving or entitled to receive benefits thereunder, prior to its repeal, shall
6 continue to receive the same benefits or shall continue to be entitled to re-
7 ceive the same benefits, to the same extent and in the same manner, as if
8 such chapter had not been repealed.

9 b. Any beneficiary receiving an allowance or eligible to receive an allow-
10 ance under such chapter shall continue to receive or be eligible to receive such
11 allowance as provided under such chapter.

12 c. Any person electing to have deductions for medical and hospital in-
13 surance subtracted from his pension shall continue to have such deductions
14 subtracted as if such chapter had not been repealed.

15 d. Any person retired for disability under such chapter and receiving
16 benefits or entitled to receive benefits thereunder and any person receiving
17 death benefits as a result of the death of a member under such chapter, prior
18 to its repeal, shall continue to receive the same, or shall continue to be en-
19 titled to receive the same to such extent and in such manner as if such chap-
20 ter had not been repealed.

21 e. Any person who, as of the effective date of this act, meets the require-
22 ments for retirement under such chapter, may make such application and be
23 retired on or before the effective date of this act, as if such chapter had not
24 been repealed. He shall thereafter receive benefits to the same extent and in
25 the same manner as if such chapter had not been repealed.

26 f. If any person having made contributions under such chapter dies
27 prior to its repeal, but before retirement, his eligible beneficiaries shall re-
28 ceive the benefits provided by such chapter to the same extent and in the
29 same manner as if such chapter had not been repealed.

30 g. Interest on the contributions made by persons pursuant to the pro-
31 visions of such chapter shall cease to accrue as of the effective date of this
32 act.

33 h. The contributions, and accumulated interest thereon, made by persons
34 pursuant to such chapter shall be transferred to the Annuity Savings Fund
35 of the retirement system established by this act.

36 i. The accumulated reserves, constituting the moneys set aside under
37 such chapter for the payment of all pensions and death benefits allowed,
38 shall be transferred to and become merged with the Retirement Reserve Fund
39 of the retirement system established by this act.

40 j. The authorization and direction to control and manage the payment
41 of benefits under the "State Police Retirement and Benevolent Fund" is
42 hereby transferred to the board of trustees of the State Police Retirement
43 System established by this act.

44 k. The records of the "State Police Retirement and Benevolent Fund"
45 shall be transferred to the board of trustees of the State Police Retirement
46 System established by this act.

ARTICLE II

1 3. As used in this act:

2 a. "Aggregate contributions" means the sum of all the amounts, deducted
3 from the salary of a member or contributed by him, standing to the credit
4 of his individual account in the Annuity Savings Fund. Interest credited on
5 contributions to the former "State Police Retirement and Benevolent Fund"
6 shall be included in a member's aggregate contributions.

7 b. "Annuity" means payments for life derived from the aggregate con-
8 tributions of a member. All annuities shall be paid in equal monthly install-
9 ments.

10 c. "Annuity reserve" means the present value of all payments to be
11 made on account of any annuity or benefit in lieu of an annuity, computed
12 upon the basis of such mortality tables as the board of trustees adopts and
13 regular interest.

14 d. "Beneficiary" means any person entitled to receive any benefit pur-
15 suant to the provisions of this act by reason of the death of a member or re-
16 tirant.

17 e. "Board of trustees" or "board" means the board provided by this
18 act to administer this retirement system.

19 f. "Child" means a deceased member's unmarried child under the age
20 of 18.

21 g. "Creditable service" means service rendered for which credit is al-
22 lowed on the basis of contributions made by the member or the State.

23 h. "Dependent parent" means the parent of a member who was receiving
24 at least $\frac{1}{2}$ of his support from the member in the 12-month period immedi-
25 ately preceding the member's death. The dependency of such a parent will
26 be considered terminated by marriage of the parent subsequent to the death
27 of the member.

28 i. "Final compensation" means the average compensation received by
29 the member in the last 12 months of creditable service preceding his retire-
30 ment or death. Such term includes the value of the member's maintenance
31 allowance for this same period.

32 j. "Final salary" means the average salary received by the member in
33 the last 12 months of creditable service preceding his retirement or death.
34 Such term shall not include the value of the member's maintenance allowance.

35 k. "Fiscal year" means any year commencing with July 1 and ending
36 with June 30 next following.

37 l. "Medical board" means the board of physicians provided for in this
38 act.

39 m. "Member" means any full-time, commissioned officer, non-commis-
40 sioned officer or trooper of the Division of State Police of the Department of
41 Law and Public Safety of the State of New Jersey enrolled in the retire-
42 ment system established by this act.

43 n. "Pension" means payment for life derived from contributions by the
44 State. All pensions shall be paid in equal monthly installments.

45 o. "Pension reserve" means the present value of all payments to be
46 made on account of any pension or benefit in lieu of any pension computed
47 on the basis of such mortality tables as shall be adopted by the board of
48 trustees and regular interest.

49 p. "Regular interest" means interest as determined from time to time by
50 the board of trustees. The regular interest rate shall be limited to a mini-
51 mum of 3% and a maximum of 4% per annum.

52 q. "Retirant" means any former member receiving a retirement allow-
53 ance as provided by this act.

54 r. "Retirement allowance" means the sum of the pension and the annu-
55 ity. All retirement allowances shall be paid in equal monthly installments.

56 s. "State Police Retirement System of New Jersey," herein also referred
57 to as the "retirement system," is the corporate name of the arrangement for
58 the payment of retirement allowances and of the benefits under the provi-

59 sions of this act and for the system including the several funds created and
60 placed under the management of the board of trustees of said system. By
61 that name, all of its business shall be transacted, its funds invested, war-
62 rants for moneys drawn, and payments made and all of its cash and securi-
63 ties and other property held. All assets held in the name of the former "State
64 Police Retirement and Benevolent Fund" shall be transferred to the retire-
65 ment system established by this act.

66 t. "Widow" means the woman to whom a member was married before
67 he attained 50 years of age and to whom he continued to be married until
68 the date of his death and who has not remarried subsequent to the member's
69 death.

1 4. There is hereby established the "State Police Retirement System of
2 New Jersey" in the Division of Pensions of the Department of the Treasury.
3 It shall have the powers and privileges of a corporation. Its purpose is to
4 provide retirement allowances and other benefits for its members and their
5 beneficiaries in accordance with the provisions of this act.

1 5. The membership of the retirement system shall include:

2 a. The members of the former "State Police Retirement and Benevolent
3 Fund."

4 b. Any person becoming a full time commissioned officer, non-commis-
5 sioned officer or trooper of the Division of State Police of the Department
6 of Law and Public Safety of the State of New Jersey provided that the
7 Division of State Police certifies that he has satisfied the age and health
8 requirements prescribed for members of the State Police force.

9 Membership in the retirement system is a condition of employment for
10 such officers, non-commissioned officers and troopers.

1 6. a. Except as provided in subsection b of this section, only service as
2 a full time commissioned officer, non-commissioned officer or trooper rendered
3 as a member, and service credit which was transferred from the former
4 "State Police Retirement and Benevolent Fund," shall, if the required con-
5 tributions are made by the State and the member, be considered as creditable

6 service. A member on suspension shall be considered in service for the period
7 of the suspension, but the period of suspension shall not be considered as
8 creditable service unless the member receives salary therefor.

9 b. Any member of the retirement system, who, prior to becoming a mem-
10 ber, had established service credits in another retirement system supported
11 in whole or in part by the State, or who had rendered service to the State
12 prior to becoming a member, for which he desires to establish credit in this
13 retirement system, shall be permitted to purchase such credit upon the pay-
14 ment of an amount determined by the board of trustees on the basis of
15 factors supplied by the actuary, as being applicable to the member's age and
16 salary at the time he agrees to make the purchase. If such credit is estab-
17 lished, it shall be included in the computation of a retirement allowance on
18 the basis of 1% of final compensation for each year of such service credit.

19 c. Not more than 1 year shall be credited for all service in a calendar
20 year.

1 7. Membership in the retirement system shall cease upon retirement,
2 withdrawal or death.

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

9 (1) Any annuity which shall be the actuarial equivalent of his aggregate
10 contributions at the time of retirement, and

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

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

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

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

36 (2) A pension in the amount which when added to the member's annu-
37 ity will provide a total retirement allowance of 2% of his final compensation
37A multiplied by his number of years of creditable service up to 25 plus 1% of
37B his final compensation multiplied by his number of years of creditable serv-
37C ice over 25.

38 c. Upon the receipt of proper proofs of the death of a member who has
39 retired on a service retirement allowance, there shall be paid to such person,
40 if living, as he shall have nominated by written designation duly executed
41 and filed with the retirement system, otherwise to the executor or admin-
42 istrator of the member's estate, an amount equal to $\frac{3}{16}$ of the final compen-
43 sation received by the member.

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

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

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

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

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

1 10. a. Upon the written application by a member in service or by the
2 State, any member may be retired, not less than 30 days next following the
3 date of filing such application, on an accidental disability retirement allow-

4 ance, provided, that the medical board, after a medical examination of such
5 member, shall certify that the member is permanently and totally disabled
6 as a direct result of a traumatic event occurring during and as a result of
7 the performance of his regular or assigned duties and that such disability
8 was not the result of the member's willful negligence and that such mem-
9 ber is mentally or physically incapacitated for the performance of usual
10 duties in the Division of State Police which the Superintendent of the State
11 Police is willing to assign to him. The application to accomplish such retire-
12 ment must be filed within 5 years of the original traumatic event, but the
13 board of trustees may consider an application filed after the 5-year period if
14 it can be factually demonstrated to the satisfaction of the board of trustees
15 that the disability is due to the accident and the filing was not accomplished
16 within the 5-year period due to a delayed manifestation of the disability or
17 to the member's continued employment in a restricted capacity consistent
18 with the nature of his disability in the Division of State Police upon and at
19 the written request of the Superintendent, with the concurrence of the
20 Attorney General, or other circumstances beyond the control of the member.

20A b. Upon retirement for accidental disability, a member shall receive an
20B 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 compensation.

24 c. Upon the receipt of proper proofs of the death of a member who has
25 retired on an accidental disability retirement allowance, there shall be
26 paid to such person, if living, as he shall have nominated by written desig-
27 nation duly executed and filed with the retirement system, otherwise to the
28 executor or administrator of the member's estate, an amount equal to $1\frac{1}{2}$
29 times the final compensation received by the member in the last year of
30 creditable service if such death occurs before the member shall have reached
31 55 years of age but if such death occurs thereafter, an amount equal to $\frac{3}{16}$
32 of the final compensation received by the member.

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

1 11. a. Upon the receipt by the retirement system of a written application
2 for a disability retirement allowance, the system shall refer the application
3 to the medical board, which shall designate a physician or physicians to
4 examine the applicant and the report of the medical board shall be considered
5 by the board of trustees in acting upon such application.

6 b. If a disability retirant, under age 55, who was not a member of the
7 former "State Police Retirement and Benevolent Fund" on the effective date
8 of this act, engages in an occupation paying more than the difference be-
9 tween his retirement allowance and the salary and maintenance now attrib-
10 utable to his former position in the Division of State Police, the amount of
11 his pension shall be reduced to an amount which, together with the annuity
12 and the amount of his earnings, shall equal the amount of the salary and
13 maintenance now attributable to his former position in the Division of State
14 Police. Should his earnings be later changed, the amount of his pension
15 shall be further modified, provided, that the new pension shall not exceed
16 the amount of the pension originally granted.

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

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

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

18 (1) his aggregate contributions at the time of death, and

19 (2) an amount equal to 1½ times final compensation.

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

22 d. A member may file, and alter from time to time during his lifetime,
23 as desired, a request with the retirement system naming the payee of the
24 death benefit provided under subsection b. Such member may also file, and
25 alter from time to time during his lifetime, as desired, a request with the
26 retirement system directing payment of said benefit in one sum or in equal
27 annual installments over a period of years or as a life annuity. Upon the
28 death of such member a beneficiary to whom a benefit is payable in one
29 sum may elect to receive the amount payable in equal annual installments
30 over a period of years or as a life annuity.

31 e. For the purposes of subsection b. of this section, a member shall be
32 deemed to be in service for a period of no more than 93 days while on an
33 official leave of absence without pay.

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

9 final compensation will be payable to one surviving child, 35% of final com-
10 pensation to 2 surviving children in equal shares and if there be 3 or more
11 children, 50% of final compensation will be payable to such children in equal
12 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 1½ times final compensation.

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

24 d. A member may file, and alter from time to time during his lifetime,
25 as desired, a request with the retirement system naming the payee of the
26 death benefit provided under subsection b. Such member may also file, and
27 alter from time to time during his lifetime, as desired, a request with the
28 retirement system directing payment of said benefit in one sum or in equal
29 annual installments over a period of years or as a life annuity. Upon the
30 death of such member a beneficiary to whom a benefit is payable in one sum
31 may elect to receive the amount payable in equal annual installments over
32 a period of years or as a life annuity.

33 e. For the purposes of subsection b. of this section, a member shall be
34 deemed to be in service for a period of no more than 93 days while on an
35 official leave of absence without pay.

1 14. a. Upon the death of a member before retirement, provided, that evi-
2 dence shall be submitted to the board of trustees justifying the determina-
3 tion that the natural and proximate cause of such death was an accident met
4 in the actual performance of duty, within 5 years preceding the date of such

5 death, and that such death was not the result of the member's willful negli-
6 gence, an accidental death benefit shall be payable.

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

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

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

22 (1) his aggregate contributions at the time of death, and

23 (2) an amount equal to 1½ times final compensation.

24 d. In no case shall the death benefit provided in subsection b. be less
25 than that provided under subsection c.

26 e. A member may file, and alter from time to time during his lifetime,
27 as desired, a request with the retirement system naming the payee of the
28 death benefit provided under subsection c. Such member may also file, and
29 alter from time to time during his lifetime, as desired, a request with the re-
30 tirement system directing payment of said benefit in one sum or in equal
31 annual installments over a period of years or as a life annuity. Upon the
32 death of such member a beneficiary to whom a benefit is payable in one sum
33 may elect to receive the amount payable in equal annual installments over a
34 period of years or as a life annuity.

1 15. a. Any member of the former "State Police Retirement and Benevo-
2 lent Fund" who becomes a member of the retirement system, will be eligible
3 to purchase the additional death benefit coverage hereinafter described, pro-
4 vided that he selects such coverage within 1 year after the effective date of
5 this act. Such member may terminate his additional death benefit coverage
6 by giving written notice to the retirement system.

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

14 c. The board of trustees shall establish, with the advice of the actuary,
15 schedules of contributions to be made by members while in service and cov-
16 ered by such additional death benefits. Such schedules of contributions shall
17 be subject to adjustment by the board from time to time.

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

23 e. Upon the receipt of proper proofs of the death in service of any mem-
24 ber while covered for the additional death benefit coverage there shall be
25 paid to such person, if living, as the member shall have nominated by writ-
26 ten designation duly executed and filed with the retirement system, otherwise
27 to the executor or administrator of the member's estate, an amount, estab-
28 lished by rules and regulations of the board of trustees, which shall not be
29 less than 1½ times nor more than 2 times the member's final compensation.
30 In the event the member had less than 1 year of creditable service, the bene-
31 fit payable under this subsection shall be an amount, established by rules and

32 regulations of the board of trustees, which shall not be less than $1\frac{1}{2}$ times
33 nor more than 2 times the member's annual rate of salary and maintenance.

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

47 g. Upon receipt of proper proofs of the death of a former member while
48 covered for the additional death benefit coverage pursuant to subsection f.
49 of this section, there shall be paid to such person, if living, as the member
50 shall have nominated by written designation duly executed and filed with the
51 retirement system, otherwise to the executor or administrator of the mem-
52 ber's estate, an amount equal to $\frac{3}{16}$ of the member's final compensation.

53 h. In the case of any officer, non-commissioned officer or trooper of the
54 Division of State Police of the Department of Law and Public Safety of the
55 State of New Jersey becoming a member of the retirement system who was
56 covered on the day immediately prior to the effective date of this act under
57 the then existing group life insurance program of the New Jersey State
58 Police, the board of trustees shall provide for death benefit coverage, in the
59 amounts described in this subsection for such member after he retires and
60 receives a retirement allowance pursuant to the provisions of this act, sub-
61 ject to the conditions hereinafter stated.

62 (1) In order to obtain the coverage during retirement as herein pro-
63 vided, the member must make written request therefor to the board
64 within 90 days of the effective date of this act and must agree to make,
65 after retirement, the contributions required for such coverage as de-
66 scribed by subsection j. of this section, except that if any such officer,
67 non-commissioned officer or trooper was disabled on the effective date of
68 this act but subsequently recovers from such disability and becomes a
69 member of the retirement system, such request may be made within 90
70 days after the date he becomes a member of the retirement system.

71 (2) In no event shall the death benefit coverage described in this
72 subsection apply to any former member who was not covered by the
73 additional death benefits described in subsection e. of this section during
74 the member's last month of creditable service.

75 (3) Each such officer, non-commissioned officer and trooper may
76 cancel his request for the death benefit coverage described herein, either
77 before or after retirement, by giving written notice to the retirement
78 system.

79 The amounts of death benefits provided for under this subsection while the
80 former member is receiving a retirement allowance pursuant to this act shall
81 be the same amount or amounts as would have been continued for such for-
82 mer member after his retirement under the group life insurance program,
83 hereinabove referred to, had such program remained in effect and unchanged
84 and such former member had remained covered thereunder, less an amount
85 equal to $\frac{1}{16}$ of the member's final compensation. The Superintendent of the
86 State Police shall, upon request, certify to the board of trustees the names
87 of the officers, non-commissioned officers and troopers to whom this subsec-
88 tion could have application and such other information as may be necessary
89 in order for the board to determine the amounts of death benefit under this
90 subsection.

91 i. The board of trustees shall provide on and after the effective date of
92 this act for death benefit coverage in the amounts described in this subsec-

93 tion for each former officer, non-commissioned officer and trooper who
94 was covered on the day immediately prior to the effective date of this act
95 under the then existing group life insurance program of the New Jersey
96 State Police and was then retired and receiving retirement benefits under
97 the provisions of the former State Police Retirement and Benevolent Fund,
98 subject to the conditions hereinafter stated:

99 (1) In order to obtain the death benefit coverage as herein provided,
100 such former officer, non-commissioned officer or trooper must make the
101 contributions required for such coverage as described in subsection j. of
102 this section.

103 (2) If coverage or benefits are afforded a former officer, non-com-
104 missioned officer or trooper under the aforesaid group life insurance
105 program of the New Jersey State Police after the effective date of this
106 act by reason of his disability, the death benefits provided by this sub-
107 section shall in no event apply to him unless such coverage and benefits
108 shall cease by reason of his recovery from disability. In such event the
109 foregoing provisions of this subsection shall apply from the date of such
110 cessation.

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

121 j. The contributions required during retirement for the death benefit cov-
122 erage provided for by subsection h. and subsection i. of this section shall be
123 determined from the schedules of contributions established by the board of

124 trustees. Such schedules shall be subject to adjustment by the board from
125 time to time. Such contributions shall be deducted from the former officer's,
126 non-commissioned officer's or trooper's retirement allowance or benefits but
127 if there be no retirement allowance or benefits available from which such
128 contributions may be deducted, it shall be the obligation of such former offi-
129 cer, non-commissioned officer or trooper to make such contribution directly to
130 the retirement system, as required by the system.

131 k. Upon receipt of proper proofs of the death of any former officer, non-
132 commissioned officer or trooper of the New Jersey State Police while cov-
133 ered for death benefit coverage pursuant to the provisions of subsection h.
134 or subsection i. of this section, there shall be paid to such person, if living,
135 as the former officer, non-commissioned officer or trooper shall have nominated
136 by written designation duly executed and filed with the retirement system,
137 otherwise to the executor or administrator of the former officer's, non-com-
138 missioned officer's or trooper's estate, the amount for which he is covered
139 at the time of his death pursuant to said subsection h. or said subsection i.,
140 as the case may be.

141 l. Any other provisions of this act notwithstanding, the contributions of
142 any person for death benefit coverage under this section shall not be return-
143 able to such person or his beneficiary or death benefit payee in any manner,
144 or for any reason whatsoever, nor shall such contributions be included in
145 any annuity payable to any such person or his beneficiary.

146 m. A person covered by the additional death benefit program provided by
147 this section may file with the retirement system, and alter from time to time
148 during his lifetime as desired, a duly attested, written new nomination of the
149 payee of the death benefit provided under this section. Such person may
150 also file and alter from time to time during his lifetime, as desired, a request
151 of the retirement system directing payment of said benefit in one sum or in
152 equal annual installments over a period of years or as a life annuity. Upon
153 the death of any person covered for death benefits pursuant to the provi-
154 sions of this section, a death benefit payee to whom the benefit is payable in

155 one sum, may elect to receive the amount payable in equal installments over
156 a period of years or as a life annuity.

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

162 o. The contributions established by the board of trustees pursuant to the
163 foregoing provisions of this section shall be so computed that the aggregate
164 contributions made by all persons from whom contributions are required
165 shall be sufficient to provide for the cost of the benefits established by this
166 section.

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

1 17. Any life insurance company must meet the following requirements
2 in order to qualify under section 16:

3 a. be licensed under the laws of the State of New Jersey to transact
4 life and accidental death insurance, and

5 b. the amount of its group life insurance in the State of New Jersey shall
6 at the time said insurance is to be purchased equal at least 1% of the total
7 amount of such group life insurance in the State of New Jersey in all life
8 insurance companies.

1 18. The State Treasurer may, in his discretion, determine to purchase
2 group insurance coverage for the non-contributory death benefit provisions
3 as provided in sections 8, 9, 10, 12b, 13b, 14c, 27 and 28, or may determine
4 not to purchase any group insurance coverage for the death benefit provi-
5 sions heretofore mentioned. The board of trustees may, in its discretion,
6 determine to purchase group insurance coverage for additional death bene-
7 fit coverage as provided for in section 15, or may, in its discretion, determine
8 not to purchase any contributory group insurance coverage for the addi-
9 tional death benefit provisions provided in section 15.

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

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

1 20. In the event that the board of trustees shall determine to purchase
2 group insurance coverage for the additional death benefit coverage, the
3 schedule of contributions shall be subject to adjustment by said board of
4 trustees from time to time for the purpose of maintaining the contributory
5 group insurance premium fund at a level sufficient to meet the obligations
6 of the fund for the cost of the insurance.

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

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

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

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

1 23. Any such group policy or policies shall provide that payment of any
2 death benefits which are payable by the insurance company may be made in
3 one sum directly to the beneficiary as hereinafter provided, in equal annual
4 installments over a period of years or as a life annuity or in such other man-
5 ner as may be made available by the insurance company. An insured per-
6 son may make such arrangements for settlement, and may alter from time
7 to time during his lifetime any arrangement previously made, by making
8 written request to the insurance company through the policyholder. Upon
9 the death of an insured person, a beneficiary to whom a benefit is payable
10 in one sum by the insurance company may likewise arrange for a settlement
11 as described above. If an insured person's or beneficiary's request for settle-
12 ment of any death benefit in equal annual installments over a period of years
13 or as a life annuity pursuant to the foregoing is approved by the policy-
14 holder, the amount of such annual installments or such life annuity, as the
15 case may be, shall be determined on the basis of such applicable mortality
16 tables and rates of interest as shall have been adopted by the retirement sys-
17 tem and are in effect at the death of the insured person. Any arrangement
18 for payment under the group policy to a beneficiary shall be in lieu of that
19 provided by sections 8, 9, 10, 12b, 13b, 14c, 15, 27 and 28.

1 24. Notwithstanding any other provision of law, any insurance company
2 or companies issuing such policy or policies may credit the policyholder,
3 in the form of reduced premiums, with savings by said company or com-
4 panies in the event that no brokerage commission or commissions are paid by
5 said company or companies on the issuance of such policy or policies.

1 25. a. Upon the death after retirement of a member of the retirement
2 system who was a member of the former "State Police Retirement and
3 Benevolent Fund" on the effective date of this act, there shall be paid to his
4 widow a pension of 50% of final salary for the use of herself and children
5 of the deceased, to continue during her widowhood; if there is no surviving
6 widow or in case the widow dies or remarries 20% of final compensation
7 will be payable to one surviving child, 35% of final compensation to 2 sur-
8 viving children in equal shares and if there be 3 or more children, 50% of
9 final compensation will be payable to such children in equal shares.

10 b. Upon the death after retirement of any member of the retirement
11 system who was not a member of the former "State Police Retirement and
12 Benevolent Fund" on the effective date of this act there shall be paid to his
13 widow a pension of 25% of final compensation for the use of herself, to
14 continue during her widowhood, plus 15% of final compensation payable to
15 one surviving child or an additional 25% of final compensation to 2 or more
16 children; if there is no surviving widow or in case the widow dies or re-
17 marries, 20% of final compensation will be payable to one surviving child,
18 35% of final compensation to 2 surviving children in equal shares and if
19 there be 3 or more children 50% of final compensation will be payable to such
20 children in equal shares.

1 26. A member who withdraws from service or ceases to be a member for
2 any cause other than death or retirement shall receive the amount of his
3 aggregate contributions upon the filing of a written application as required
4 by the retirement system.

1 27. Should a member resign after having completed 25 years of credit-
2 able service as a full time commissioned officer, non-commissioned officer or

3 trooper of The Division of State Police, before reaching service retirement
4 age, he may elect to receive, in lieu of the payment provided in section 26, a
5 retirement allowance which shall consist of:

6 a. an annuity which shall be the actuarial equivalent of his aggregate
7 contributions and,

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

16 Upon the receipt of proper proof of the death of such a retired member,
17 there shall be paid to such person, if living, as he shall have nominated by
18 written designation duly executed and filed with the retirement system,
19 otherwise to the executor or administrator of the member's estate, an
20 amount equal to $\frac{3}{16}$ of the final compensation received by the member.

1 28. Should a member, after having completed 25 years of creditable
2 service as a full time commissioned officer, non-commissioned officer or
3 trooper of The Division of State Police, be separated voluntarily or invol-
4 untarily from the service, before reaching service retirement age, and not
5 by removal for cause or charges of misconduct or delinquency, such person
6 may elect to receive the payments provided for in sections 26 or 27 or a
7 deferred retirement allowance, beginning at age 55, which shall consist of:

8 a. an annuity which shall be the actuarial equivalent of his aggregate
9 contributions at the time of retirement, and

10 b. a pension in the amount which when added to the member's annuity
11 will provide a total retirement allowance of 2% of his final compensation
12 multiplied by his number of years of creditable service up to 25 plus 1% of
13 his final compensation multiplied by his number of years of creditable serv-

14 ice over 25, provided that such election is communicated by such member to
15 the retirement system in writing stating at what time subsequent to the
16 execution and filing thereof he desires to be retired; and provided further,
17 that such member may later elect to receive payments provided under sec-
18 tions 26 or 27, or if such member shall die before attaining age 55, his aggre-
19 gate contributions shall be paid to such person, if living, as he shall have
20 nominated by written designation duly executed and filed with the retire-
21 ment system, otherwise to the executor or administrator of the member's
22 estate.

23 Upon the receipt of proper proofs of the death of a member who was
24 receiving a deferred retirement allowance, there shall be paid to such person,
25 if living, as he shall have nominated by written designation duly executed
26 and filed with the retirement system, otherwise to the executor or admin-
27 istrator of the member's estate, an amount equal to $\frac{3}{16}$ of the final compen-
28 sation received by the member.

1 29. Any member who has at least 3 years of service for which he has con-
2 tributed as a member may borrow from the retirement system, an amount
3 equal to not more than 50% of the amount of his aggregate contributions, but
4 not less than \$50.00; provided, that the amount so borrowed, together with in-
5 terest thereon, can be repaid by additional deductions from salary, not in ex-
6 cess of 25% of the member's salary, made at the time the salary is paid to the
7 member but not after the attainment of age 55. The amount so borrowed, to-
8 gether with interest at the rate of 4% per annum on any unpaid balance
9 thereof, shall be repaid to the retirement system in equal installments by de-
10 ductions from the salary of the member at the time the salary is paid or in
11 such lump sum amounts as the board of trustees shall approve, but such in-
12 stallments shall be at least equal to the member's contribution to the retire-
13 ment system and at least sufficient to repay the amount borrowed with interest
14 thereon by the time the member attains age 55. Not more than 2 loans may be
15 granted to any member in any calendar year. Notwithstanding any other law
16 affecting the salary or compensation of any person or persons to whom this act

17 applies or shall apply, the additional deductions required to repay the loan
18 shall be made. Any unpaid balance of a loan at the time any benefit may be-
19 come payable shall be deducted from the benefit otherwise payable.

20 Loans may be made to a member from his aggregate contributions. In ad-
21 dition the board of trustees is hereby authorized to set aside moneys within
22 the contingent reserve fund from which loans to members may be made. If
23 such moneys are used for the purpose of making loans, the interest earned on
24 such loans shall be treated in the same manner as interest earned from invest-
25 ments of the retirement system.

1 30. a. The general responsibility for the proper operation of the retirement
2 system is hereby vested in the board of trustees which shall be organized im-
3 mediately after 3 of the trustees provided for in this section have qualified and
4 taken the oath of office.

5 b. The board shall consist of 5 trustees as follows:

6 (1) Two active members of the system who shall be appointed by the
7 Superintendent of State Police, who shall serve at the pleasure of the Super-
8 intendent and until their successors are appointed and one of whom shall be
9-11 a commissioned officer of the Division of State Police.

12 (2) Two members to be appointed by the Governor, who shall serve at the
13 pleasure of the Governor and until their successors are appointed and who
14 shall be private citizens of the State of New Jersey.

15 (3) The State Treasurer, ex officio. The Deputy State Treasurer, when
16 designated for that purpose by the State Treasurer, may sit as a member of
17 the board of trustees and when so sitting shall have all the powers and shall
18 perform all the duties vested by this act in the State Treasurer.

19-22 c. Each trustee shall, after his appointment or election, take an oath of
23 office that, so far as it devolves upon him, he will diligently and honestly fulfill
24 his duties as a board member, and that he will not knowingly violate or permit
25 to be violated any of the provisions of the law applicable to the retirement
26 system. Such oath shall be subscribed by the member taking it, and certified by
27 the official before whom it is taken, and immediately filed in the office of the
28 Secretary of State.

29 d. If a vacancy occurs in the office of a trustee, the vacancy shall be filled
30 for the unexpired term in the same manner as the office was previously filled.

31 e. The trustees shall serve without compensation, but they shall be reim-
32 bursed by the State for all necessary expenses that they may incur through
33 service on the board. No employee member shall suffer loss of salary through
34 the serving on the board.

35 f. Except as otherwise herein provided, no member of the board of
36 trustees shall have any direct interest in the gains or profits of any invest-
37 ments of the retirement system; nor shall any member of the board of
38 trustees directly or indirectly, for himself or as an agent in any manner use
39 the moneys of the retirement system, except to make such current and neces-
40 sary payments as are authorized by the board of trustees; nor shall any mem-
41 ber of the board of trustees become an endorser or surety, or in any manner
42 an obligor for moneys loaned to or borrowed from the retirement system.

43 g. Each trustee shall be entitled to one vote in the board. A majority
44 vote of all trustees shall be necessary for any decision by the trustees at any
45 meeting of said board.

46 h. Subject to the limitations of this act, the board of trustees shall, from
47 time to time, establish rules and regulations for the administration of the
48 funds created by this act and for the transaction of its business.

49 i. The board shall designate an actuary who shall be the technical ad-
50 viser of the board on matters regarding the operation of the funds created by
51 the provisions of this act and shall perform such other duties as are required
52 in connection herewith.

53 j. The Attorney General shall be the legal adviser of the retirement
54 system.

55 k. The Chief of the Bureau of Police and Fire Funds of the Division of
56 Pensions of the State Department of the Treasury shall be the secretary of
57 the board.

58 l. The board of trustees shall keep a record of all of its proceedings
59 which shall be open to public inspection. It shall publish annually a report

60 showing the fiscal transactions of the retirement system for the preceding
61 year, the amount of the accumulated cash and securities of the system and the
62 last balance sheet showing the financial condition of the system by means of
63 an actuarial valuation of the assets and liabilities of the retirement system.

64 m. The board of trustees shall designate a medical board to be composed
65 of 3 physicians. As required, other physicians may be employed to examine
66 members where medical evidence is prescribed. The medical board shall pass
67 on all medical examinations required under the provisions of this act, and
68 shall report in writing to the board of trustees its conclusions and recom-
69 mendations upon all matters referred to it.

70 n. The various funds created by this act shall be subject to the super-
71 vision of the Department of Banking and Insurance of the State of New
72 Jersey.

1 31a. The board of trustees shall be and are hereby constituted trustees
2 of all the various funds established by this act except the group insurance
3 premium fund; provided, however, that all functions, powers, and duties
4 relating to the investment or reinvestment of moneys of, and purchase, sale,
5 or exchange of any investments or securities, of or for any fund established
6 under this act, shall be exercised and performed by the Director of the Di-
7 vision of Investment in accordance with the provisions of chapter 270, P. L.
8 1950, as amended and supplemented.

9 b. The secretary of the board shall determine from time to time the cash
10 requirements of the various funds established by this act and the amount
11 available for investment, all of which shall be certified to the State Treas-
12 urer and the Director of the Division of Investment.

13 c. The Treasurer of the State of New Jersey shall be the custodian of
14 the several funds. All payments from said funds shall be made by him only
15 upon vouchers signed by the secretary and the chairman of the board of trus-
16 tees. A duly attested copy of the resolution of the board of trustees desig-
17 nating the chairman' and bearing on its face specimen signatures of the
18 chairman and the secretary shall be filed with the treasurer as his author-
19 ity for making payments upon such vouchers.

20 d. The administration of the program shall be performed by the person-
21 nel of the Division of Pensions of the State Department of the Treasury
22 and the costs of administration shall be borne by the State.

1 32. The actuary appointed by the board shall recommend such data as
2 shall be necessary for actuarial valuation of the various funds created by
3 this act. Once in every 5-year period after the effective date of this act, the
4 actuary shall make an actuarial investigation into the mortality, service and
5 compensation experience of the members and beneficiaries and shall make a
6 valuation of the assets and liabilities of the various funds created by this
7 act. Upon the basis of such investigation and valuation the board shall
8 adopt for the retirement system such mortality, service and other tables as
9 shall be deemed necessary.

10 Immediately after the establishment of the retirement system the actu-
11 ary shall prepare and submit to the board the mortality and service tables
12 which he recommends for adoption. The board shall adopt such tables as
13 it deems necessary in accordance with this recommendation.

1 33. Under this act there shall be established a Contingent Reserve Fund,
2 the Annuity Savings Fund, the Retirement Reserve Fund and the Member's
3 Death Benefit Fund.

1 34. The Contingent Reserve Fund shall be the fund in which shall be cred-
2 ited contributions made by the State.

3 a. Upon the basis of such tables as the board adopts and regular in-
4 terest, the actuary shall compute annually the amount of the contribution,
5 expressed as a proportion of the salaries paid to all employees, which if paid
6 monthly during the entire prospective service of the employees, will be suf-
7 ficient to provide for the pension reserves required at the time of the discon-
8 tinuance of active service to cover all pensions to which they may be entitled
9 or which are payable on their account and to provide for the amount of the
10 death benefits payable on their account by the State, which are not covered
11 by accrued liability contributions, to be made as provided in subsection b.
12 hereof, and the funds in hand available for such benefits.

13 b. Upon the basis of such tables as the board adopts, and regular in-
14 terest, the actuary shall compute annually, the amount of the liability which
15 has accrued by reason of allowances to be granted on account of services
16 rendered by members of the former "State Police Retirement and Benev-
17 olent Fund" which has not already been covered by previous State contri-
18 butions to the former system. Using the total amount of this liability re-
19 maining as a basis, he shall compute the amount of the flat annual payment,
20 which, if paid in each succeeding fiscal year, commencing with July 1, 1966,
21 for a period of 30 years, will provide for this liability.

22 c. The actuary shall certify annually the aggregate amount payable to
23 the Contingent Reserve Fund in the ensuing year, which amount shall be
24 equal to the sum of the proportion of the earnable salary of all members,
25 computed as described in subsection a. hereof and of the State's accrued lia-
26 bility contribution, payable in the ensuing year, as described in subsection
27 b. hereof. The State shall pay into the Contingent Reserve Fund during the
28 ensuing year the amount so determined. In the event the amount certified
29 to be paid by the State includes amounts due for services rendered by mem-
30 bers to specific instrumentalities or authorities the total amount so certified
31 shall be paid to the retirement system by the State; provided, however, the
32 full cost attributable to such services rendered to such instrumentalities and
33 authorities shall be computed separately by the actuary and the State shall
34 be reimbursed for such amounts by such instrumentalities or authorities.

35 The cash death benefits, payable as the result of contribution by the State
36 under the provisions of this act upon the death of a member in active service
37 and after retirement shall be paid from the Contingent Reserve Fund.

1 35. The Annuity Savings Fund shall be the fund in which shall be accu-
2 mulated the contributions from the salary of members to provide for their
3 annuities. The aggregate contributions of a member withdrawn by him or
4 paid to his estate or his designated beneficiary in the event of his death as
5 provided in this act shall be paid from the Annuity Savings Fund. Upon the
6 retirement or death of a member where the aggregate contributions of the

7 member are to be provided in the form of an annuity, the aggregate contri-
8 butions of the member shall be transferred from the Annuity Savings Fund
9 to the Retirement Reserve Fund.

1 36. The Retirement Reserve Fund shall be the fund in which shall be
2 held the reserves on all retirement allowances and pensions granted to mem-
3 bers or their beneficiaries and from which all retirement allowances and
4 pensions shall be paid. It will be the fund which will receive all of the accu-
5 mulated reserves of the former "State Police Retirement and Benevolent
6 Fund," except as otherwise provided.

7 Upon the retirement of a member, the aggregate contributions of the
8 member shall be transferred to the Retirement Reserve Fund from the An-
9 nuity Savings Fund. The reserve needed to produce the balance of the re-
10 tirement allowance shall be transferred from the Contingent Reserve Fund.
11 If the pension or annuity of a member who has been retired is subsequently
12 canceled, the appropriate reserve shall be transferred to the Annuity Sav-
13 ings Fund and the Contingent Reserve Fund.

14 Any surplus or deficit developing in the Retirement Reserve Fund shall
15 be adjusted from time to time by transfer to or from the Contingent Reserve
16 Fund by appropriate action of the board of trustees with the advice of the
17 actuary.

1 37. The Members' Death Benefit Fund shall be the fund in which shall be
2 accumulated the contributions from the salary of members to provide for
3 their additional death benefits as provided by section 15 of this act. Upon
4 the death of a member electing the additional death benefit, the additional
5 death benefit payable shall be paid from the Member's Death Benefit Fund.

1 38. There shall be deducted from the payroll of each active member of
2 the system 6% of the amount of his salary, which shall be turned over to
3 the State Treasurer and be credited by him to the account of the State
4 Police Retirement System. The deductions provided for herein shall be made
5 notwithstanding that the minimum salary provided for by law for any mem-
6 ber shall be reduced thereby. Every member shall be deemed to consent and

7 agree to the deductions made and provided for herein, and payment of salary
8 or compensation less said deduction shall be a full and complete discharge and
9 acquittance of all claims and demands whatsoever for the service rendered
10 by such person during the period covered by such payment, except as to the
11 benefits provided under this act.

1 39. Regular interest charges payable, the creation and maintenance of
2 reserves in the Contingent Reserve Fund, the maintenance of retirement
3 reserves as provided for in this act and the payment of all retirement
4 allowances and other benefits granted by the board of trustees under the pro-
5 visions of this act are hereby made obligations of the State. All income, in-
6 terest and dividends derived from deposits and investments authorized by
7 this act shall be used for the payment of these obligations of the State.

8 Upon the basis of each actuarial determination and appraisal provided
9 for in this act an itemized estimate of the amounts necessary to be appropri-
10 ated by the State to the various funds to provide for payment in full during
11 the ensuing fiscal year of the obligations of the State accruing during that
12 year shall be submitted by the retirement system to the Governor so that it
13 may be included in the budget request submitted by the Governor to Legisla-
14 ture. The Legislature shall make an appropriation sufficient to provide for
15 such obligations of the State. The amounts so appropriated shall be paid
16 into the various funds created by this act.

1 40. While $\frac{1}{8}$ of the 2% tax collected by the State Tax Commissioner
2 under section 54:17-1 of the Title Taxation from insurance companies of
3 other States and foreign countries, on premiums of insurance against auto-
4 mobile liability, automobile property damage, automobile collision and auto-
5 mobile fire and theft insurance risks in this State, were turned over monthly
6 by the State Tax Commissioner to the State Treasurer to be added to the
7 former "State Police Retirement and Benevolent Fund" the proceeds of
8 such tax shall henceforth be paid to the State Treasurer for deposit in the
9 funds of the General Treasury.

1 41. a. No other provision of the law in any other statute which provides
2 wholly or partly at the expense of the State of New Jersey for pensions or
3 retirement benefits for members of this system and for beneficiaries shall
4 apply to such members or beneficiaries.

5 b. Notwithstanding anything to the contrary, the retirement system shall
6 not be liable for the payment of any pensions or other benefits to any mem-
7 ber or beneficiary for which reserves have not been previously created from
8 funds contributed by the members or the State for such benefits.

1 42. Any person who shall knowingly make any false statement or shall
2 falsify or permit to be falsified any record or records of this retirement
3 system in any attempt to defraud such system as a result of such act shall
4 be guilty of a misdemeanor and shall be punishable therefor under the laws
5 of the State of New Jersey. Should any change or error in the records re-
6 sult in any member or person receiving from the retirement system more or
7 less than he would have been entitled to receive had the records been correct,
8 the board of trustees shall, as far as practicable, correct such error and ad-
9 just the payments in such manner that the actuarial equivalent of the bene-
10 fit to which such member or beneficiary was correctly entitled shall be paid.

1 43. Any member or any beneficiary who has been or, in the future, may
2 be retired, or receive a pension, benefit or retirement allowance, including
3 an annuity, pursuant to the provisions of this act, may, by filing written re-
4 quest with the retirement system, waive payment of a portion of the pension,
5 benefit, or retirement allowance, including annuity, to which he may be en-
6 titled.

7 Upon the receipt of such waiver, and until the same is withdrawn, al-
8 tered or revoked by a subsequent written request, similarly filed, the retire-
9 ment system shall pay a reduced pension, benefit, retirement allowance or
10 annuity as shall be requested in such waiver. The member or the beneficiary
11 shall not be entitled to a refund, or credit, for such moneys as shall have
12 been waived during the period such waiver has been in effect.

1 44. Whenever any person shall, in writing, request and authorize the
2 retirement system to make deductions from his retirement allowance or pen-
3 sion for the purpose of paying premiums for any hospital service plan and
4 any medical-surgical plan which meets with minimum participation require-
5 ments established by rules and regulations of the board of trustees, the re-
6 tirement system may make such deductions and transmit the sums so de-
7 ducted directly to the company carrying the policy or policies. Any such
8 authorization may be withdrawn by any member upon filing written notice
9 of such withdrawal with the retirement system.

1 45. The right of a person to a pension, an annuity, or a retirement al-
2 lowance, to the return of contributions, any benefit or right accrued or ac-
3 cruing to a person under the provisions of this act and the moneys in the
4 various funds created under this act, shall be exempt from any State or
5 municipal tax and from levy and sale, garnishment, attachment or any other
6 process arising out of any State or Federal court, and, except as in this act
7 otherwise provided, shall be unassignable.

1 46. If any provision, section, or part of any section of this act is de-
2 clared to be unconstitutional, the same shall not be held to affect any other
3 section or provision of this act, and the remainder of this act shall in no
4 wise thereby be invalidated.

1 47. This act shall be known as the "State Police Retirement System
2 Act."

1 48. This act shall take effect July 1, 1965.

SENATE COMMITTEE AMENDMENTS TO

SENATE, No. 219

STATE OF NEW JERSEY

ADOPTED MARCH 22, 1965

Amend page 4, section 3, line 28, delete "average".

Amend page 4, section 3, line 29, delete the words "in the last 12 months of creditable service", insert "immediately".

Amend page 4, section 3, line 32, delete "average".

Amend page 4, section 3, line 32, after "member" delete "in".

Amend page 4, section 3, line 33, delete "the last 12 months of creditable service", insert "immediately".

FISCAL NOTE TO
SENATE, No. 219

STATE OF NEW JERSEY

DATED: MAY 3, 1965

This bill repeals the present State Police Retirement and Benevolent Fund and establishes in its place the State Police Retirement System, effective July 1, 1965.

The June 30, 1962, actuarial study covered 918 active lives earning salary and maintenance totaling \$6,205,701.00. At that time, there were 230 pensioners and beneficiaries receiving annual pensions in the amount of \$758,725.00. The total liabilities of the fund was found to be \$58,142,863.00, of which \$43,145,191.00 would not be met by the assets of the fund and prospective contributions from members and the State. This actuarial deficiency was increasing at a rate of \$2,300,000.00 a year. The accruing interest was making the deficit grow larger and larger. Funding the 1962 deficit over a 30-year period would have at that time required an annual State contribution of \$3,500,000.00.

This bill (Senate Bill No. 219), projected to July 1, 1965, is estimated on 1,165 authorized State Police positions, which will increase by October 1, 1965, to 1,215 positions, which will be receiving at that time a total aggregate salary and maintenance allowance of \$9,644,000.00 per annum. There are now 279 pensioners and beneficiaries receiving total benefits of \$985,882.00 per year.

The growth in membership, the liberalizations in the benefit structure, the change in actuarial assumptions involving the normal and compulsory retirement ages, the payment of benefits to retired members and beneficiaries on the basis of final salary and the additional 5 years' delay in meeting the amortization schedules established by the 1962 valuation study, together with the accruing interest on the debt, has brought the total cost for the year 1966-1967 of the new system under this bill to \$6,203,000.00.

The Turnpike and Highway Authorities contribute to the system upon the basis of the number of members of the pension system assigned to policing them. These contributions are applied as revenues to the fund and reduce to that extent the over-all liability of the fund.

The contributions of the Turnpike and Highway Authorities will increase from \$325,000.00 for the current fiscal year to \$838,300.00 in the next fiscal year, and to \$871,000.00 in the 1966-1967 fiscal year.

This bill repeals R. S. 53:5-6 which provides that $\frac{1}{8}$ of the 2% tax collected by the State Tax Commissioner apply to automobile insurance premiums which formerly went directly into the State Police Benevolent Fund.

To liquidate the accrued liability, as of this date, the State's contribution includes 2.5 million dollars to be paid for each of the next 30 years.

The normal annual cost over and above the present \$6,203,000.00 will increase year by year for the next 30 years upon the basis of new personnel added and salary increases granted to the membership.

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

[OFFICIAL COPY REPRINT]

SENATE, No. 219

STATE OF NEW JERSEY

INTRODUCED MARCH 15, 1965

By Senators RIDOLFI and OZZARD

Referred to Committee on Public Safety, Defense and Veterans Affairs

AN ACT establishing the State Police Retirement System, specifying contributions to be paid and benefit rights therein, and repealing chapter 5 of Title 53 of the Revised Statutes, including acts amendatory thereof and supplementary thereto.

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

ARTICLE I

1 1. Chapter 5 of Title 53 of the Revised Statutes of New Jersey and all
2 amendments and supplements thereto, designated as the "State Police Re-
3 tirement and Benevolent Fund," is repealed as of the effective date of this
4 act.

1 2. Repeal of chapter 5 of Title 53 of the Revised Statutes of New Jersey
2 and all amendments and supplements thereto is subject to the following pro-
3 visos:

4 a. Any person retired under any of the provisions of said chapter and
5 receiving or entitled to receive benefits thereunder, prior to its repeal, shall
6 continue to receive the same benefits or shall continue to be entitled to re-
7 ceive the same benefits, to the same extent and in the same manner, as if
8 such chapter had not been repealed.

9 b. Any beneficiary receiving an allowance or eligible to receive an allow-
10 ance under such chapter shall continue to receive or be eligible to receive such
11 allowance as provided under such chapter.

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

12 c. Any person electing to have deductions for medical and hospital in-
13 surance subtracted from his pension shall continue to have such deductions
14 subtracted as if such chapter had not been repealed.

15 d. Any person retired for disability under such chapter and receiving
16 benefits or entitled to receive benefits thereunder and any person receiving
17 death benefits as a result of the death of a member under such chapter, prior
18 to its repeal, shall continue to receive the same, or shall continue to be en-
19 titled to receive the same to such extent and in such manner as if such chap-
20 ter had not been repealed.

21 e. Any person who, as of the effective date of this act, meets the require-
22 ments for retirement under such chapter, may make such application and be
23 retired on or before the effective date of this act, as if such chapter had not
24 been repealed. He shall thereafter receive benefits to the same extent and in
25 the same manner as if such chapter had not been repealed.

26 f. If any person having made contributions under such chapter dies
27 prior to its repeal, but before retirement, his eligible beneficiaries shall re-
28 ceive the benefits provided by such chapter to the same extent and in the
29 same manner as if such chapter had not been repealed.

30 g. Interest on the contributions made by persons pursuant to the pro-
31 visions of such chapter shall cease to accrue as of the effective date of this
32 act.

33 h. The contributions, and accumulated interest thereon, made by persons
34 pursuant to such chapter shall be transferred to the Annuity Savings Fund
35 of the retirement system established by this act.

36 i. The accumulated reserves, constituting the moneys set aside under
37 such chapter for the payment of all pensions and death benefits allowed,
38 shall be transferred to and become merged with the Retirement Reserve Fund
39 of the retirement system established by this act.

40 j. The authorization and direction to control and manage the payment
41 of benefits under the "State Police Retirement and Benevolent Fund" is
42 hereby transferred to the board of trustees of the State Police Retirement
43 System established by this act.

44 k. The records of the "State Police Retirement and Benevolent Fund"
45 shall be transferred to the board of trustees of the State Police Retirement
46 System established by this act.

ARTICLE II

1 3. As used in this act:

2 a. "Aggregate contributions" means the sum of all the amounts, deducted
3 from the salary of a member or contributed by him, standing to the credit
4 of his individual account in the Annuity Savings Fund. Interest credited on
5 contributions to the former "State Police Retirement and Benevolent Fund"
6 shall be included in a member's aggregate contributions.

7 b. "Annuity" means payments for life derived from the aggregate con-
8 tributions of a member. All annuities shall be paid in equal monthly install-
9 ments.

10 c. "Annuity reserve" means the present value of all payments to be
11 made on account of any annuity or benefit in lieu of an annuity, computed
12 upon the basis of such mortality tables as the board of trustees adopts and
13 regular interest.

14 d. "Beneficiary" means any person entitled to receive any benefit pur-
15 suant to the provisions of this act by reason of the death of a member or re-
16 tirant.

17 e. "Board of trustees" or "board" means the board provided by this
18 act to administer this retirement system.

19 f. "Child" means a deceased member's unmarried child under the age
20 of 18.

21 g. "Creditable service" means service rendered for which credit is al-
22 lowed on the basis of contributions made by the member or the State.

23 h. "Dependent parent" means the parent of a member who was receiving
24 at least $\frac{1}{2}$ of his support from the member in the 12-month period immedi-
25 ately preceding the member's death. The dependency of such a parent will
26 be considered terminated by marriage of the parent subsequent to the death
27 of the member.

28 i. "Final compensation" means the ***[average]*** compensation received
29 by the member ***[in the last 12 months of creditable service]*** **immediately**
30 preceding his retirement or death. Such term includes the value of the mem-
31 ber's maintenance allowance for this same period.

32 j. "Final salary" means the ***[average]*** salary received by the mem-
33 ber ***[in the last 12 months of creditable service]*** **immediately** preceding
34 his retirement or death. Such term shall not include the value of the mem-
34A ber's maintenance allowance.

35 k. "Fiscal year" means any year commencing with July 1 and ending
36 with June 30 next following.

37 l. "Medical board" means the board of physicians provided for in this
38 act.

39 m. "Member" means any full-time, commissioned officer, non-commis-
40 sioned officer or trooper of the Division of State Police of the Department of
41 Law and Public Safety of the State of New Jersey enrolled in the retire-
42 ment system established by this act.

43 n. "Pension" means payment for life derived from contributions by the
44 State. All pensions shall be paid in equal monthly installments.

45 o. "Pension reserve" means the present value of all payments to be
46 made on account of any pension or benefit in lieu of any pension computed
47 on the basis of such mortality tables as shall be adopted by the board of
48 trustees and regular interest.

49 p. "Regular interest" means interest as determined from time to time by
50 the board of trustees. The regular interest rate shall be limited to a mini-
51 mum of 3% and a maximum of 4% per annum.

52 q. "Retirant" means any former member receiving a retirement allow-
53 ance as provided by this act.

54 r. "Retirement allowance" means the sum of the pension and the annu-
55 ity. All retirement allowances shall be paid in equal monthly installments.

56 s. "State Police Retirement System of New Jersey," herein also referred
57 to as the "retirement system," is the corporate name of the arrangement for
58 the payment of retirement allowances and of the benefits under the provi-

59 sions of this act and for the system including the several funds created and
60 placed under the management of the board of trustees of said system. By
61 that name, all of its business shall be transacted, its funds invested, war-
62 rants for moneys drawn, and payments made and all of its cash and securi-
63 ties and other property held. All assets held in the name of the former "State
64 Police Retirement and Benevolent Fund" shall be transferred to the retire-
65 ment system established by this act.

66 t. "Widow" means the woman to whom a member was married before
67 he attained 50 years of age and to whom he continued to be married until
68 the date of his death and who has not remarried subsequent to the member's
69 death.

1 4. There is hereby established the "State Police Retirement System of
2 New Jersey" in the Division of Pensions of the Department of the Treasury.
3 It shall have the powers and privileges of a corporation. Its purpose is to
4 provide retirement allowances and other benefits for its members and their
5 beneficiaries in accordance with the provisions of this act.

1 5. The membership of the retirement system shall include:

2 a. The members of the former "State Police Retirement and Benevolent
3 Fund."

4 b. Any person becoming a full time commissioned officer, non-commis-
5 sioned officer or trooper of the Division of State Police of the Department
6 of Law and Public Safety of the State of New Jersey provided that the
7 Division of State Police certifies that he has satisfied the age and health
8 requirements prescribed for members of the State Police force.

9 Membership in the retirement system is a condition of employment for
10 such officers, non-commissioned officers and troopers.

1 6. a. Except as provided in subsection b of this section, only service as
2 a full time commissioned officer, non-commissioned officer or trooper rendered
3 as a member, and service credit which was transferred from the former
4 "State Police Retirement and Benevolent Fund," shall, if the required con-
5 tributions are made by the State and the member, be considered as creditable

6 service. A member on suspension shall be considered in service for the period
7 of the suspension, but the period of suspension shall not be considered as
8 creditable service unless the member receives salary therefor.

9 b. Any member of the retirement system, who, prior to becoming a mem-
10 ber, had established service credits in another retirement system supported
11 in whole or in part by the State, or who had rendered service to the State
12 prior to becoming a member, for which he desires to establish credit in this
13 retirement system, shall be permitted to purchase such credit upon the pay-
14 ment of an amount determined by the board of trustees on the basis of
15 factors supplied by the actuary, as being applicable to the member's age and
16 salary at the time he agrees to make the purchase. If such credit is estab-
17 lished, it shall be included in the computation of a retirement allowance on
18 the basis of 1% of final compensation for each year of such service credit.

19 c. Not more than 1 year shall be credited for all service in a calendar
20 year.

1 7. Membership in the retirement system shall cease upon retirement,
2 withdrawal or death.

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

9 (1) Any annuity which shall be the actuarial equivalent of his aggregate
10 contributions at the time of retirement, and

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

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

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

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

36 (2) A pension in the amount which when added to the member's annu-
37 ity will provide a total retirement allowance of 2% of his final compensation
37A multiplied by his number of years of creditable service up to 25 plus 1% of
37B his final compensation multiplied by his number of years of creditable serv-
37C ice over 25.

38 c. Upon the receipt of proper proofs of the death of a member who has
39 retired on a service retirement allowance, there shall be paid to such person,
40 if living, as he shall have nominated by written designation duly executed
41 and filed with the retirement system, otherwise to the executor or admin-
42 istrator of the member's estate, an amount equal to $\frac{3}{16}$ of the final compen-
43 sation received by the member.

4 ance, provided, that the medical board, after a medical examination of such
5 member, shall certify that the member is permanently and totally disabled
6 as a direct result of a traumatic event occurring during and as a result of
7 the performance of his regular or assigned duties and that such disability
8 was not the result of the member's willful negligence and that such mem-
9 ber is mentally or physically incapacitated for the performance of usual
10 duties in the Division of State Police which the Superintendent of the State
11 Police is willing to assign to him. The application to accomplish such retire-
12 ment must be filed within 5 years of the original traumatic event, but the
13 board of trustees may consider an application filed after the 5-year period if
14 it can be factually demonstrated to the satisfaction of the board of trustees
15 that the disability is due to the accident and the filing was not accomplished
16 within the 5-year period due to a delayed manifestation of the disability or
17 to the member's continued employment in a restricted capacity consistent
18 with the nature of his disability in the Division of State Police upon and at
19 the written request of the Superintendent, with the concurrence of the
20 Attorney General, or other circumstances beyond the control of the member.

20A b. Upon retirement for accidental disability, a member shall receive an
20B 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 compensation.

24 c. Upon the receipt of proper proofs of the death of a member who has
25 retired on an accidental disability retirement allowance, there shall be
26 paid to such person, if living, as he shall have nominated by written desig-
27 nation duly executed and filed with the retirement system, otherwise to the
28 executor or administrator of the member's estate, an amount equal to $1\frac{1}{2}$
29 times the final compensation received by the member in the last year of
30 creditable service if such death occurs before the member shall have reached
31 55 years of age but if such death occurs thereafter, an amount equal to $\frac{3}{16}$
32 of the final compensation received by the member.

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

1 11. a. Upon the receipt by the retirement system of a written application
2 for a disability retirement allowance, the system shall refer the application
3 to the medical board, which shall designate a physician or physicians to
4 examine the applicant and the report of the medical board shall be considered
5 by the board of trustees in acting upon such application.

6 b. If a disability retirant, under age 55, who was not a member of the
7 former "State Police Retirement and Benevolent Fund" on the effective date
8 of this act, engages in an occupation paying more than the difference be-
9 tween his retirement allowance and the salary and maintenance now attrib-
10 utable to his former position in the Division of State Police, the amount of
11 his pension shall be reduced to an amount which, together with the annuity
12 and the amount of his earnings, shall equal the amount of the salary and
13 maintenance now attributable to his former position in the Division of State
14 Police. Should his earnings be later changed, the amount of his pension
15 shall be further modified, provided, that the new pension shall not exceed
16 the amount of the pension originally granted.

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

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

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

18 (1) his aggregate contributions at the time of death, and

19 (2) an amount equal to $1\frac{1}{2}$ times final compensation.

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

22 d. A member may file, and alter from time to time during his lifetime,
23 as desired, a request with the retirement system naming the payee of the
24 death benefit provided under subsection b. Such member may also file, and
25 alter from time to time during his lifetime, as desired, a request with the
26 retirement system directing payment of said benefit in one sum or in equal
27 annual installments over a period of years or as a life annuity. Upon the
28 death of such member a beneficiary to whom a benefit is payable in one
29 sum may elect to receive the amount payable in equal annual installments
30 over a period of years or as a life annuity.

31 e. For the purposes of subsection b. of this section, a member shall be
32 deemed to be in service for a period of no more than 93 days while on an
33 official leave of absence without pay.

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

9 final compensation will be payable to one surviving child, 35% of final com-
10 pensation to 2 surviving children in equal shares and if there be 3 or more
11 children, 50% of final compensation will be payable to such children in equal
12 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 $1\frac{1}{2}$ times final compensation.

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

24 d. A member may file, and alter from time to time during his lifetime,
25 as desired, a request with the retirement system naming the payee of the
26 death benefit provided under subsection b. Such member may also file, and
27 alter from time to time during his lifetime, as desired, a request with the
28 retirement system directing payment of said benefit in one sum or in equal
29 annual installments over a period of years or as a life annuity. Upon the
30 death of such member a beneficiary to whom a benefit is payable in one sum
31 may elect to receive the amount payable in equal annual installments over
32 a period of years or as a life annuity.

33 e. For the purposes of subsection b. of this section, a member shall be
34 deemed to be in service for a period of no more than 93 days while on an
35 official leave of absence without pay.

1 14. a. Upon the death of a member before retirement, provided, that evi-
2 dence shall be submitted to the board of trustees justifying the determina-
3 tion that the natural and proximate cause of such death was an accident met
4 in the actual performance of duty, within 5 years preceding the date of such

5 death, and that such death was not the result of the member's willful negli-
6 gence, an accidental death benefit shall be payable.

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

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

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

22 (1) his aggregate contributions at the time of death, and

23 (2) an amount equal to 1½ times final compensation.

24 d. In no case shall the death benefit provided in subsection b. be less
25 than that provided under subsection c.

26 e. A member may file, and alter from time to time during his lifetime,
27 as desired, a request with the retirement system naming the payee of the
28 death benefit provided under subsection c. Such member may also file, and
29 alter from time to time during his lifetime, as desired, a request with the re-
30 tirement system directing payment of said benefit in one sum or in equal
31 annual installments over a period of years or as a life annuity. Upon the
32 death of such member a beneficiary to whom a benefit is payable in one sum
33 may elect to receive the amount payable in equal annual installments over a
34 period of years or as a life annuity.

1 15. a. Any member of the former "State Police Retirement and Benevo-
2 lent Fund" who becomes a member of the retirement system, will be eligible
3 to purchase the additional death benefit coverage hereinafter described, pro-
4 vided that he selects such coverage within 1 year after the effective date of
5 this act. Such member may terminate his additional death benefit coverage
6 by giving written notice to the retirement system.

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

14 c. The board of trustees shall establish, with the advice of the actuary,
15 schedules of contributions to be made by members while in service and cov-
16 ered by such additional death benefits. Such schedules of contributions shall
17 be subject to adjustment by the board from time to time.

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

23 e. Upon the receipt of proper proofs of the death in service of any mem-
24 ber while covered for the additional death benefit coverage there shall be
25 paid to such person, if living, as the member shall have nominated by writ-
26 ten designation duly executed and filed with the retirement system, otherwise
27 to the executor or administrator of the member's estate, an amount, estab-
28 lished by rules and regulations of the board of trustees, which shall not be
29 less than $1\frac{1}{2}$ times nor more than 2 times the member's final compensation.
30 In the event the member had less than 1 year of creditable service, the bene-
31 fit payable under this subsection shall be an amount, established by rules and

32 regulations of the board of trustees, which shall not be less than 1½ times
33 nor more than 2 times the member's annual rate of salary and maintenance.

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

47 g. Upon receipt of proper proofs of the death of a former member while
48 covered for the additional death benefit coverage pursuant to subsection f.
49 of this section, there shall be paid to such person, if living, as the member
50 shall have nominated by written designation duly executed and filed with the
51 retirement system, otherwise to the executor or administrator of the mem-
52 ber's estate, an amount equal to 3/16 of the member's final compensation.

53 h. In the case of any officer, non-commissioned officer or trooper of the
54 Division of State Police of the Department of Law and Public Safety of the
55 State of New Jersey becoming a member of the retirement system who was
56 covered on the day immediately prior to the effective date of this act under
57 the then existing group life insurance program of the New Jersey State
58 Police, the board of trustees shall provide for death benefit coverage, in the
59 amounts described in this subsection for such member after he retires and
60 receives a retirement allowance pursuant to the provisions of this act, sub-
61 ject to the conditions hereinafter stated.

62 (1) In order to obtain the coverage during retirement as herein pro-
63 vided, the member must make written request therefor to the board
64 within 90 days of the effective date of this act and must agree to make,
65 after retirement, the contributions required for such coverage as de-
66 scribed by subsection j. of this section, except that if any such officer,
67 non-commissioned officer or trooper was disabled on the effective date of
68 this act but subsequently recovers from such disability and becomes a
69 member of the retirement system, such request may be made within 90
70 days after the date he becomes a member of the retirement system.

71 (2) In no event shall the death benefit coverage described in this
72 subsection apply to any former member who was not covered by the
73 additional death benefits described in subsection e. of this section during
74 the member's last month of creditable service.

75 (3) Each such officer, non-commissioned officer and trooper may
76 cancel his request for the death benefit coverage described herein, either
77 before or after retirement, by giving written notice to the retirement
78 system.

79 The amounts of death benefits provided for under this subsection while the
80 former member is receiving a retirement allowance pursuant to this act shall
81 be the same amount or amounts as would have been continued for such for-
82 mer member after his retirement under the group life insurance program,
83 hereinabove referred to, had such program remained in effect and unchanged
84 and such former member had remained covered thereunder, less an amount
85 equal to $\frac{3}{16}$ of the member's final compensation. The Superintendent of the
86 State Police shall, upon request, certify to the board of trustees the names
87 of the officers, non-commissioned officers and troopers to whom this subsec-
88 tion could have application and such other information as may be necessary
89 in order for the board to determine the amounts of death benefit under this
90 subsection.

91 i. The board of trustees shall provide on and after the effective date of
92 this act for death benefit coverage in the amounts described in this subsec-

93 tion for each former officer, non-commissioned officer and trooper who
94 was covered on the day immediately prior to the effective date of this act
95 under the then existing group life insurance program of the New Jersey
96 State Police and was then retired and receiving retirement benefits under
97 the provisions of the former State Police Retirement and Benevolent Fund,
98 subject to the conditions hereinafter stated:

99 (1) In order to obtain the death benefit coverage as herein provided,
100 such former officer, non-commissioned officer or trooper must make the
101 contributions required for such coverage as described in subsection j. of
102 this section.

103 (2) If coverage or benefits are afforded a former officer, non-com-
104 missioned officer or trooper under the aforesaid group life insurance
105 program of the New Jersey State Police after the effective date of this
106 act by reason of his disability, the death benefits provided by this sub-
107 section shall in no event apply to him unless such coverage and benefits
108 shall cease by reason of his recovery from disability. In such event the
109 foregoing provisions of this subsection shall apply from the date of such
110 cessation.

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

121 j. The contributions required during retirement for the death benefit cov-
122 erage provided for by subsection h. and subsection i. of this section shall be
123 determined from the schedules of contributions established by the board of

124 trustees. Such schedules shall be subject to adjustment by the board from
125 time to time. Such contributions shall be deducted from the former officer's,
126 non-commissioned officer's or trooper's retirement allowance or benefits but
127 if there be no retirement allowance or benefits available from which such
128 contributions may be deducted, it shall be the obligation of such former offi-
129 cer, non-commissioned officer or trooper to make such contribution directly to
130 the retirement system, as required by the system.

131 k. Upon receipt of proper proofs of the death of any former officer, non-
132 commissioned officer or trooper of the New Jersey State Police while cov-
133 ered for death benefit coverage pursuant to the provisions of subsection h.
134 or subsection i. of this section, there shall be paid to such person, if living,
135 as the former officer, non-commissioned officer or trooper shall have nominated
136 by written designation duly executed and filed with the retirement system,
137 otherwise to the executor or administrator of the former officer's, non-com-
138 missioned officer's or trooper's estate, the amount for which he is covered
139 at the time of his death pursuant to said subsection h. or said subsection i.,
140 as the case may be.

141 l. Any other provisions of this act notwithstanding, the contributions of
142 any person for death benefit coverage under this section shall not be return-
143 able to such person or his beneficiary or death benefit payee in any manner,
144 or for any reason whatsoever, nor shall such contributions be included in
145 any annuity payable to any such person or his beneficiary.

146 m. A person covered by the additional death benefit program provided by
147 this section may file with the retirement system, and alter from time to time
148 during his lifetime as desired, a duly attested, written new nomination of the
149 payee of the death benefit provided under this section. Such person may
150 also file and alter from time to time during his lifetime, as desired, a request
151 of the retirement system directing payment of said benefit in one sum or in
152 equal annual installments over a period of years or as a life annuity. Upon
153 the death of any person covered for death benefits pursuant to the provi-
154 sions of this section, a death benefit payee to whom the benefit is payable in

155 one sum, may elect to receive the amount payable in equal installments over
156 a period of years or as a life annuity.

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

162 o. The contributions established by the board of trustees pursuant to the
163 foregoing provisions of this section shall be so computed that the aggregate
164 contributions made by all persons from whom contributions are required
165 shall be sufficient to provide for the cost of the benefits established by this
166 section.

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

1 17. Any life insurance company must meet the following requirements
2 in order to qualify under section 16:

3 a. be licensed under the laws of the State of New Jersey to transact
4 life and accidental death insurance, and

5 b. the amount of its group life insurance in the State of New Jersey shall
6 at the time said insurance is to be purchased equal at least 1% of the total
7 amount of such group life insurance in the State of New Jersey in all life
8 insurance companies.

1 18. The State Treasurer may, in his discretion, determine to purchase
2 group insurance coverage for the non-contributory death benefit provisions
3 as provided in sections 8, 9, 10, 12b, 13b, 14c, 27 and 28, or may determine
4 not to purchase any group insurance coverage for the death benefit provi-
5 sions heretofore mentioned. The board of trustees may, in its discretion,
6 determine to purchase group insurance coverage for additional death bene-
7 fit coverage as provided for in section 15, or may, in its discretion, determine
8 not to purchase any contributory group insurance coverage for the addi-
9 tional death benefit provisions provided in section 15.

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

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

1 20. In the event that the board of trustees shall determine to purchase
2 group insurance coverage for the additional death benefit coverage, the
3 schedule of contributions shall be subject to adjustment by said board of
4 trustees from time to time for the purpose of maintaining the contributory
5 group insurance premium fund at a level sufficient to meet the obligations
6 of the fund for the cost of the insurance.

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

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

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

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

1 23. Any such group policy or policies shall provide that payment of any
2 death benefits which are payable by the insurance company may be made in
3 one sum directly to the beneficiary as hereinafter provided, in equal annual
4 installments over a period of years or as a life annuity or in such other man-
5 ner as may be made available by the insurance company. An insured per-
6 son may make such arrangements for settlement, and may alter from time
7 to time during his lifetime any arrangement previously made, by making
8 written request to the insurance company through the policyholder. Upon
9 the death of an insured person, a beneficiary to whom a benefit is payable
10 in one sum by the insurance company may likewise arrange for a settlement
11 as described above. If an insured person's or beneficiary's request for settle-
12 ment of any death benefit in equal annual installments over a period of years
13 or as a life annuity pursuant to the foregoing is approved by the policy-
14 holder, the amount of such annual installments or such life annuity, as the
15 case may be, shall be determined on the basis of such applicable mortality
16 tables and rates of interest as shall have been adopted by the retirement sys-
17 tem and are in effect at the death of the insured person. Any arrangement
18 for payment under the group policy to a beneficiary shall be in lieu of that
19 provided by sections 8, 9, 10, 12b, 13b, 14c, 15, 27 and 28.

1 24. Notwithstanding any other provision of law, any insurance company
2 or companies issuing such policy or policies may credit the policyholder,
3 in the form of reduced premiums, with savings by said company or com-
4 panies in the event that no brokerage commission or commissions are paid by
5 said company or companies on the issuance of such policy or policies.

1 25. a. Upon the death after retirement of a member of the retirement
2 system who was a member of the former "State Police Retirement and
3 Benevolent Fund" on the effective date of this act, there shall be paid to his
4 widow a pension of 50% of final salary for the use of herself and children
5 of the deceased, to continue during her widowhood; if there is no surviving
6 widow or in case the widow dies or remarries 20% of final compensation
7 will be payable to one surviving child, 35% of final compensation to 2 sur-
8 viving children in equal shares and if there be 3 or more children, 50% of
9 final compensation will be payable to such children in equal shares.

10 b. Upon the death after retirement of any member of the retirement
11 system who was not a member of the former "State Police Retirement and
12 Benevolent Fund" on the effective date of this act there shall be paid to his
13 widow a pension of 25% of final compensation for the use of herself, to
14 continue during her widowhood, plus 15% of final compensation payable to
15 one surviving child or an additional 25% of final compensation to 2 or more
16 children; if there is no surviving widow or in case the widow dies or re-
17 marries, 20% of final compensation will be payable to one surviving child,
18 35% of final compensation to 2 surviving children in equal shares and if
19 there be 3 or more children 50% of final compensation will be payable to such
20 children in equal shares.

1 26. A member who withdraws from service or ceases to be a member for
2 any cause other than death or retirement shall receive the amount of his
3 aggregate contributions upon the filing of a written application as required
4 by the retirement system.

1 27. Should a member resign after having completed 25 years of credit-
2 able service as a full time commissioned officer, non-commissioned officer or

3 trooper of The Division of State Police, before reaching service retirement
4 age, he may elect to receive, in lieu of the payment provided in section 26, a
5 retirement allowance which shall consist of:

6 a. an annuity which shall be the actuarial equivalent of his aggregate
7 contributions and,

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

16 Upon the receipt of proper proof of the death of such a retired member,
17 there shall be paid to such person, if living, as he shall have nominated by
18 written designation duly executed and filed with the retirement system,
19 otherwise to the executor or administrator of the member's estate, an
20 amount equal to $\frac{3}{16}$ of the final compensation received by the member.

1 28. Should a member, after having completed 25 years of creditable
2 service as a full time commissioned officer, non-commissioned officer or
3 trooper of The Division of State Police, be separated voluntarily or invol-
4 untarily from the service, before reaching service retirement age, and not
5 by removal for cause or charges of misconduct or delinquency, such person
6 may elect to receive the payments provided for in sections 26 or 27 or a
7 deferred retirement allowance, beginning at age 55, which shall consist of:

8 a. an annuity which shall be the actuarial equivalent of his aggregate
9 contributions at the time of retirement, and

10 b. a pension in the amount which when added to the member's annuity
11 will provide a total retirement allowance of 2% of his final compensation
12 multiplied by his number of years of creditable service up to 25 plus 1% of
13 his final compensation multiplied by his number of years of creditable serv-

14 ice over 25, provided that such election is communicated by such member to
15 the retirement system in writing stating at what time subsequent to the
16 execution and filing thereof he desires to be retired; and provided further,
17 that such member may later elect to receive payments provided under sec-
18 tions 26 or 27, or if such member shall die before attaining age 55, his aggre-
19 gate contributions shall be paid to such person, if living, as he shall have
20 nominated by written designation duly executed and filed with the retire-
21 ment system, otherwise to the executor or administrator of the member's
22 estate.

23 Upon the receipt of proper proofs of the death of a member who was
24 receiving a deferred retirement allowance, there shall be paid to such person,
25 if living, as he shall have nominated by written designation duly executed
26 and filed with the retirement system, otherwise to the executor or admin-
27 istrator of the member's estate, an amount equal to 3/16 of the final compen-
28 sation received by the member.

1 29. Any member who has at least 3 years of service for which he has con-
2 tributed as a member may borrow from the retirement system, an amount
3 equal to not more than 50% of the amount of his aggregate contributions, but
4 not less than \$50.00; provided, that the amount so borrowed, together with in-
5 terest thereon, can be repaid by additional deductions from salary, not in ex-
6 cess of 25% of the member's salary, made at the time the salary is paid to the
7 member but not after the attainment of age 55. The amount so borrowed, to-
8 gether with interest at the rate of 4% per annum on any unpaid balance
9 thereof, shall be repaid to the retirement system in equal installments by de-
10 ductions from the salary of the member at the time the salary is paid or in
11 such lump sum amounts as the board of trustees shall approve, but such in-
12 stallments shall be at least equal to the member's contribution to the retire-
13 ment system and at least sufficient to repay the amount borrowed with interest
14 thereon by the time the member attains age 55. Not more than 2 loans may be
15 granted to any member in any calendar year. Notwithstanding any other law
16 affecting the salary or compensation of any person or persons to whom this act

17 applies or shall apply, the additional deductions required to repay the loan
18 shall be made. Any unpaid balance of a loan at the time any benefit may be-
19 come payable shall be deducted from the benefit otherwise payable.

20 Loans may be made to a member from his aggregate contributions. In ad-
21 dition the board of trustees is hereby authorized to set aside moneys within
22 the contingent reserve fund from which loans to members may be made. If
23 such moneys are used for the purpose of making loans, the interest earned on
24 such loans shall be treated in the same manner as interest earned from invest-
25 ments of the retirement system.

1 30. a. The general responsibility for the proper operation of the retirement
2 system is hereby vested in the board of trustees which shall be organized im-
3 mediately after 3 of the trustees provided for in this section have qualified and
4 taken the oath of office.

5 b. The board shall consist of 5 trustees as follows:

6 (1) Two active members of the system who shall be appointed by the
7 Superintendent of State Police, who shall serve at the pleasure of the Super-
8 intendent and until their successors are appointed and one of whom shall be
9-11 a commissioned officer of the Division of State Police.

12 (2) Two members to be appointed by the Governor, who shall serve at the
13 pleasure of the Governor and until their successors are appointed and who
14 shall be private citizens of the State of New Jersey.

15 (3) The State Treasurer, ex officio. The Deputy State Treasurer, when
16 designated for that purpose by the State Treasurer, may sit as a member of
17 the board of trustees and when so sitting shall have all the powers and shall
18 perform all the duties vested by this act in the State Treasurer.

19-22 c. Each trustee shall, after his appointment or election, take an oath of
23 office that, so far as it devolves upon him, he will diligently and honestly fulfill
24 his duties as a board member, and that he will not knowingly violate or permit
25 to be violated any of the provisions of the law applicable to the retirement
26 system. Such oath shall be subscribed by the member taking it, and certified by
27 the official before whom it is taken, and immediately filed in the office of the
28 Secretary of State.

29 d. If a vacancy occurs in the office of a trustee, the vacancy shall be filled
30 for the unexpired term in the same manner as the office was previously filled.

31 e. The trustees shall serve without compensation, but they shall be reim-
32 bursed by the State for all necessary expenses that they may incur through
33 service on the board. No employee member shall suffer loss of salary through
34 the serving on the board.

35 f. Except as otherwise herein provided, no member of the board of
36 trustees shall have any direct interest in the gains or profits of any invest-
37 ments of the retirement system; nor shall any member of the board of
38 trustees directly or indirectly, for himself or as an agent in any manner use
39 the moneys of the retirement system, except to make such current and neces-
40 sary payments as are authorized by the board of trustees; nor shall any mem-
41 ber of the board of trustees become an endorser or surety, or in any manner
42 an obligor for moneys loaned to or borrowed from the retirement system.

43 g. Each trustee shall be entitled to one vote in the board. A majority
44 vote of all trustees shall be necessary for any decision by the trustees at any
45 meeting of said board.

46 h. Subject to the limitations of this act, the board of trustees shall, from
47 time to time, establish rules and regulations for the administration of the
48 funds created by this act and for the transaction of its business.

49 i. The board shall designate an actuary who shall be the technical ad-
50 viser of the board on matters regarding the operation of the funds created by
51 the provisions of this act and shall perform such other duties as are required
52 in connection herewith.

53 j. The Attorney General shall be the legal adviser of the retirement
54 system.

55 k. The Chief of the Bureau of Police and Fire Funds of the Division of
56 Pensions of the State Department of the Treasury shall be the secretary of
57 the board.

58 l. The board of trustees shall keep a record of all of its proceedings
59 which shall be open to public inspection. It shall publish annually a report

60 showing the fiscal transactions of the retirement system for the preceding
61 year, the amount of the accumulated cash and securities of the system and the
62 last balance sheet showing the financial condition of the system by means of
63 an actuarial valuation of the assets and liabilities of the retirement system.

64 m. The board of trustees shall designate a medical board to be composed
65 of 3 physicians. As required, other physicians may be employed to examine
66 members where medical evidence is prescribed. The medical board shall pass
67 on all medical examinations required under the provisions of this act, and
68 shall report in writing to the board of trustees its conclusions and recom-
69 mendations upon all matters referred to it.

70 n. The various funds created by this act shall be subject to the super-
71 vision of the Department of Banking and Insurance of the State of New
72 Jersey.

1 31a. The board of trustees shall be and are hereby constituted trustees
2 of all the various funds established by this act except the group insurance
3 premium fund; provided, however, that all functions, powers, and duties
4 relating to the investment or reinvestment of moneys of, and purchase, sale,
5 or exchange of any investments or securities, of or for any fund established
6 under this act, shall be exercised and performed by the Director of the Di-
7 vision of Investment in accordance with the provisions of chapter 270, P. L.
8 1950, as amended and supplemented.

9 b. The secretary of the board shall determine from time to time the cash
10 requirements of the various funds established by this act and the amount
11 available for investment, all of which shall be certified to the State Treas-
12 urer and the Director of the Division of Investment.

13 c. The Treasurer of the State of New Jersey shall be the custodian of
14 the several funds. All payments from said funds shall be made by him only
15 upon vouchers signed by the secretary and the chairman of the board of trus-
16 tees. A duly attested copy of the resolution of the board of trustees desig-
17 nating the chairman and bearing on its face specimen signatures of the
18 chairman and the secretary shall be filed with the treasurer as his author-
19 ity for making payments upon such vouchers.

20 d. The administration of the program shall be performed by the person-
21 nel of the Division of Pensions of the State Department of the Treasury
22 and the costs of administration shall be borne by the State.

1 32. The actuary appointed by the board shall recommend such data as
2 shall be necessary for actuarial valuation of the various funds created by
3 this act. Once in every 5-year period after the effective date of this act, the
4 actuary shall make an actuarial investigation into the mortality, service and
5 compensation experience of the members and beneficiaries and shall make a
6 valuation of the assets and liabilities of the various funds created by this
7 act. Upon the basis of such investigation and valuation the board shall
8 adopt for the retirement system such mortality, service and other tables as
9 shall be deemed necessary.

10 Immediately after the establishment of the retirement system the actu-
11 ary shall prepare and submit to the board the mortality and service tables
12 which he recommends for adoption. The board shall adopt such tables as
13 it deems necessary in accordance with this recommendation.

1 33. Under this act there shall be established a Contingent Reserve Fund,
2 the Annuity Savings Fund, the Retirement Reserve Fund and the Member's
3 Death Benefit Fund.

1 34. The Contingent Reserve Fund shall be the fund in which shall be cred-
2 ited contributions made by the State.

3 a. Upon the basis of such tables as the board adopts and regular in-
4 terest, the actuary shall compute annually the amount of the contribution,
5 expressed as a proportion of the salaries paid to all employees, which if paid
6 monthly during the entire prospective service of the employees, will be suf-
7 ficient to provide for the pension reserves required at the time of the discon-
8 tinuance of active service to cover all pensions to which they may be entitled
9 or which are payable on their account and to provide for the amount of the
10 death benefits payable on their account by the State, which are not covered
11 by accrued liability contributions, to be made as provided in subsection b.
12 hereof, and the funds in hand available for such benefits.

13 b. Upon the basis of such tables as the board adopts, and regular in-
14 terest, the actuary shall compute annually, the amount of the liability which
15 has accrued by reason of allowances to be granted on account of services
16 rendered by members of the former "State Police Retirement and Benev-
17 olent Fund" which has not already been covered by previous State contri-
18 butions to the former system. Using the total amount of this liability re-
19 maining as a basis, he shall compute the amount of the flat annual payment,
20 which, if paid in each succeeding fiscal year, commencing with July 1, 1966,
21 for a period of 30 years, will provide for this liability.

22 c. The actuary shall certify annually the aggregate amount payable to
23 the Contingent Reserve Fund in the ensuing year, which amount shall be
24 equal to the sum of the proportion of the earnable salary of all members,
25 computed as described in subsection a. hereof and of the State's accrued lia-
26 bility contribution, payable in the ensuing year, as described in subsection
27 b. hereof. The State shall pay into the Contingent Reserve Fund during the
28 ensuing year the amount so determined. In the event the amount certified
29 to be paid by the State includes amounts due for services rendered by mem-
30 bers to specific instrumentalities or authorities the total amount so certified
31 shall be paid to the retirement system by the State; provided, however, the
32 full cost attributable to such services rendered to such instrumentalities and
33 authorities shall be computed separately by the actuary and the State shall
34 be reimbursed for such amounts by such instrumentalities or authorities.

35 The cash death benefits, payable as the result of contribution by the State
36 under the provisions of this act upon the death of a member in active service
37 and after retirement shall be paid from the Contingent Reserve Fund.

1 35. The Annuity Savings Fund shall be the fund in which shall be accu-
2 mulated the contributions from the salary of members to provide for their
3 annuities. The aggregate contributions of a member withdrawn by him or
4 paid to his estate or his designated beneficiary in the event of his death as
5 provided in this act shall be paid from the Annuity Savings Fund. Upon the
6 retirement or death of a member where the aggregate contributions of the

7 member are to be provided in the form of an annuity, the aggregate contri-
8 butions of the member shall be transferred from the Annuity Savings Fund
9 to the Retirement Reserve Fund.

1 36. The Retirement Reserve Fund shall be the fund in which shall be
2 held the reserves on all retirement allowances and pensions granted to mem-
3 bers or their beneficiaries and from which all retirement allowances and
4 pensions shall be paid. It will be the fund which will receive all of the accu-
5 mulated reserves of the former "State Police Retirement and Benevolent
6 Fund," except as otherwise provided.

7 Upon the retirement of a member, the aggregate contributions of the
8 member shall be transferred to the Retirement Reserve Fund from the An-
9 nuity Savings Fund. The reserve needed to produce the balance of the re-
10 tirement allowance shall be transferred from the Contingent Reserve Fund.
11 If the pension or annuity of a member who has been retired is subsequently
12 canceled, the appropriate reserve shall be transferred to the Annuity Sav-
13 ings Fund and the Contingent Reserve Fund.

14 Any surplus or deficit developing in the Retirement Reserve Fund shall
15 be adjusted from time to time by transfer to or from the Contingent Reserve
16 Fund by appropriate action of the board of trustees with the advice of the
17 actuary.

1 37. The Members' Death Benefit Fund shall be the fund in which shall be
2 accumulated the contributions from the salary of members to provide for
3 their additional death benefits as provided by section 15 of this act. Upon
4 the death of a member electing the additional death benefit, the additional
5 death benefit payable shall be paid from the Member's Death Benefit Fund.

1 38. There shall be deducted from the payroll of each active member of
2 the system 6% of the amount of his salary, which shall be turned over to
3 the State Treasurer and be credited by him to the account of the State
4 Police Retirement System. The deductions provided for herein shall be made
5 notwithstanding that the minimum salary provided for by law for any mem-
6 ber shall be reduced thereby. Every member shall be deemed to consent and

7 agree to the deductions made and provided for herein, and payment of salary
8 or compensation less said deduction shall be a full and complete discharge and
9 acquittance of all claims and demands whatsoever for the service rendered
10 by such person during the period covered by such payment, except as to the
11 benefits provided under this act.

1 39. Regular interest charges payable, the creation and maintenance of
2 reserves in the Contingent Reserve Fund, the maintenance of retirement
3 reserves as provided for in this act and the payment of all retirement
4 allowances and other benefits granted by the board of trustees under the pro-
5 visions of this act are hereby made obligations of the State. All income, in-
6 terest and dividends derived from deposits and investments authorized by
7 this act shall be used for the payment of these obligations of the State.

8 Upon the basis of each actuarial determination and appraisal provided
9 for in this act an itemized estimate of the amounts necessary to be appropri-
10 ated by the State to the various funds to provide for payment in full during
11 the ensuing fiscal year of the obligations of the State accruing during that
12 year shall be submitted by the retirement system to the Governor so that it
13 may be included in the budget request submitted by the Governor to Legisla-
14 ture. The Legislature shall make an appropriation sufficient to provide for
15 such obligations of the State. The amounts so appropriated shall be paid
16 into the various funds created by this act.

1 40. While $\frac{1}{8}$ of the 2% tax collected by the State Tax Commissioner
2 under section 54:17-1 of the Title Taxation from insurance companies of
3 other States and foreign countries, on premiums of insurance against auto-
4 mobile liability, automobile property damage, automobile collision and auto-
5 mobile fire and theft insurance risks in this State, were turned over monthly
6 by the State Tax Commissioner to the State Treasurer to be added to the
7 former "State Police Retirement and Benevolent Fund" the proceeds of
8 such tax shall henceforth be paid to the State Treasurer for deposit in the
9 funds of the General Treasury.

1 41. a. No other provision of the law in any other statute which provides
2 wholly or partly at the expense of the State of New Jersey for pensions or
3 retirement benefits for members of this system and for beneficiaries shall
4 apply to such members or beneficiaries.

5 b. Notwithstanding anything to the contrary, the retirement system shall
6 not be liable for the payment of any pensions or other benefits to any mem-
7 ber or beneficiary for which reserves have not been previously created from
8 funds contributed by the members or the State for such benefits.

1 42. Any person who shall knowingly make any false statement or shall
2 falsify or permit to be falsified any record or records of this retirement
3 system in any attempt to defraud such system as a result of such act shall
4 be guilty of a misdemeanor and shall be punishable therefor under the laws
5 of the State of New Jersey. Should any change or error in the records re-
6 sult in any member or person receiving from the retirement system more or
7 less than he would have been entitled to receive had the records been correct,
8 the board of trustees shall, as far as practicable, correct such error and ad-
9 just the payments in such manner that the actuarial equivalent of the bene-
10 fit to which such member or beneficiary was correctly entitled shall be paid.

1 43. Any member or any beneficiary who has been or, in the future, may
2 be retired, or receive a pension, benefit or retirement allowance, including
3 an annuity, pursuant to the provisions of this act, may, by filing written re-
4 quest with the retirement system, waive payment of a portion of the pension,
5 benefit, or retirement allowance, including annuity, to which he may be en-
6 titled.

7 Upon the receipt of such waiver, and until the same is withdrawn, al-
8 tered or revoked by a subsequent written request, similarly filed, the retire-
9 ment system shall pay a reduced pension, benefit, retirement allowance or
10 annuity as shall be requested in such waiver. The member or the beneficiary
11 shall not be entitled to a refund, or credit, for such moneys as shall have
12 been waived during the period such waiver has been in effect.

1 44. Whenever any person shall, in writing, request and authorize the
2 retirement system to make deductions from his retirement allowance or pen-
3 sion for the purpose of paying premiums for any hospital service plan and
4 any medical-surgical plan which meets with minimum participation require-
5 ments established by rules and regulations of the board of trustees, the re-
6 tirement system may make such deductions and transmit the sums so de-
7 ducted directly to the company carrying the policy or policies. Any such
8 authorization may be withdrawn by any member upon filing written notice
9 of such withdrawal with the retirement system.

1 45. The right of a person to a pension, an annuity, or a retirement al-
2 lowance, to the return of contributions, any benefit or right accrued or ac-
3 cruing to a person under the provisions of this act and the moneys in the
4 various funds created under this act, shall be exempt from any State or
5 municipal tax and from levy and sale, garnishment, attachment or any other
6 process arising out of any State or Federal court, and, except as in this act
7 otherwise provided, shall be unassignable.

1 46. If any provision, section, or part of any section of this act is de-
2 clared to be unconstitutional, the same shall not be held to affect any other
3 section or provision of this act, and the remainder of this act shall in no
4 wise thereby be invalidated.

1 47. This act shall be known as the "State Police Retirement System
2 Act."

1 48. This act shall take effect July 1, 1965.

RESCINDED 5-24-65
ASSEMBLY COMMITTEE AMENDMENTS TO

SENATE, No. 219

STATE OF NEW JERSEY

ADOPTED MAY 17, 1965

Amend page 4, section 3, line 28, delete "average".

Amend page 4, section 3, line 29, delete the words "in the last 12 months of creditable service", insert "immediately".

Amend page 4, section 3, line 32, delete "average".

Amend page 4, section 3, line 32, after "member", delete "in".

Amend page 4, section 3, line 33, delete "the last 12 months of creditable service", insert "immediately".

FURTHER ASSEMBLY AMENDMENTS TO

SENATE, No. 219

[OFFICIAL COPY REPRINT]

STATE OF NEW JERSEY

ADOPTED MAY 24, 1965

Amend page 4, section 3, line 28, reinsert "average".

Amend page 4, section 3, line 29, reinsert "in the last 12 months of creditable service", omit "immediately".

Amend page 4, section 3, line 32, reinsert "average".

Amend page 4, section 3, line 33, reinsert "in the last 12 months of creditable service", omit "immediately".

CHAPTER 89 LAWS OF N. J. 1965

APPROVED 6/9/65

[SECOND OFFICIAL COPY REPRINT]

SENATE, No. 219

STATE OF NEW JERSEY

INTRODUCED MARCH 15, 1965

By Senators RIDOLFI and OZZARD

Referred to Committee on Public Safety, Defense and Veterans Affairs

AN Act establishing the State Police Retirement System, specifying contributions to be paid and benefit rights therein, and repealing chapter 5 of Title 53 of the Revised Statutes, including acts amendatory thereof and supplementary thereto.

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

ARTICLE I

1 1. Chapter 5 of Title 53 of the Revised Statutes of New Jersey and all
2 amendments and supplements thereto, designated as the "State Police Re-
3 tirement and Benevolent Fund," is repealed as of the effective date of this
4 act.

1 2. Repeal of chapter 5 of Title 53 of the Revised Statutes of New Jersey
2 and all amendments and supplements thereto is subject to the following pro-
3 visos:

4 a. Any person retired under any of the provisions of said chapter and
5 receiving or entitled to receive benefits thereunder, prior to its repeal, shall
6 continue to receive the same benefits or shall continue to be entitled to re-
7 ceive the same benefits, to the same extent and in the same manner, as if
8 such chapter had not been repealed.

9 b. Any beneficiary receiving an allowance or eligible to receive an allow-
10 ance under such chapter shall continue to receive or be eligible to receive such
11 allowance as provided under such chapter.

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

12 c. Any person electing to have deductions for medical and hospital in-
13 surance subtracted from his pension shall continue to have such deductions
14 subtracted as if such chapter had not been repealed.

15 d. Any person retired for disability under such chapter and receiving
16 benefits or entitled to receive benefits thereunder and any person receiving
17 death benefits as a result of the death of a member under such chapter, prior
18 to its repeal, shall continue to receive the same, or shall continue to be en-
19 titled to receive the same to such extent and in such manner as if such chap-
20 ter had not been repealed.

21 e. Any person who, as of the effective date of this act, meets the require-
22 ments for retirement under such chapter, may make such application and be
23 retired on or before the effective date of this act, as if such chapter had not
24 been repealed. He shall thereafter receive benefits to the same extent and in
25 the same manner as if such chapter had not been repealed.

26 f. If any person having made contributions under such chapter dies
27 prior to its repeal, but before retirement, his eligible beneficiaries shall re-
28 ceive the benefits provided by such chapter to the same extent and in the
29 same manner as if such chapter had not been repealed.

30 g. Interest on the contributions made by persons pursuant to the pro-
31 visions of such chapter shall cease to accrue as of the effective date of this
32 act.

33 h. The contributions, and accumulated interest thereon, made by persons
34 pursuant to such chapter shall be transferred to the Annuity Savings Fund
35 of the retirement system established by this act.

36 i. The accumulated reserves, constituting the moneys set aside under
37 such chapter for the payment of all pensions and death benefits allowed,
38 shall be transferred to and become merged with the Retirement Reserve Fund
39 of the retirement system established by this act.

40 j. The authorization and direction to control and manage the payment
41 of benefits under the "State Police Retirement and Benevolent Fund" is
42 hereby transferred to the board of trustees of the State Police Retirement
43 System established by this act.

44 k. The records of the "State Police Retirement and Benevolent Fund"
45 shall be transferred to the board of trustees of the State Police Retirement
46 System established by this act.

ARTICLE II

1 3. As used in this act:

2 a. "Aggregate contributions" means the sum of all the amounts, deducted
3 from the salary of a member or contributed by him, standing to the credit
4 of his individual account in the Annuity Savings Fund. Interest credited on
5 contributions to the former "State Police Retirement and Benevolent Fund"
6 shall be included in a member's aggregate contributions.

7 b. "Annuity" means payments for life derived from the aggregate con-
8 tributions of a member. All annuities shall be paid in equal monthly install-
9 ments.

10 c. "Annuity reserve" means the present value of all payments to be
11 made on account of any annuity or benefit in lieu of an annuity, computed
12 upon the basis of such mortality tables as the board of trustees adopts and
13 regular interest.

14 d. "Beneficiary" means any person entitled to receive any benefit pur-
15 suant to the provisions of this act by reason of the death of a member or re-
16 tirant.

17 e. "Board of trustees" or "board" means the board provided by this
18 act to administer this retirement system.

19 f. "Child" means a deceased member's unmarried child under the age
20 of 18.

21 g. "Creditable service" means service rendered for which credit is al-
22 lowed on the basis of contributions made by the member or the State.

23 h. "Dependent parent" means the parent of a member who was receiving
24 at least $\frac{1}{2}$ of his support from the member in the 12-month period immedi-
25 ately preceding the member's death. The dependency of such a parent will
26 be considered terminated by marriage of the parent subsequent to the death
27 of the member.

28 i. "Final compensation" means the ***[average]*** ***average*** compen-
29 sation received by the member ***[in the last 12 months of creditable service]***
30 ***in the last 12 months of creditable service*** ****[*immediately*]**** preced-
31 ing his retirement or death. Such term includes the value of the member's
31A maintenance allowance for this same period.

32 j. "Final salary" means the ***[average]*** ***average*** salary received
33 by the member ***[in the last 12 months of creditable service]*** ***in the last 12*
34 *months of creditable service*** ****[*immediately*]**** preceding his retire-
34A ment or death. Such term shall not include the value of the member's mainte-
34B nance allowance.

35 k. "Fiscal year" means any year commencing with July 1 and ending
36 with June 30 next following.

37 l. "Medical board" means the board of physicians provided for in this
38 act.

39 m. "Member" means any full-time, commissioned officer, non-commis-
40 sioned officer or trooper of the Division of State Police of the Department of
41 Law and Public Safety of the State of New Jersey enrolled in the retire-
42 ment system established by this act.

43 n. "Pension" means payment for life derived from contributions by the
44 State. All pensions shall be paid in equal monthly installments.

45 o. "Pension reserve" means the present value of all payments to be
46 made on account of any pension or benefit in lieu of any pension computed
47 on the basis of such mortality tables as shall be adopted by the board of
48 trustees and regular interest.

49 p. "Regular interest" means interest as determined from time to time by
50 the board of trustees. The regular interest rate shall be limited to a mini-
51 mum of 3% and a maximum of 4% per annum.

52 q. "Retirant" means any former member receiving a retirement allow-
53 ance as provided by this act.

54 r. "Retirement allowance" means the sum of the pension and the annu-
55 ity. All retirement allowances shall be paid in equal monthly installments.

56 s. "State Police Retirement System of New Jersey," herein also referred
57 to as the "retirement system," is the corporate name of the arrangement for

58 the payment of retirement allowances and of the benefits under the provi-
59 sions of this act and for the system including the several funds created and
60 placed under the management of the board of trustees of said system. By
61 that name, all of its business shall be transacted, its funds invested, war-
62 rants for moneys drawn, and payments made and all of its cash and securi-
63 ties and other property held. All assets held in the name of the former "State
64 Police Retirement and Benevolent Fund" shall be transferred to the retire-
65 ment system established by this act.

66 t. "Widow" means the woman to whom a member was married before
67 he attained 50 years of age and to whom he continued to be married until
68 the date of his death and who has not remarried subsequent to the member's
69 death.

1 4. There is hereby established the "State Police Retirement System of
2 New Jersey" in the Division of Pensions of the Department of the Treasury.
3 It shall have the powers and privileges of a corporation. Its purpose is to
4 provide retirement allowances and other benefits for its members and their
5 beneficiaries in accordance with the provisions of this act.

1 5. The membership of the retirement system shall include:

2 a. The members of the former "State Police Retirement and Benevolent
3 Fund."

4 b. Any person becoming a full time commissioned officer, non-commis-
5 sioned officer or trooper of the Division of State Police of the Department
6 of Law and Public Safety of the State of New Jersey provided that the
7 Division of State Police certifies that he has satisfied the age and health
8 requirements prescribed for members of the State Police force.

9 Membership in the retirement system is a condition of employment for
10 such officers, non-commissioned officers and troopers.

1 6. a. Except as provided in subsection b of this section, only service as
2 a full time commissioned officer, non-commissioned officer or trooper rendered
3 as a member, and service credit which was transferred from the former
4 "State Police Retirement and Benevolent Fund," shall, if the required con-
5 tributions are made by the State and the member, be considered as creditable

6 service. A member on suspension shall be considered in service for the period
7 of the suspension, but the period of suspension shall not be considered as
8 creditable service unless the member receives salary therefor.

9 b. Any member of the retirement system, who, prior to becoming a mem-
10 ber, had established service credits in another retirement system supported
11 in whole or in part by the State, or who had rendered service to the State
12 prior to becoming a member, for which he desires to establish credit in this
13 retirement system, shall be permitted to purchase such credit upon the pay-
14 ment of an amount determined by the board of trustees on the basis of
15 factors supplied by the actuary, as being applicable to the member's age and
16 salary at the time he agrees to make the purchase. If such credit is estab-
17 lished, it shall be included in the computation of a retirement allowance on
18 the basis of 1% of final compensation for each year of such service credit.

19 c. Not more than 1 year shall be credited for all service in a calendar
20 year.

1 7. Membership in the retirement system shall cease upon retirement,
2 withdrawal or death.

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

9 (1) Any annuity which shall be the actuarial equivalent of his aggregate
10 contributions at the time of retirement, and

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

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

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

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

36 (2) A pension in the amount which when added to the member's annu-
37 ity will provide a total retirement allowance of 2% of his final compensation
37A multiplied by his number of years of creditable service up to 25 plus 1% of
37B his final compensation multiplied by his number of years of creditable serv-
37C ice over 25.

38 c. Upon the receipt of proper proofs of the death of a member who has
39 retired on a service retirement allowance, there shall be paid to such person,
40 if living, as he shall have nominated by written designation duly executed
41 and filed with the retirement system, otherwise to the executor or admin-
42 istrator of the member's estate, an amount equal to $\frac{3}{16}$ of the final compen-
43 sation received by the member.

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

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

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

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

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

1 10. a. Upon the written application by a member in service or by the
2 State, any member may be retired, not less than 30 days next following the
3 date of filing such application, on an accidental disability retirement allow-

4 ance, provided, that the medical board, after a medical examination of such
5 member, shall certify that the member is permanently and totally disabled
6 as a direct result of a traumatic event occurring during and as a result of
7 the performance of his regular or assigned duties and that such disability
8 was not the result of the member's willful negligence and that such mem-
9 ber is mentally or physically incapacitated for the performance of usual
10 duties in the Division of State Police which the Superintendent of the State
11 Police is willing to assign to him. The application to accomplish such retire-
12 ment must be filed within 5 years of the original traumatic event, but the
13 board of trustees may consider an application filed after the 5-year period if
14 it can be factually demonstrated to the satisfaction of the board of trustees
15 that the disability is due to the accident and the filing was not accomplished
16 within the 5-year period due to a delayed manifestation of the disability or
17 to the member's continued employment in a restricted capacity consistent
18 with the nature of his disability in the Division of State Police upon and at
19 the written request of the Superintendent, with the concurrence of the
20 Attorney General, or other circumstances beyond the control of the member.

20A b. Upon retirement for accidental disability, a member shall receive an
20B 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 compensation.

24 c. Upon the receipt of proper proofs of the death of a member who has
25 retired on an accidental disability retirement allowance, there shall be
26 paid to such person, if living, as he shall have nominated by written desig-
27 nation duly executed and filed with the retirement system, otherwise to the
28 executor or administrator of the member's estate, an amount equal to $1\frac{1}{2}$
29 times the final compensation received by the member in the last year of
30 creditable service if such death occurs before the member shall have reached
31 55 years of age but if such death occurs thereafter, an amount equal to $\frac{3}{16}$
32 of the final compensation received by the member.

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

1 11. a. Upon the receipt by the retirement system of a written application
2 for a disability retirement allowance, the system shall refer the application
3 to the medical board, which shall designate a physician or physicians to
4 examine the applicant and the report of the medical board shall be considered
5 by the board of trustees in acting upon such application.

6 b. If a disability retirant, under age 55, who was not a member of the
7 former "State Police Retirement and Benevolent Fund" on the effective date
8 of this act, engages in an occupation paying more than the difference be-
9 tween his retirement allowance and the salary and maintenance now attrib-
10 utable to his former position in the Division of State Police, the amount of
11 his pension shall be reduced to an amount which, together with the annuity
12 and the amount of his earnings, shall equal the amount of the salary and
13 maintenance now attributable to his former position in the Division of State
14 Police. Should his earnings be later changed, the amount of his pension
15 shall be further modified, provided, that the new pension shall not exceed
16 the amount of the pension originally granted.

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

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

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

18 (1) his aggregate contributions at the time of death, and

19 (2) an amount equal to 1½ times final compensation.

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

22 d. A member may file, and alter from time to time during his lifetime,
23 as desired, a request with the retirement system naming the payee of the
24 death benefit provided under subsection b. Such member may also file, and
25 alter from time to time during his lifetime, as desired, a request with the
26 retirement system directing payment of said benefit in one sum or in equal
27 annual installments over a period of years or as a life annuity. Upon the
28 death of such member a beneficiary to whom a benefit is payable in one
29 sum may elect to receive the amount payable in equal annual installments
30 over a period of years or as a life annuity.

31 e. For the purposes of subsection b. of this section, a member shall be
32 deemed to be in service for a period of no more than 93 days while on an
33 official leave of absence without pay.

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

9 final compensation will be payable to one surviving child, 35% of final com-
10 pensation to 2 surviving children in equal shares and if there be 3 or more
11 children, 50% of final compensation will be payable to such children in equal
12 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 $1\frac{1}{2}$ times final compensation.

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

24 d. A member may file, and alter from time to time during his lifetime,
25 as desired, a request with the retirement system naming the payee of the
26 death benefit provided under subsection b. Such member may also file, and
27 alter from time to time during his lifetime, as desired, a request with the
28 retirement system directing payment of said benefit in one sum or in equal
29 annual installments over a period of years or as a life annuity. Upon the
30 death of such member a beneficiary to whom a benefit is payable in one sum
31 may elect to receive the amount payable in equal annual installments over
32 a period of years or as a life annuity.

33 e. For the purposes of subsection b. of this section, a member shall be
34 deemed to be in service for a period of no more than 93 days while on an
35 official leave of absence without pay.

1 14. a. Upon the death of a member before retirement, provided, that evi-
2 dence shall be submitted to the board of trustees justifying the determina-
3 tion that the natural and proximate cause of such death was an accident met
4 in the actual performance of duty, within 5 years preceding the date of such

5 death, and that such death was not the result of the member's willful negli-
6 gence, an accidental death benefit shall be payable.

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

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

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

22 (1) his aggregate contributions at the time of death, and

23 (2) an amount equal to 1½ times final compensation.

24 d. In no case shall the death benefit provided in subsection b. be less
25 than that provided under subsection c.

26 e. A member may file, and alter from time to time during his lifetime,
27 as desired, a request with the retirement system naming the payee of the
28 death benefit provided under subsection c. Such member may also file, and
29 alter from time to time during his lifetime, as desired, a request with the re-
30 tirement system directing payment of said benefit in one sum or in equal
31 annual installments over a period of years or as a life annuity. Upon the
32 death of such member a beneficiary to whom a benefit is payable in one sum
33 may elect to receive the amount payable in equal annual installments over a
34 period of years or as a life annuity.

1 15. a. Any member of the former "State Police Retirement and Benevo-
2 lent Fund" who becomes a member of the retirement system, will be eligible
3 to purchase the additional death benefit coverage hereinafter described, pro-
4 vided that he selects such coverage within 1 year after the effective date of
5 this act. Such member may terminate his additional death benefit coverage
6 by giving written notice to the retirement system.

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

14 c. The board of trustees shall establish, with the advice of the actuary,
15 schedules of contributions to be made by members while in service and cov-
16 ered by such additional death benefits. Such schedules of contributions shall
17 be subject to adjustment by the board from time to time.

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

23 e. Upon the receipt of proper proofs of the death in service of any mem-
24 ber while covered for the additional death benefit coverage there shall be
25 paid to such person, if living, as the member shall have nominated by writ-
26 ten designation duly executed and filed with the retirement system, otherwise
27 to the executor or administrator of the member's estate, an amount, estab-
28 lished by rules and regulations of the board of trustees, which shall not be
29 less than $1\frac{1}{2}$ times nor more than 2 times the member's final compensation.
30 In the event the member had less than 1 year of creditable service, the bene-
31 fit payable under this subsection shall be an amount, established by rules and

32 regulations of the board of trustees, which shall not be less than 1½ times
33 nor more than 2 times the member's annual rate of salary and maintenance.

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

47 g. Upon receipt of proper proofs of the death of a former member while
48 covered for the additional death benefit coverage pursuant to subsection f.
49 of this section, there shall be paid to such person, if living, as the member
50 shall have nominated by written designation duly executed and filed with the
51 retirement system, otherwise to the executor or administrator of the mem-
52 ber's estate, an amount equal to 3/16 of the member's final compensation.

53 h. In the case of any officer, non-commissioned officer or trooper of the
54 Division of State Police of the Department of Law and Public Safety of the
55 State of New Jersey becoming a member of the retirement system who was
56 covered on the day immediately prior to the effective date of this act under
57 the then existing group life insurance program of the New Jersey State
58 Police, the board of trustees shall provide for death benefit coverage, in the
59 amounts described in this subsection for such member after he retires and
60 receives a retirement allowance pursuant to the provisions of this act, sub-
61 ject to the conditions hereinafter stated.

62 (1) In order to obtain the coverage during retirement as herein pro-
63 vided, the member must make written request therefor to the board
64 within 90 days of the effective date of this act and must agree to make,
65 after retirement, the contributions required for such coverage as de-
66 scribed by subsection j. of this section, except that if any such officer,
67 non-commissioned officer or trooper was disabled on the effective date of
68 this act but subsequently recovers from such disability and becomes a
69 member of the retirement system, such request may be made within 90
70 days after the date he becomes a member of the retirement system.

71 (2) In no event shall the death benefit coverage described in this
72 subsection apply to any former member who was not covered by the
73 additional death benefits described in subsection e. of this section during
74 the member's last month of creditable service.

75 (3) Each such officer, non-commissioned officer and trooper may
76 cancel his request for the death benefit coverage described herein, either
77 before or after retirement, by giving written notice to the retirement
78 system.

79 The amounts of death benefits provided for under this subsection while the
80 former member is receiving a retirement allowance pursuant to this act shall
81 be the same amount or amounts as would have been continued for such for-
82 mer member after his retirement under the group life insurance program,
83 hereinabove referred to, had such program remained in effect and unchanged
84 and such former member had remained covered thereunder, less an amount
85 equal to $\frac{3}{16}$ of the member's final compensation. The Superintendent of the
86 State Police shall, upon request, certify to the board of trustees the names
87 of the officers, non-commissioned officers and troopers to whom this subsec-
88 tion could have application and such other information as may be necessary
89 in order for the board to determine the amounts of death benefit under this
90 subsection.

91 i. The board of trustees shall provide on and after the effective date of
92 this act for death benefit coverage in the amounts described in this subsec-

93 tion for each former officer, non-commissioned officer and trooper who
94 was covered on the day immediately prior to the effective date of this act
95 under the then existing group life insurance program of the New Jersey
96 State Police and was then retired and receiving retirement benefits under
97 the provisions of the former State Police Retirement and Benevolent Fund,
98 subject to the conditions hereinafter stated:

99 (1) In order to obtain the death benefit coverage as herein provided,
100 such former officer, non-commissioned officer or trooper must make the
101 contributions required for such coverage as described in subsection j. of
102 this section.

103 (2) If coverage or benefits are afforded a former officer, non-com-
104 missioned officer or trooper under the aforesaid group life insurance
105 program of the New Jersey State Police after the effective date of this
106 act by reason of his disability, the death benefits provided by this sub-
107 section shall in no event apply to him unless such coverage and benefits
108 shall cease by reason of his recovery from disability. In such event the
109 foregoing provisions of this subsection shall apply from the date of such
110 cessation.

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

121 j. The contributions required during retirement for the death benefit cov-
122 erage provided for by subsection h. and subsection i. of this section shall be
123 determined from the schedules of contributions established by the board of

124 trustees. Such schedules shall be subject to adjustment by the board from
125 time to time. Such contributions shall be deducted from the former officer's,
126 non-commissioned officer's or trooper's retirement allowance or benefits but
127 if there be no retirement allowance or benefits available from which such
128 contributions may be deducted, it shall be the obligation of such former offi-
129 cer, non-commissioned officer or trooper to make such contribution directly to
130 the retirement system, as required by the system.

131 k. Upon receipt of proper proofs of the death of any former officer, non-
132 commissioned officer or trooper of the New Jersey State Police while cov-
133 ered for death benefit coverage pursuant to the provisions of subsection h.
134 or subsection i. of this section, there shall be paid to such person, if living,
135 as the former officer, non-commissioned officer or trooper shall have nominated
136 by written designation duly executed and filed with the retirement system,
137 otherwise to the executor or administrator of the former officer's, non-com-
138 missioned officer's or trooper's estate, the amount for which he is covered
139 at the time of his death pursuant to said subsection h. or said subsection i.,
140 as the case may be.

141 l. Any other provisions of this act notwithstanding, the contributions of
142 any person for death benefit coverage under this section shall not be return-
143 able to such person or his beneficiary or death benefit payee in any manner,
144 or for any reason whatsoever, nor shall such contributions be included in
145 any annuity payable to any such person or his beneficiary.

146 m. A person covered by the additional death benefit program provided by
147 this section may file with the retirement system, and alter from time to time
148 during his lifetime as desired, a duly attested, written new nomination of the
149 payee of the death benefit provided under this section. Such person may
150 also file and alter from time to time during his lifetime, as desired, a request
151 of the retirement system directing payment of said benefit in one sum or in
152 equal annual installments over a period of years or as a life annuity. Upon
153 the death of any person covered for death benefits pursuant to the provi-
154 sions of this section, a death benefit payee to whom the benefit is payable in

155 one sum, may elect to receive the amount payable in equal installments over
156 a period of years or as a life annuity.

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

162 o. The contributions established by the board of trustees pursuant to the
163 foregoing provisions of this section shall be so computed that the aggregate
164 contributions made by all persons from whom contributions are required
165 shall be sufficient to provide for the cost of the benefits established by this
166 section.

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

1 17. Any life insurance company must meet the following requirements
2 in order to qualify under section 16:

3 a. be licensed under the laws of the State of New Jersey to transact
4 life and accidental death insurance, and

5 b. the amount of its group life insurance in the State of New Jersey shall
6 at the time said insurance is to be purchased equal at least 1% of the total
7 amount of such group life insurance in the State of New Jersey in all life
8 insurance companies.

1 18. The State Treasurer may, in his discretion, determine to purchase
2 group insurance coverage for the non-contributory death benefit provisions
3 as provided in sections 8, 9, 10, 12b, 13b, 14c, 27 and 28, or may determine
4 not to purchase any group insurance coverage for the death benefit provi-
5 sions heretofore mentioned. The board of trustees may, in its discretion,
6 determine to purchase group insurance coverage for additional death bene-
7 fit coverage as provided for in section 15, or may, in its discretion, determine
8 not to purchase any contributory group insurance coverage for the addi-
9 tional death benefit provisions provided in section 15.

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

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

1 20. In the event that the board of trustees shall determine to purchase
2 group insurance coverage for the additional death benefit coverage, the
3 schedule of contributions shall be subject to adjustment by said board of
4 trustees from time to time for the purpose of maintaining the contributory
5 group insurance premium fund at a level sufficient to meet the obligations
6 of the fund for the cost of the insurance.

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

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

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

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

1 23. Any such group policy or policies shall provide that payment of any
2 death benefits which are payable by the insurance company may be made in
3 one sum directly to the beneficiary as hereinafter provided, in equal annual
4 installments over a period of years or as a life annuity or in such other man-
5 ner as may be made available by the insurance company. An insured per-
6 son may make such arrangements for settlement, and may alter from time
7 to time during his lifetime any arrangement previously made, by making
8 written request to the insurance company through the policyholder. Upon
9 the death of an insured person, a beneficiary to whom a benefit is payable
10 in one sum by the insurance company may likewise arrange for a settlement
11 as described above. If an insured person's or beneficiary's request for settle-
12 ment of any death benefit in equal annual installments over a period of years
13 or as a life annuity pursuant to the foregoing is approved by the policy-
14 holder, the amount of such annual installments or such life annuity, as the
15 case may be, shall be determined on the basis of such applicable mortality
16 tables and rates of interest as shall have been adopted by the retirement sys-
17 tem and are in effect at the death of the insured person. Any arrangement
18 for payment under the group policy to a beneficiary shall be in lieu of that
19 provided by sections 8, 9, 10, 12b, 13b, 14c, 15, 27 and 28.

1 24. Notwithstanding any other provision of law, any insurance company
2 or companies issuing such policy or policies may credit the policyholder,
3 in the form of reduced premiums, with savings by said company or com-
4 panies in the event that no brokerage commission or commissions are paid by
5 said company or companies on the issuance of such policy or policies.

1 25. a. Upon the death after retirement of a member of the retirement
2 system who was a member of the former "State Police Retirement and
3 Benevolent Fund" on the effective date of this act, there shall be paid to his
4 widow a pension of 50% of final salary for the use of herself and children
5 of the deceased, to continue during her widowhood; if there is no surviving
6 widow or in case the widow dies or remarries 20% of final compensation
7 will be payable to one surviving child, 35% of final compensation to 2 sur-
8 viving children in equal shares and if there be 3 or more children, 50% of
9 final compensation will be payable to such children in equal shares.

10 b. Upon the death after retirement of any member of the retirement
11 system who was not a member of the former "State Police Retirement and
12 Benevolent Fund" on the effective date of this act there shall be paid to his
13 widow a pension of 25% of final compensation for the use of herself, to
14 continue during her widowhood, plus 15% of final compensation payable to
15 one surviving child or an additional 25% of final compensation to 2 or more
16 children; if there is no surviving widow or in case the widow dies or re-
17 marries, 20% of final compensation will be payable to one surviving child,
18 35% of final compensation to 2 surviving children in equal shares and if
19 there be 3 or more children 50% of final compensation will be payable to such
20 children in equal shares.

1 26. A member who withdraws from service or ceases to be a member for
2 any cause other than death or retirement shall receive the amount of his
3 aggregate contributions upon the filing of a written application as required
4 by the retirement system.

1 27. Should a member resign after having completed 25 years of credit-
2 able service as a full time commissioned officer, non-commissioned officer or

3 trooper of The Division of State Police, before reaching service retirement
4 age, he may elect to receive, in lieu of the payment provided in section 26, a
5 retirement allowance which shall consist of:

6 a. an annuity which shall be the actuarial equivalent of his aggregate
7 contributions and,

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

16 Upon the receipt of proper proof of the death of such a retired member,
17 there shall be paid to such person, if living, as he shall have nominated by
18 written designation duly executed and filed with the retirement system,
19 otherwise to the executor or administrator of the member's estate, an
20 amount equal to $\frac{3}{16}$ of the final compensation received by the member.

1 28. Should a member, after having completed 25 years of creditable
2 service as a full time commissioned officer, non-commissioned officer or
3 trooper of The Division of State Police, be separated voluntarily or invol-
4 untarily from the service, before reaching service retirement age, and not
5 by removal for cause or charges of misconduct or delinquency, such person
6 may elect to receive the payments provided for in sections 26 or 27 or a
7 deferred retirement allowance, beginning at age 55, which shall consist of:

8 a. an annuity which shall be the actuarial equivalent of his aggregate
9 contributions at the time of retirement, and

10 b. a pension in the amount which when added to the member's annuity
11 will provide a total retirement allowance of 2% of his final compensation
12 multiplied by his number of years of creditable service up to 25 plus 1% of
13 his final compensation multiplied by his number of years of creditable serv-

14 ice over 25, provided that such election is communicated by such member to
15 the retirement system in writing stating at what time subsequent to the
16 execution and filing thereof he desires to be retired; and provided further,
17 that such member may later elect to receive payments provided under sec-
18 tions 26 or 27, or if such member shall die before attaining age 55, his aggre-
19 gate contributions shall be paid to such person, if living, as he shall have
20 nominated by written designation duly executed and filed with the retire-
21 ment system, otherwise to the executor or administrator of the member's
22 estate.

23 Upon the receipt of proper proofs of the death of a member who was
24 receiving a deferred retirement allowance, there shall be paid to such person,
25 if living, as he shall have nominated by written designation duly executed
26 and filed with the retirement system, otherwise to the executor or admin-
27 istrator of the member's estate, an amount equal to $\frac{3}{16}$ of the final compen-
28 sation received by the member.

1 29. Any member who has at least 3 years of service for which he has con-
2 tributed as a member may borrow from the retirement system, an amount
3 equal to not more than 50% of the amount of his aggregate contributions, but
4 not less than \$50.00; provided, that the amount so borrowed, together with in-
5 terest thereon, can be repaid by additional deductions from salary, not in ex-
6 cess of 25% of the member's salary, made at the time the salary is paid to the
7 member but not after the attainment of age 55. The amount so borrowed, to-
8 gether with interest at the rate of 4% per annum on any unpaid balance
9 thereof, shall be repaid to the retirement system in equal installments by de-
10 ductions from the salary of the member at the time the salary is paid or in
11 such lump sum amounts as the board of trustees shall approve, but such in-
12 stallments shall be at least equal to the member's contribution to the retire-
13 ment system and at least sufficient to repay the amount borrowed with interest
14 thereon by the time the member attains age 55. Not more than 2 loans may be
15 granted to any member in any calendar year. Notwithstanding any other law
16 affecting the salary or compensation of any person or persons to whom this act

17 applies or shall apply, the additional deductions required to repay the loan
18 shall be made. Any unpaid balance of a loan at the time any benefit may be-
19 come payable shall be deducted from the benefit otherwise payable.

20 Loans may be made to a member from his aggregate contributions. In ad-
21 dition the board of trustees is hereby authorized to set aside moneys within
22 the contingent reserve fund from which loans to members may be made. If
23 such moneys are used for the purpose of making loans, the interest earned on
24 such loans shall be treated in the same manner as interest earned from invest-
25 ments of the retirement system.

1 30. a. The general responsibility for the proper operation of the retirement
2 system is hereby vested in the board of trustees which shall be organized im-
3 mediately after 3 of the trustees provided for in this section have qualified and
4 taken the oath of office.

5 b. The board shall consist of 5 trustees as follows:

6 (1) Two active members of the system who shall be appointed by the
7 Superintendent of State Police, who shall serve at the pleasure of the Super-
8 intendent and until their successors are appointed and one of whom shall be
9-11 a commissioned officer of the Division of State Police.

12 (2) Two members to be appointed by the Governor, who shall serve at the
13 pleasure of the Governor and until their successors are appointed and who
14 shall be private citizens of the State of New Jersey.

15 (3) The State Treasurer, ex officio. The Deputy State Treasurer, when
16 designated for that purpose by the State Treasurer, may sit as a member of
17 the board of trustees and when so sitting shall have all the powers and shall
18 perform all the duties vested by this act in the State Treasurer.

19-22 c. Each trustee shall, after his appointment or election, take an oath of
23 office that, so far as it devolves upon him, he will diligently and honestly fulfill
24 his duties as a board member, and that he will not knowingly violate or permit
25 to be violated any of the provisions of the law applicable to the retirement
26 system. Such oath shall be subscribed by the member taking it, and certified by
27 the official before whom it is taken, and immediately filed in the office of the
28 Secretary of State.

29 d. If a vacancy occurs in the office of a trustee, the vacancy shall be filled
30 for the unexpired term in the same manner as the office was previously filled.

31 e. The trustees shall serve without compensation, but they shall be reim-
32 bursed by the State for all necessary expenses that they may incur through
33 service on the board. No employee member shall suffer loss of salary through
34 the serving on the board.

35 f. Except as otherwise herein provided, no member of the board of
36 trustees shall have any direct interest in the gains or profits of any invest-
37 ments of the retirement system; nor shall any member of the board of
38 trustees directly or indirectly, for himself or as an agent in any manner use
39 the moneys of the retirement system, except to make such current and neces-
40 sary payments as are authorized by the board of trustees; nor shall any mem-
41 ber of the board of trustees become an endorser or surety, or in any manner
42 an obligor for moneys loaned to or borrowed from the retirement system.

43 g. Each trustee shall be entitled to one vote in the board. A majority
44 vote of all trustees shall be necessary for any decision by the trustees at any
45 meeting of said board.

46 h. Subject to the limitations of this act, the board of trustees shall, from
47 time to time, establish rules and regulations for the administration of the
48 funds created by this act and for the transaction of its business.

49 i. The board shall designate an actuary who shall be the technical ad-
50 viser of the board on matters regarding the operation of the funds created by
51 the provisions of this act and shall perform such other duties as are required
52 in connection herewith.

53 j. The Attorney General shall be the legal adviser of the retirement
54 system.

55 k. The Chief of the Bureau of Police and Fire Funds of the Division of
56 Pensions of the State Department of the Treasury shall be the secretary of
57 the board.

58 l. The board of trustees shall keep a record of all of its proceedings
59 which shall be open to public inspection. It shall publish annually a report

60 showing the fiscal transactions of the retirement system for the preceding
61 year, the amount of the accumulated cash and securities of the system and the
62 last balance sheet showing the financial condition of the system by means of
63 an actuarial valuation of the assets and liabilities of the retirement system.

64 m. The board of trustees shall designate a medical board to be composed
65 of 3 physicians. As required, other physicians may be employed to examine
66 members where medical evidence is prescribed. The medical board shall pass
67 on all medical examinations required under the provisions of this act, and
68 shall report in writing to the board of trustees its conclusions and recom-
69 mendations upon all matters referred to it.

70 n. The various funds created by this act shall be subject to the super-
71 vision of the Department of Banking and Insurance of the State of New
72 Jersey.

1 31a. The board of trustees shall be and are hereby constituted trustees
2 of all the various funds established by this act except the group insurance
3 premium fund; provided, however, that all functions, powers, and duties
4 relating to the investment or reinvestment of moneys of, and purchase, sale,
5 or exchange of any investments or securities, of or for any fund established
6 under this act, shall be exercised and performed by the Director of the Di-
7 vision of Investment in accordance with the provisions of chapter 270, P. L.
8 1950, as amended and supplemented.

9 b. The secretary of the board shall determine from time to time the cash
10 requirements of the various funds established by this act and the amount
11 available for investment, all of which shall be certified to the State Treas-
12 urer and the Director of the Division of Investment.

13 c. The Treasurer of the State of New Jersey shall be the custodian of
14 the several funds. All payments from said funds shall be made by him only
15 upon vouchers signed by the secretary and the chairman of the board of trus-
16 tees. A duly attested copy of the resolution of the board of trustees desig-
17 nating the chairman and bearing on its face specimen signatures of the
18 chairman and the secretary shall be filed with the treasurer as his author-
19 ity for making payments upon such vouchers.

20 d. The administration of the program shall be performed by the person-
21 nel of the Division of Pensions of the State Department of the Treasury
22 and the costs of administration shall be borne by the State.

1 32. The actuary appointed by the board shall recommend such data as
2 shall be necessary for actuarial valuation of the various funds created by
3 this act. Once in every 5-year period after the effective date of this act, the
4 actuary shall make an actuarial investigation into the mortality, service and
5 compensation experience of the members and beneficiaries and shall make a
6 valuation of the assets and liabilities of the various funds created by this
7 act. Upon the basis of such investigation and valuation the board shall
8 adopt for the retirement system such mortality, service and other tables as
9 shall be deemed necessary.

10 Immediately after the establishment of the retirement system the actu-
11 ary shall prepare and submit to the board the mortality and service tables
12 which he recommends for adoption. The board shall adopt such tables as
13 it deems necessary in accordance with this recommendation.

1 33. Under this act there shall be established a Contingent Reserve Fund,
2 the Annuity Savings Fund, the Retirement Reserve Fund and the Member's
3 Death Benefit Fund.

1 34. The Contingent Reserve Fund shall be the fund in which shall be cred-
2 ited contributions made by the State.

3 a. Upon the basis of such tables as the board adopts and regular in-
4 terest, the actuary shall compute annually the amount of the contribution,
5 expressed as a proportion of the salaries paid to all employees, which if paid
6 monthly during the entire prospective service of the employees, will be suf-
7 ficient to provide for the pension reserves required at the time of the discon-
8 tinuance of active service to cover all pensions to which they may be entitled
9 or which are payable on their account and to provide for the amount of the
10 death benefits payable on their account by the State, which are not covered
11 by accrued liability contributions, to be made as provided in subsection b.
12 hereof, and the funds in hand available for such benefits.

13 b. Upon the basis of such tables as the board adopts, and regular in-
14 terest, the actuary shall compute annually, the amount of the liability which
15 has accrued by reason of allowances to be granted on account of services
16 rendered by members of the former "State Police Retirement and Benev-
17 olent Fund" which has not already been covered by previous State contri-
18 butions to the former system. Using the total amount of this liability re-
19 maining as a basis, he shall compute the amount of the flat annual payment,
20 which, if paid in each succeeding fiscal year, commencing with July 1, 1966,
21 for a period of 30 years, will provide for this liability.

22 c. The actuary shall certify annually the aggregate amount payable to
23 the Contingent Reserve Fund in the ensuing year, which amount shall be
24 equal to the sum of the proportion of the earnable salary of all members,
25 computed as described in subsection a. hereof and of the State's accrued lia-
26 bility contribution, payable in the ensuing year, as described in subsection
27 b. hereof. The State shall pay into the Contingent Reserve Fund during the
28 ensuing year the amount so determined. In the event the amount certified
29 to be paid by the State includes amounts due for services rendered by mem-
30 bers to specific instrumentalities or authorities the total amount so certified
31 shall be paid to the retirement system by the State; provided, however, the
32 full cost attributable to such services rendered to such instrumentalities and
33 authorities shall be computed separately by the actuary and the State shall
34 be reimbursed for such amounts by such instrumentalities or authorities.

35 The cash death benefits, payable as the result of contribution by the State
36 under the provisions of this act upon the death of a member in active service
37 and after retirement shall be paid from the Contingent Reserve Fund.

1 35. The Annuity Savings Fund shall be the fund in which shall be accu-
2 mulated the contributions from the salary of members to provide for their
3 annuities. The aggregate contributions of a member withdrawn by him or
4 paid to his estate or his designated beneficiary in the event of his death as
5 provided in this act shall be paid from the Annuity Savings Fund. Upon the
6 retirement or death of a member where the aggregate contributions of the

7 member are to be provided in the form of an annuity, the aggregate contri-
8 butions of the member shall be transferred from the Annuity Savings Fund
9 to the Retirement Reserve Fund.

1 36. The Retirement Reserve Fund shall be the fund in which shall be
2 held the reserves on all retirement allowances and pensions granted to mem-
3 bers or their beneficiaries and from which all retirement allowances and
4 pensions shall be paid. It will be the fund which will receive all of the accu-
5 mulated reserves of the former "State Police Retirement and Benevolent
6 Fund," except as otherwise provided.

7 Upon the retirement of a member, the aggregate contributions of the
8 member shall be transferred to the Retirement Reserve Fund from the An-
9 nuity Savings Fund. The reserve needed to produce the balance of the re-
10 tirement allowance shall be transferred from the Contingent Reserve Fund.
11 If the pension or annuity of a member who has been retired is subsequently
12 canceled, the appropriate reserve shall be transferred to the Annuity Sav-
13 ings Fund and the Contingent Reserve Fund.

14 Any surplus or deficit developing in the Retirement Reserve Fund shall
15 be adjusted from time to time by transfer to or from the Contingent Reserve
16 Fund by appropriate action of the board of trustees with the advice of the
17 actuary.

1 37. The Members' Death Benefit Fund shall be the fund in which shall be
2 accumulated the contributions from the salary of members to provide for
3 their additional death benefits as provided by section 15 of this act. Upon
4 the death of a member electing the additional death benefit, the additional
5 death benefit payable shall be paid from the Member's Death Benefit Fund.

1 38. There shall be deducted from the payroll of each active member of
2 the system 6% of the amount of his salary, which shall be turned over to
3 the State Treasurer and be credited by him to the account of the State
4 Police Retirement System. The deductions provided for herein shall be made
5 notwithstanding that the minimum salary provided for by law for any mem-
6 ber shall be reduced thereby. Every member shall be deemed to consent and

7 agree to the deductions made and provided for herein, and payment of salary
8 or compensation less said deduction shall be a full and complete discharge and
9 acquittance of all claims and demands whatsoever for the service rendered
10 by such person during the period covered by such payment, except as to the
11 benefits provided under this act.

1 39. Regular interest charges payable, the creation and maintenance of
2 reserves in the Contingent Reserve Fund, the maintenance of retirement
3 reserves as provided for in this act and the payment of all retirement
4 allowances and other benefits granted by the board of trustees under the pro-
5 visions of this act are hereby made obligations of the State. All income, in-
6 terest and dividends derived from deposits and investments authorized by
7 this act shall be used for the payment of these obligations of the State.

8 Upon the basis of each actuarial determination and appraisal provided
9 for in this act an itemized estimate of the amounts necessary to be appropri-
10 ated by the State to the various funds to provide for payment in full during
11 the ensuing fiscal year of the obligations of the State accruing during that
12 year shall be submitted by the retirement system to the Governor so that it
13 may be included in the budget request submitted by the Governor to Legisla-
14 ture. The Legislature shall make an appropriation sufficient to provide for
15 such obligations of the State. The amounts so appropriated shall be paid
16 into the various funds created by this act.

1 40. While $\frac{1}{8}$ of the 2% tax collected by the State Tax Commissioner
2 under section 54:17-1 of the Title Taxation from insurance companies of
3 other States and foreign countries, on premiums of insurance against auto-
4 mobile liability, automobile property damage, automobile collision and auto-
5 mobile fire and theft insurance risks in this State, were turned over monthly
6 by the State Tax Commissioner to the State Treasurer to be added to the
7 former "State Police Retirement and Benevolent Fund" the proceeds of
8 such tax shall henceforth be paid to the State Treasurer for deposit in the
9 funds of the General Treasury.

1 41. a. No other provision of the law in any other statute which provides
2 wholly or partly at the expense of the State of New Jersey for pensions or
3 retirement benefits for members of this system and for beneficiaries shall
4 apply to such members or beneficiaries.

5 b. Notwithstanding anything to the contrary, the retirement system shall
6 not be liable for the payment of any pensions or other benefits to any mem-
7 ber or beneficiary for which reserves have not been previously created from
8 funds contributed by the members or the State for such benefits.

1 42. Any person who shall knowingly make any false statement or shall
2 falsify or permit to be falsified any record or records of this retirement
3 system in any attempt to defraud such system as a result of such act shall
4 be guilty of a misdemeanor and shall be punishable therefor under the laws
5 of the State of New Jersey. Should any change or error in the records re-
6 sult in any member or person receiving from the retirement system more or
7 less than he would have been entitled to receive had the records been correct,
8 the board of trustees shall, as far as practicable, correct such error and ad-
9 just the payments in such manner that the actuarial equivalent of the bene-
10 fit to which such member or beneficiary was correctly entitled shall be paid.

1 43. Any member or any beneficiary who has been or, in the future, may
2 be retired, or receive a pension, benefit or retirement allowance, including
3 an annuity, pursuant to the provisions of this act, may, by filing written re-
4 quest with the retirement system, waive payment of a portion of the pension,
5 benefit, or retirement allowance, including annuity, to which he may be en-
6 titled.

7 Upon the receipt of such waiver, and until the same is withdrawn, al-
8 tered or revoked by a subsequent written request, similarly filed, the retire-
9 ment system shall pay a reduced pension, benefit, retirement allowance or
10 annuity as shall be requested in such waiver. The member or the beneficiary
11 shall not be entitled to a refund, or credit, for such moneys as shall have
12 been waived during the period such waiver has been in effect.

1 44. Whenever any person shall, in writing, request and authorize the
2 retirement system to make deductions from his retirement allowance or pen-
3 sion for the purpose of paying premiums for any hospital service plan and
4 any medical-surgical plan which meets with minimum participation require-
5 ments established by rules and regulations of the board of trustees, the re-
6 tirement system may make such deductions and transmit the sums so de-
7 ducted directly to the company carrying the policy or policies. Any such
8 authorization may be withdrawn by any member upon filing written notice
9 of such withdrawal with the retirement system.

1 45. The right of a person to a pension, an annuity, or a retirement al-
2 lowance, to the return of contributions, any benefit or right accrued or ac-
3 cruing to a person under the provisions of this act and the moneys in the
4 various funds created under this act, shall be exempt from any State or
5 municipal tax and from levy and sale, garnishment, attachment or any other
6 process arising out of any State or Federal court, and, except as in this act
7 otherwise provided, shall be unassignable.

1 46. If any provision, section, or part of any section of this act is de-
2 clared to be unconstitutional, the same shall not be held to affect any other
3 section or provision of this act, and the remainder of this act shall in no
4 wise thereby be invalidated.

1 47. This act shall be known as the "State Police Retirement System
2 Act."

1 48. This act shall take effect July 1, 1965.

SENATE Bill No. 219

FOR RELEASE: June 9, 1965

FROM: Office of the Governor

Governor Richard J. Hughes has signed the following bills:

Senate Bill No. 119 -- adds the Italian American War Veterans of the United States Incorporated, to the list of organizations who are exempt from the laws applicable to mutual benefit associations.

Senate Bill No. 219 -- modernizes and liberalizes the law dealing with the State police pension benefits. The benefit and contribution schedules of the present fund have remained unchanged for the last 40 years and in the last decade, many studies had indicated the financial plight of the system. Also, the contributory life insurance program for State police members was funded on a pay-as-you-go basis so that the growing maturity of the membership would lead to increased outlays by present members in order to maintain the benefits payable to those who retired in the past.

Senate Bill No. 219, which was prepared with the cooperation of the Office of the Attorney General and the Department of the Treasury, will place the State Police Pension Fund on a sound basis and will introduce a noncontributory life insurance program for State police members, thereby easing the burden of the contributory program.

Assembly Bill No. 660 -- amends and supplements the Supplemental Annuity Collective Trust of New Jersey to enable eligible employees to enter into agreements whereby, on their behalf, the employer will purchase annuities from the trust which will qualify for the tax sheltered or tax deferred treatment permitted pursuant to section 403(b) of the Internal Revenue Code.