

December 14, 1972

LEGISLATIVE NOTES ON R.S.43:16A-1
(Police and firemen's retirement system)

(1964, 1967, 1971 amendments only)

L.1964 - chap.242 - S140

Revises the police and firemen's pension fund law under (chap.253, P.L.1944) with respect to service after 25 years, accidental disability, non-accident disability and traumatic events causing disability, effective January 1, 1965.

Feb.3 - Introduced by Farleif.

May 18 - Passed in Senate.

Nov.16 - Passed in Assembly.

Dec.24 - Approved, chap.242.

No Statement.

Not amended during passage.

Fiscal note (copy enclosed).

L.1967 - chap.250 - S266.

Revises the municipal, county police and firemen's retirement systems.

Feb.6 - Introduced by Kelly, Crossi and Farley.

May 8 - Passed in Senate, amended.

Nov.27 - Passed in Assembly, amended.

Dec.11 - Assembly amendment passed in Senate.

Dec.18 - Approved, chapter 250.

Amended during passage (bill thirty pages long; may be seen at the State Library)

No Statement (~~copy enclosed~~)

1.1971 - chap.175 - S2250.

Provides for changes in the Police and Firemen's Retirement System to liberalize benefits and provide for a uniform and more economical administration.

Apr.26 - Introduced by Woodcock, Knowlton.

Apr.29 - Passed in Senate.

May 10 - Passed in Assembly.

June 1 - Approved, chapter 175.

Not amended during passage.

Statement (copy enclosed).

No hearings or reports on any of these three laws were located.

TW/EH
Encl.

H.C. - 1964 S140

SENATE, No. 140

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 3, 1964

By Senator FARLEY

Referred to Committee on State, County and Municipal Government

AN ACT concerning the pension fund of police and firemen, amending sections 43:16-1, 43:16-2, 43:16-3, 43:16-4, and 43:16-5 of the Revised Statutes and repealing section 5 of chapter 253 of the laws of 1944.

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

1 1. Section 43:16-1 of the Revised Statutes is amended to read as follows:

2 43:16-1. In all municipalities any active member of a police department
3 or of a paid or part-paid fire department or of a county police department
4 including active members of the paid or part-paid fire departments of any
5 fire district located in any township which has adopted the provisions of an
6 act entitled "An act providing for the retirement of policemen and firemen
7 of the police and fire departments in municipalities of this State, including
8 all police officers having supervision or regulation of traffic upon county
9 roads, and providing a pension for such retired policemen and firemen and
10 members of the police and fire departments, and the widows, children and sole
11 dependent parents of deceased members of said department," approved April
12 15, 1920 (P. L. 1920, c. 160) or of chapter 16 of Title 43 of the Revised
13 Statutes, who shall have served honorably in the police or fire department
14 for a period of 25 years and reached the age of 51 years, or any employee mem-
15 ber of any such department who shall have served honorably in such depart-

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

ment for a period of 25 years and who has reached the age of 60 years shall, on his own application, be retired on a service retirement pension equal to $\frac{1}{2}$ of his average salary. Any active member of the police or paid or part-paid fire department including active members of the paid or part-paid fire department of any fire district as aforesaid who shall have served honorably for a period of 25 years and reached the age of 65 years and any employee member of any such department who shall have served honorably in such departments for a period of 25 years and reached the age of 70 years shall be retired on a service retirement pension equal to $\frac{1}{2}$ of his average salary.

The amount of the service retirement pension of any member of such police or paid or part-paid fire department, who has served for more than 25 years and who retires after the effective date of this amendatory act, shall be increased by an amount equal to 1% of his average salary for each year of service in excess of 25 years rendered prior to his reaching age 65.

2. Section 43:16-2 of the Revised Statutes is amended to read as follows:

43:16-2. Any member of such police or paid or part-paid fire department who shall have received permanent disability as a direct result of a traumatic event occurring while performing his regular or assigned duties [on duty] shall be retired upon [a service] an accidental disability pension equal to $\frac{2}{3}$ of his average salary if an application for such retirement is filed by such member or by his employer within 5 years after the date of such traumatic event or the commission may consider an application filed after the 5-year period if it can be factually demonstrated to the satisfaction of the commission that the disability is due to the accident and the filing was not accomplished within the 5-year period due to a delayed manifestation of the disability or other circumstances beyond the control of the member.

A member of any such department who shall have served honorably [, desiring to retire because of permanent disability not sustained while on duty] and who shall have become permanently and totally incapacitated for service for any cause other than as a direct result of a traumatic event occurring during the performance of duty, shall, upon approval of his application, or the

18 application of his employer, be retired on a [nonservice] *nonaccident* dis-
19 ability pension equal to $\frac{1}{2}$ of his average salary. *Permanent and total dis-*
20 *ability resulting from a cardio-vascular, pulmonary or musculo-skeletal condi-*
21 *tion which was not a direct result of a traumatic event occurring in the*
22 *performance of duty shall be deemed a nonaccident disability.*

23 A member of any such department seeking to retire on [a service] *an*
24 *accident* disability or [nonservice] *nonaccident* disability pension shall make
25 application to the commission in writing; or the commission may, upon ap-
26 plication of the employer, cite any such member of any such department
27 before it to examine such member concerning his alleged disability and in
28 either case the commission shall call to its assistance the aid of a surgeon or
29 physician, and the member may likewise call to his aid a regularly licensed
30 and practicing physician or surgeon; but no member shall be so retired unless
31 the official physician of the local police or fire department, as the case may
32 be, with which the person to be retired is connected, shall certify to the com-
33 mission that such member has the disability by reason of which the retirement
34 is sought. The chairman of the commission is authorized to administer oaths
35 to such physicians or surgeons or any other person called with respect to the
36 matter before the commission. If the 2 physicians or surgeons so called fail
37 to agree upon the physical or mental condition of the member, the commis-
38 sion may call a third and disinterested, licensed and practicing physician or
39 surgeon, and the determination of a majority of such surgeons or physicians,
40 after they shall have been duly sworn in the case, shall be reduced to writing
41 and signed by them. The determination shall specify whether or not such
42 member is permanently disabled from performing his usual duty and any
43 other available duty in the department which his employer is willing to assign
44 to him and whether or not his permanent disability [occurred while on duty]
45 *is a direct result of a traumatic event occurring during the performance of*
46 *his duty.* The commission shall determine by resolution whether the member
47 is fit for the performance of his usual duty or such other duty in his depart-
48 ment which his employer is willing to assign to him and if it is determined
49 that he is unfit for such duty or there is no available duty which he could

50 perform then he shall be entitled to the benefits of this subtitle. In deter-
51 mining whether the member should be retired on a disability pension, the com-
52 mission shall consider the physicians' or surgeons' determination in arriving
53 at its decision.

54 The commission shall require any member who is less than 51 years of
55 age and who shall have been retired on [a service] *an accident* disability or
56 [nonservice] *nonaccident* disability pension to submit to a physical examina-
57 tion twice a year for a period of 3 years and once a year thereafter in order
58 to determine whether or not the disability which existed at the time that he
59 was retired still exists. Such examination shall be made in accordance with
60 the same procedure in the instance of the examination made by virtue of a
61 member's application for retirement for disability. If the physicians or
62 surgeons or a majority of them report that the member is able to perform
63 either his former usual duties, if such be available, or such other available
64 duties in the department which his employer shall assign to him, the pen-
65 sioner shall report for such duty within 10 days after receipt of notice of
66 the commission's determination thereon, and be reinstated to duty at the
67 salary prevailing for the position at the time of his reinstatement and there-
68 upon his pension payments shall cease. If the pensioner fails to submit to
69 a medical examination or fails to return to duty within 10 days after receiv-
70 ing either request or within such further time as may be allowed by the com-
71 mission for valid reason, his pension payments shall be discontinued during
72 such default. Any pensioner who may be of the opinion that he has recovered
73 from the disability which existed at the time of his retirement may request
74 and be granted an examination by the commission at any time and if it be
75 found by the physicians or surgeons or a majority of them that he be fit for
76 his usual duty or any other available duty in the department which his
77 employer is willing to assign to him and the commission concurs therein
78 then he shall be reinstated thereto, if such be available, at the salary prevail-
79 ing for the position at the time of his reinstatement and thereupon his pen-
80 sion payments shall cease.

1 3. Section 43:16-3 of the Revised Statutes is amended to read as follows:

2 43:16-3. The widow of a member of such police or paid or part-paid fire
3 department, who shall have been retired on a service retirement pension, or
4 who shall have continued in service after becoming eligible for such pension
5 and shall not have lost his life while on duty or who shall have been retired
6 on **[a service]** *an accident* disability pension, and which member shall have
7 paid into the fund the amount of his annual assessments or contributions
8 required by section 43:16-5 of the Revised Statutes **[and if he shall have**
9 **been retired on pension continued so to do after his retirement and until his**
10 **death]**, shall, if she married her husband before the date of his retirement
11 and before he reached 50 years of age and did not marry such member while
12 he was suffering from the last illness which resulted in his death, receive a
13 pension for so long as she remains unmarried in the sum of \$1,200.00 annually
14 for the use of herself and the children of her deceased husband, if any,
15 under 18 years of age, or if no widow but children under 18 years of age, or
16 if widow dies leaving children under 18 years of age, of the deceased
17 member, the pension which the widow would have received had she survived
18 shall be paid to such children.

19 The widow of a member who shall not have been retired but shall die
20 before becoming eligible for a service retirement pension while still employed
21 by the department and shall not have lost his life while on duty, and the
22 widow of a member who shall have been retired on a **[nonservice]** *non-*
23 *accident* disability pension and which member shall have paid into the fund
24 the amount of his annual assessments or contributions required by section
25 43:16-5 of the Revised Statutes, **[until his death,]** shall, if she married her
26 deceased husband before the date of his retirement and before he reached 50
27 years of age, and did not marry such member while he was suffering from
28 the last illness which resulted in his death, receive a pension, for so long
29 as she remains unmarried, in the sum of \$1,200.00 annually, for the use of
30 herself and the children of her deceased husband, if any, under 18 years of
31 age, or if no widow but children under 18 years of age or if widow dies

32 leaving children under 18 years of age, of the deceased member, the pension
33 which the widow would have received had she survived shall be paid to such
34 children.

35 If a member who shall have been retired on a service retirement pension
36 or a member who shall have continued in service after becoming eligible for
37 such pension and shall not have lost his life while on duty or a member who
38 shall have been retired upon [a service] *an accident* disability or [non-
39 service] *nonaccident* disability pension, or a member who dies while still
40 employed by the department but who shall not have lost his life while on
41 duty, leaves no widow, but leaves a child or children under 18 years of age,
42 or if such widow dies leaving children of the deceased member, the pension
43 which the widow would have received had she survived shall be paid to those
44 children who have not reached 18 years of age in equal shares, if there be
45 3 or more of them, if there be only 2 they shall be paid \$40.00 each monthly
46 and if there be only one, the child shall be paid \$50.00 monthly, until the age
47 of 18 years is reached but in no event are the pensions paid to the children
48 to exceed in the aggregate the sum of \$1,200.00 annually.

49 If the member dies leaving no widow and no children under 18 years of
50 age, the pension shall be paid to the dependent parent or parents of the
51 deceased member; but in no event shall any pension paid to a dependent
52 parent exceed \$500.00 per annum if there be one, or exceed \$375.00 per annum
53 each if there be 2.

1 4. Section 43:16-4 of the Revised Statutes is amended to read as follows:

2 43:16-4. The widow of any member of such police or paid or part-paid
3 fire department, who shall have paid into the fund the full amount of his
4 annual assessment or contributions and shall have lost his life while on duty,
5 shall, if she married her husband before he reached 50 years of age, receive
6 an annual pension, for so long as she remains unmarried, equal to $\frac{1}{2}$ of the
7 member's average salary. If there be a widow and children of the member,
8 the pension shall be paid to the widow for the use of herself and such
9 children. If there be such children and no widow, or if the widow dies, the

10 pension which the widow would have received had she survived, shall be paid
 11 to those children who have not reached 18 years of age, in equal shares, if
 12 there be 3 or more children; if there be 2 children, they shall be paid \$40.00
 13 each monthly; if there be but one child, he shall be paid \$50.00 monthly; but
 14 in no event shall the pensions paid to the children exceed in the aggregate,
 15 the sum of \$1,500.00 annually. If there be no widow and no such children
 16 under 18 years of age, the pension shall be paid to the dependent parent or
 17 parents of the deceased member; but in no event shall any pension paid to a
 18 dependent parent exceed \$500.00 per annum if there be one, or exceed \$375.00
 19 per annum each if there be 2. No widow shall be entitled to a pension who
 20 shall have married the member after he shall have reached 50 years of age,
 21 or after the date of his retirement, or while he was suffering from the last
 22 illness which resulted in his death [, and no children of both such widow and
 23 member, whether natural or adopted, shall be entitled to a pension. If a
 24 widow entitled to a pension remarries, the pension shall cease and shall not
 25 be paid to the widow or her children].

26 The increased pension benefits payable under this act shall apply only to
 27 cases where such policeman or fireman lost his life while on duty on or after
 28 June 1, 1948, and shall not affect pensions paid or to be paid as a result of
 29 deaths occurring prior to said date.

1 5. Section 5 of chapter 253 of the laws of 1944 is hereby repealed.

1 6. Section 43:16-5 of the Revised Statutes is amended to read as follows:

2 43:16-5. For the purpose of paying the pensions provided by this chap-
 3 ter, all pension funds heretofore created and in existence pursuant to the
 4 provisions of an act entitled "An act providing for the retirement of police-
 5 men and firemen of the police and fire departments in municipalities of this
 6 State, including all police officers having supervision or regulation of traffic
 7 upon county roads, and providing a pension for such retired policemen and
 8 firemen and members of the police and fire departments, and the widows,
 9 children and sole dependent parents of deceased members of said depart-
 10 ments," approved April 15, 1920 (P. L. 1920, c. 160), and chapter 16 of

11 Title 43 of the Revised Statutes, shall, from and after July 1, 1953, be con-
12 solidated, and, as so consolidated, shall be transferred to and placed under the
13 control and jurisdiction of the Consolidated Police and Firemen's Pension
14 Fund Commission created by the provisions of this chapter. All rights and
15 privileges created and extended to members of a municipal police department
16 or of a paid or part-paid *fire* department or of a county police department,
17 including members of the paid or part-paid fire department of any fire dis-
18 trict located in any township which has adopted said act or said chapter of
19 the Revised Statutes are hereby expressly preserved, continued and trans-
20 ferred from said pension funds to said consolidated fund. Nothing herein
21 contained shall be deemed to affect or impair the right of any beneficiary of
22 any of the funds so created, but all rights of such beneficiaries which have
23 accrued or may accrue in or against any such pension fund shall be deemed
24 to have accrued or to accrue against the funds so consolidated under the
25 jurisdiction of the commission hereby created. Said consolidated fund shall
26 be maintained as follows:

27 (a) There shall be deducted from every payment of salary to each
28 member, as defined in the supplement to this chapter enacted by laws of
29 1944, chapter 253, section 12, as amended and supplemented, and paid into
30 said consolidated fund **[5%]** 6% of the amount thereof **[if he entered the**
31 **service on or before attaining the age of 35 years, and if he entered the**
32 **service after attaining the age of 35 years the percentage shall be increased**
33 **to such an amount as shall be determined by the commission to correspond**
34 **to the risk arising by his additional age]**.

35 (b) All employers, as defined in the supplement to this chapter enacted
36 by laws of 1944, chapter 253, section 12, as amended and supplemented, shall
37 contribute to the said consolidated fund in the following manner and amounts:

38 (1) An amount equal to **[5%]** 6% of the total of salaries annually paid
39 to the members of the consolidated fund under said employer's jurisdiction,
40 which shall be known as the employer's normal contribution, and which shall
41 be paid into said fund on July 1 of each year, commencing July 1, 1953.

42 (2) An additional amount annually for a period of 30 years, commencing
43 July 1, 1953, equal to 66⅔% of the share of the particular employer of the
44 annual amortization payment determined by the actuary of the commission to
45 be required to bring the fund to a state of actuarial solvency at the end of
46 *the* said 30-year period. In determining an employer's share of said annual
47 amortization payment, the actuary shall determine separately, and give due
48 credit to the value of the assets transferred by such employer to said con-
49 solidated fund. The amount of each of such annual payments shall be
50 certified by the commission to the treasurer of each employer prior to the
51 first day of the year in which such payment is required to be made, and said
52 amount shall be appropriated in said employer's budget for that year.
53 Commencing January 1, 1954, said annual payment shall be made in 2 equal
54 portions; the first on the first day of each year, and the second on July 1 of
55 each year.

56 (3) A fee, payable on July 1 of each year commencing with the year
57 1953, and consisting of such proportion of the administrative expense of the
58 consolidated fund, as determined by the commission, as the number of mem-
59 bers under the jurisdiction of such employer, *or their beneficiaries*, then bears
60 to the total number of members *and beneficiaries* in the consolidated fund.

61 (c) The State of New Jersey shall contribute annually, throughout a
62 period of 30 years, commencing July 1, 1953, such amount as may be neces-
63 sary to make up the balance of each annual payment required by subdivision
64 (b) (2) of this section, so as to bring to actuarial solvency at the expiration
65 of said 30-year period the consolidated fund hereby created. The amount of
66 such annual contributions by the State shall be certified to the State
67 Treasurer by the actuary of the commission at the time required for other
68 State departmental budgetary certifications. All funds necessary to meet the
69 State's share of said annual payments shall be included in the annual State
70 budget and appropriated by the Legislature.

1 7. This act shall take effect January 1, 1965.

FISCAL NOTE TO
SENATE, No. 140

STATE OF NEW JERSEY

DATED: MAY 18, 1964

Senate Bill No. 140 increases the pension allowance to any member of the Public Employees' Retirement System engaged in law enforcement or fire prevention to the extent of 1% per year of his average salary for each year of service in excess of 25 years rendered prior to his reaching age 65, and eliminates the 2½% reduction in pensions presently required to provide widow's pensions.

It is estimated that enactment of this Bill will result in additional annual expenditures of \$387,931.00.

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

SENATE, No. 266

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 6, 1967

By Senators KELLY and GROSSI

Referred to Committee on State, County and Municipal Government

AN Act concerning the police and firemen's retirement system for the police and firemen of a municipality, county or political subdivision thereof, revising parts of the statutory law, amending and supplementing P. L. 1944, chapter 255, amending P. L. 1964, chapter 241, and repealing section 12 of P. L. 1944, chapter 255, sections 5 and 6 of P. L. 1953, chapter 266, section 2 of P. L. 1960, chapter 109 and section 3 of P. L. 1961, chapter 12.

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

3 1. Section 1 of chapter 255 of the laws of 1944 is amended to
4 read as follows:

5 1. The following words and phrases as used in this act unless
6 a different meaning is plainly required by the context shall have
7 the following meanings:

8 (1) "Retirement system" shall mean the Police and Firemen's
9 Retirement System of New Jersey as defined in section 2 of this act.

10 (2) "Policeman or fireman" shall mean any permanent and
11 full-time active uniformed employee, and any active permanent
12 and full-time employee who is a detective, lineman, fire alarm op-
13 erator or inspector of combustibles, of any police or fire depart-
14 ment of a municipality or a fire department of a fire district located
15 in a township or a county police department.

16 (3) "Member" shall mean any policeman or fireman included
17 in the membership of the retirement system as provided in section
18 3 of this act.

19 (4) "Board of trustees" or "board" shall mean the board pro-
20 vided for in section 13 of this act [to administer the retirement
21 system].

22 (5) "Medical board" shall mean the board of physicians pro-
23 vided for in section 13 of this act.

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

1 (6) "Employer" shall mean the county, municipality or political
2 subdivision thereof which pays the particular policeman or fireman.

3 (7) "Service" shall mean service as a policeman or fireman or
4 county policeman paid for by an employer.

5 (8) "Creditable service" shall mean service rendered for which
6 credit is allowed as provided under section 4 of this act.

7 (9) "Regular interest" shall mean interest as determined from
8 time to time by the board of trustees *with the advice of the actuary*
9 under the provisions of section 13, subsection 15, of this act.

10 (10) "Aggregate contributions" shall mean the sum of *all* the
11 amounts, deducted from *the compensation of a* [member's salary
12 and credited] *member or contributed by him or on his behalf,*
13 *standing to the credit of his individual account in the annuity sav-*
14 *ings fund.*

15 (11) "Annuity" shall mean payments for life derived from the
16 aggregate contributions of a member. [All annuities shall be paid
17 in equal monthly installments.]

18 (12) "Pension" shall mean payments for life derived from con-
19 tributions by the employer. [All pensions shall be paid in equal
20 monthly installments.]

21 (13) "Retirement allowance" shall mean [the sum of] the pen-
22 sion [and] *plus the annuity*[, if any].

23 (14) "Earnable compensation" shall mean the full rate of the
24 salary that would be payable to an employee if he worked the full
25 normal working time for his position. In cases where salary in-
26 cludes maintenance, the [board of trustees] *retirement system*
27 shall fix the value of that part of the salary not paid in money which
28 shall be considered under this act.

29 (15) "Average final compensation" shall mean the average an-
30 nual [earnable] salary *upon which contributions are made* [of an
31 employee during his last 5] *for the 5 years of creditable service*
32 [as an employee] *immediately preceding his retirement, or* [if he
33 had less than 5 years of service, then his average earnable salary
34 for his total service] *it shall mean the average annual salary for*
35 *which contributions are made during any 5 fiscal years of his or*
36 *her membership providing the largest possible benefit to the mem-*
37 *ber or his beneficiary.*

38 (16) "Retirement" shall mean withdrawal from active service
39 with a retirement allowance granted under the provisions of this
40 act.

41 (17) "Annuity reserve" shall mean the present value of all
42 payments to be made on account of any annuity or benefit
43 in lieu of any annuity computed upon the basis of such mortality

1 tables *recommended by the actuary* as shall be adopted by the board
2 of trustees, and regular interest.

3 (18) "Pension reserve" shall mean the present value of all pay-
4 ments to be made on account of any pension or benefit in lieu of
5 any pension computed upon the basis of such mortality tables *rec-*
6 *ommended by the actuary* as shall be adopted by the board of
7 trustees, and regular interest.

8 (19) "Actuarial equivalent" shall mean a benefit of equal value
9 when computed upon the basis of such mortality tables *recom-*
10 *mended by the actuary* as shall be adopted by the board of trustees,
11 and regular interest.

12 (20) "Beneficiary" shall mean any person receiving a retire-
13 ment allowance or other benefit as provided by this act.

14 (21) "Child" shall mean a deceased member's unmarried child
15 either (a) under the age of 18 or (b) of any age who, at the time
16 of the member's death, is disabled because of mental retardation
17 or physical incapacity, is unable to do any substantial, gainful work
18 because of the impairment and his impairment has lasted or can
19 be expected to last for a continuous period of not less than 12
20 months, as affirmed by the medical board.

21 (22) "Dependent parent" shall mean the parent of a member
22 who was receiving at least $\frac{1}{2}$ of his support from the member in
23 the 12-month period immediately preceding the member's death.
24 The dependency of such a parent will be considered terminated by
25 marriage of the parent subsequent to the death of the member.

26 (23) "Dependent widower" shall mean the man to whom a mem-
27 ber was married at least 5 years before the date of her death and
28 to whom she continued to be married until the date of her death
29 and who was receiving at least $\frac{1}{2}$ of his support from the member
30 in the 12-month period immediately preceding the member's death.
31 The dependency of such a widower will be considered terminated
32 by marriage of the widower subsequent to the death of the mem-
33 ber. In the event of the payment of an accidental death benefit,
34 the 5-year qualification shall be waived.

35 (24) "Widow" shall mean the woman to whom a member was
36 married at least 5 years before the date of his death and to whom
37 he continued to be married until the date of his death and who has
38 not remarried subsequent to the member's death. In the event of
39 the payment of an accidental death benefit, the 5-year qualification
40 shall be waived.

41 2. Section 2 of chapter 255 of the laws of 1944 is amended to
42 read as follows:

43 2. A retirement system is hereby established in the Division of

1 *Pensions of the Department of the Treasury* for the purpose of
 2 providing retirement allowances and other benefits for policemen
 3 and firemen under the provisions of this act. [The retirement
 4 system so created shall be established within 30 days from the
 5 effective date of this act.] It shall have the powers and privileges
 6 of a corporation and shall be known as [the] "The Police and
 7 Firemen's Retirement System of New Jersey" and by such name
 8 all of its business shall be transacted, all of its funds invested, and
 9 all of its cash and securities and property held in trust for the
 10 purpose for which received.

11 3. Section 3 of chapter 255 of the laws of 1944 is amended to
 12 read as follows:

13 3. (1) After the date of the establishment of this retirement
 14 system, any person becoming a full-time policeman or fireman in
 15 a county or municipality or fire district located in a township where,
 16 prior to the date this act takes effect, a pension under chapter 16
 17 of Title 43 or article 4 of chapter 10 of Title 43 of the Revised
 18 Statutes for policemen or firemen has been established, shall be-
 19 come a member of this retirement system as a condition of his
 20 employment; *he will be enrolled* provided, that his age at becoming
 21 such full-time policeman or fireman is not over 30 years or if such
 22 person shall have met the requirements at the announced closing
 23 date of a civil service examination for such position and was ap-
 24 pointed during the existence of the civil service list promulgated
 25 as a result of such examination; and further provided, that he
 26 shall furnish such evidence of good health at the time of becoming
 27 a member as the [board of trustees] *retirement system* shall re-
 28 quire.

29 [Any person who became a policeman or fireman in any such
 30 county, municipality or fire district after June 30, 1944, and prior
 31 to April 11, 1945, and who at the time of becoming such policeman
 32 or fireman was over 30 years and not more than 35 years of age,
 33 shall become a member of this retirement system as a condition
 34 of his employment; provided, that he shall furnish such evidence
 35 of good health at the time of his becoming a policeman or fireman
 36 as the board of trustees shall require.]

37 (2) After the date upon which this act becomes effective in any
 38 county, municipality or political subdivision thereof, pursuant to
 39 a referendum as hereinafter provided (a) any person becoming a
 40 full-time policeman or fireman in any such county, municipality
 41 or political subdivision shall become a member of this retirement
 42 system as a condition of his employment; *he will be enrolled* pro-
 43 vided, that his age at becoming such full-time policeman or fireman

1 is not over 30 years; and provided further, that he shall furnish
 2 such evidence of good health at the time of becoming a member
 3 as the [board of trustees] *retirement system* shall require; and
 4 (b) any person in service as a full-time policeman or fireman in
 5 any such county, municipality or political subdivision on the date
 6 this act becomes effective therein who, within the time and in the
 7 manner permitted by this act, elects to become a member of this
 8 retirement system, shall become such member.

9 [(3) The board of trustees may accept as members into the re-
 10 tirement system, full-time policemen and firemen who are serving
 11 as probationers. The board of trustees may in its discretion deny
 12 the right to become members to any class of policemen or firemen
 13 whose compensation is only partly paid by the employer and shall
 14 deny it to those who are serving in a temporary or other than per
 15 annum basis, and it may also, in its discretion, make optional with
 16 members in any such class their individual entrance into member-
 17 ship.]

18 [(4)] (3) Should any member withdraw his aggregate contribu-
 19 tions, or become a beneficiary or die, or if more than 2 years have
 20 elapsed from the date of his last contributions to the system, he
 21 shall thereupon cease to be a member.

22 [(5)] (4) Should any member resign or be dismissed from the
 23 police or fire service of the employing agency and not make appli-
 24 cation for the return of his aggregate contributions, the [board
 25 of trustees may] *retirement system shall* upon receiving conclu-
 26 sive advice of such separation, terminate the membership [im-
 27 mediately thereafter]. The employees contributions from mem-
 28 berships so terminated shall be held by the retirement system and
 29 returned to the employee without interest when application for
 30 such return is made.

31 [(6) Any member of this retirement system in good standing
 32 on the effective date of this amendment shall not have his member-
 33 ship affected as a result of this amendment but the same shall apply
 34 to any person becoming a full-time policeman or fireman after the
 35 the effective date of this amendment.]

36 4. Section 4 of chapter 255 of the laws of 1944 is amended to
 37 read as follows:

38 4. Only service as a policeman or fireman paid for by an em-
 39 ployer, which was rendered by a member since he became a mem-
 40 ber, or, since he last became a member in case of a break in service,
 41 plus service, if any, covered by a prior service [certificate] *lia-*
 42 *bility*, shall be considered as creditable service for the purposes
 43 of this act, except that temporary service as a policeman or fire-

1 man may also be considered as creditable service if it results, with-
 2 out interruption, in a *valid* permanent or probational appointment
 3 as a policeman or fireman and the member agrees [within 1 year
 4 after the effective date of this act or] during his first year of mem-
 5 bership in the retirement system, to make contributions covering
 6 such temporary service on the basis of rates established by the
 7 actuary [and in accordance with rules and regulations established
 8 by the board of trustees].

9 5. Section 5 of chapter 255 of the laws of 1944 is amended to
 10 read as follows:

11 5. (1) Any member in service who has attained age 55 years
 12 may retire on a service retirement allowance upon written and duly
 13 executed application to the retirement system, setting forth at
 14 what time, not less than 30 days subsequent to the filing thereof,
 15 he desires to be retired. Any member in service who attains age 65
 16 years shall be retired on a service retirement allowance forthwith
 17 or on the first day of the next calendar month.

18 (2) Upon retirement for service a member shall receive a serv-
 19 ice retirement allowance which shall consist of:

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

22 (b) A pension in the amount which when added to the member's
 23 annuity will provide a total retirement allowance of $\frac{1}{60}$ of his
 24 average final compensation multiplied by the number of years of
 25 his creditable service, or 2% of his average final compensation
 26 multiplied by the number of years of his creditable service up to 25
 27 plus 1% of his average final compensation multiplied by the num-
 28 ber of years of creditable service over 25, whichever is greater.

29 (3) Upon the receipt of proper proofs of the death of a member
 30 who has retired on a service retirement allowance, there shall be
 31 paid to [such person, if living, as he shall have nominated by writ-
 32 ten designation duly executed and filed with the retirement system,
 33 otherwise to the executor or administrator of the member's estate,]
 34 *his beneficiary* an amount equal to [$\frac{3}{16}$] $\frac{1}{4}$ of the compensation
 35 [received] *upon which contributions* by the member *to the annuity*
 36 *savings fund were based* in the last year of creditable service.

37 6. Section 6 of chapter 255 of the laws of 1944 is amended to
 38 read as follows:

39 6. (1) Upon the written application by a member in service, *by*
 40 *one acting in his behalf* or by his employer, any member, *under 55*
 41 *years of age*, who has had 5 or more years of creditable service
 42 may be retired, not less than 30 days next following the date of
 43 filing such application, on an ordinary disability retirement allow-

1 ance; provided, that the medical board, after a medical examina-
 2 tion of such member, shall certify that such member is mentally
 3 or physically incapacitated for the performance of his usual duty
 4 and of any other available duty in the department which his em-
 5 ployer is willing to assign to him and that such incapacity is likely
 6 to be permanent and to such an extent that he should be retired.

7 (2) Upon retirement for ordinary disability, a member shall
 8 receive [a service retirement allowance if he has completed at least
 9 20 years of creditable service and attained age 55 years, otherwise]
 10 an ordinary disability retirement allowance *which* shall consist of:

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

13 (b) A pension in the amount which when added to the member's
 14 annuity will provide a total retirement allowance of $1\frac{1}{2}\%$ of aver-
 15 age final compensation multiplied by his number of years of credit-
 16 able service but in no event shall the total allowance be less than
 17 40% of the member's average final compensation.

18 (3) Upon the receipt of proper proofs of the death of a member
 19 who has retired on an ordinary disability retirement allowance,
 20 there shall be paid to such [person, if living, as he shall have nomi-
 21 nated by written designation duly executed and filed with the re-
 22 tirement system, otherwise to the executor or administrator of
 23 the] member's [estate] *beneficiary*, an amount equal to [$1\frac{1}{2}$] $3\frac{1}{2}$
 24 times the compensation [received] *upon which contributions* by the
 25 member *to the annuity savings fund were based* in the last year of
 26 creditable service if such death occurs before the member shall
 27 have reached 55 years of age but if such death occurs thereafter,
 28 an amount equal to [$\frac{3}{16}$] $1/4$ of [the] *such* compensation [re-
 29 ceived by the member in the last year of creditable service] *instead*
 30 *of $3\frac{1}{2}$ times such compensation.*

31 7. Section 7 of chapter 255 of the laws of 1944 is amended to
 32 read as follows:

33 7. (1) Upon the written application by a member, *by one acting*
 34 *in his behalf* or by his employer any member may be retired, not
 35 less than 30 days next following the date of filing such application,
 36 on an accidental disability retirement allowance; provided, that
 37 the medical board, after a medical examination of such member,
 38 shall certify that the member is permanently and totally disabled
 39 as a direct result of a traumatic event occurring during and as a
 40 result of the performance of his regular or assigned duties and
 41 that such disability was not the result of the member's willful
 42 negligence and that such member is mentally or physically inca-
 43 pacitated for the performance of his usual duty and of any other

1 available duty in the department which his employer is willing to
 2 assign to him. The application to accomplish such retirement must
 3 be filed within 5 years of the original traumatic event, but the
 4 board of trustees may consider an application filed after the 5-year
 5 period if it can be factually demonstrated to the satisfaction of
 6 the board of trustees that the disability is due to the accident and
 7 the filing was not accomplished within the 5-year period due to a
 8 delayed manifestation of the disability or other circumstances be-
 9 yond the control of the member.

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

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

15 (b) A pension, in addition to the annuity, equal to $\frac{2}{3}$ of the
 16 member's actual annual compensation for which contributions were
 17 being made at the time of the occurrence of the accident.

18 [(3) Upon the receipt of proper proofs of the death of a mem-
 19 ber who has retired on an accidental disability retirement allow-
 20 ance, there shall be paid a pension of \$1,500.00 a year to the widow
 21 of the member, if he leaves a widow to whom he was married at
 22 the time he became so disabled, to continue until her death or re-
 23 marriage; or, if there is no widow, or if such widow dies leaving
 24 children of the deceased member, a pension to each child under
 25 age 18 to continue to age 18 or prior death, such pension to be
 26 \$600.00 annually if there is only one such surviving child; or \$480.00
 27 annually to each child if 2 such surviving children; or \$1,500.00
 28 annually divided equally among the surviving children if there
 29 are 3 or more such children.]

30 [(4)] (3) Upon the receipt of proper proofs of the death of a
 31 member who has retired on accidental disability retirement allow-
 32 ance, there shall be paid to such [person, if living, as he shall have
 33 nominated by written designation duly executed and filed with the
 34 retirement system, otherwise to the executor or administrator of
 35 the] member's [estate] *beneficiary*, an amount equal to [1½]
 36 *3 1/2* times the compensation [received] *upon which contributions*
 37 *by the member to the annuity savings fund were based* in the last
 38 year of creditable service if such death occurs before the member
 39 shall have reached 55 years of age but if such death occurs there-
 40 after, an amount equal to [$\frac{3}{16}$] *1/4* of [the] *such* compensation
 41 [received by the member] *instead of 3 1/2 times such compen-*
 42 *sation.*

43 [(5)] (4) Permanent and total disability resulting from a car-

1 diovascular, pulmonary or musculo-skeletal condition which was
2 not a direct result of a traumatic event occurring in the perform-
3 ance of duty shall be deemed an ordinary disability.

4 8. Section 8 of chapter 255 of the laws of 1944 is amended to
5 read as follows:

6 8. (1) Upon the receipt by the retirement system of a written
7 application for a disability retirement allowance, the system shall
8 refer the application to the medical board, which shall designate
9 a physician or physicians to examine the applicant and the report
10 of the medical board shall be considered by the board of trustees
11 in acting upon such application.

12 (2) *Except for circumstances beyond his control, every disa-*
13 *bility beneficiary, who is under the age of 55 years, will be required*
14 *to report for rehabilitation at the nearest office of the New Jersey*
15 *Rehabilitation Commission within 90 days following the effective*
16 *date of his disability benefit. If the beneficiary fails to report within*
17 *the 90 days, or within such further time as may be allowed by the*
18 *board of trustees for valid reason, as the case may be, the pension*
19 *shall be discontinued during such default.*

20 *A report of the findings of the rehabilitation commission shall*
21 *be filed with the retirement system. If the report indicates that*
22 *the person could be rehabilitated to perform either his former duty*
23 *or comparable duty, it shall be his responsibility to follow such*
24 *course of rehabilitation until the rehabilitation commission finds*
25 *that he can be restored to active service. If the beneficiary refuses*
26 *the prescribed treatment of rehabilitation, such refusal shall be*
27 *stipulated in writing to the retirement system, citing the reasons*
28 *for his refusal. In the absence of valid reason or such stipulation,*
29 *as the case may be, the board of trustees shall find him in default*
30 *and his pension shall be discontinued during such default.*

31 *If a disability beneficiary has completed a course of rehabilita-*
32 *tion prescribed by the rehabilitation commission, he shall undergo*
33 *a medical examination by a physician or physicians designated by*
34 *the system. If the report of the medical board shall show that such*
35 *beneficiary is able to perform his former duty, the beneficiary shall*
36 *report for duty. If the beneficiary fails to return to duty within*
37 *10 days after being ordered so to do, or within such further time*
38 *as may be allowed by the board of trustees for valid reason, as the*
39 *case may be, the pension shall be discontinued during such default.*
40 *If the beneficiary reports for duty in a timely manner, his employer*
41 *shall be obligated to provide him with a position, in which he is*
42 *to perform his former duty, at that time or at the earliest possible*
43 *time in which his employer can provide such position or employ-*

1 ment; such a beneficiary shall not suffer any loss of benefits while
 2 he awaits his restoration to active service. The head of any em-
 3 ployer who knowingly and willfully violates his obligation to re-
 4 store such disability beneficiary to active service shall be guilty of
 5 a misdemeanor as pursued by the office of the Attorney General
 6 before a court of proper jurisdiction.

7 If a disability beneficiary has completed a course of rehabilita-
 8 tion prescribed by the rehabilitation commission and the report of
 9 the medical board shall show that such beneficiary is not able to
 10 perform his former duty but can perform other comparable duty
 11 which his former employer is willing to assign to him, the bene-
 12 ficiary shall report for duty. If the beneficiary fails to return to
 13 duty within 10 days after being ordered so to do, or within such
 14 further time as may be allowed by the board of trustees for valid
 15 reason, as the case may be, the pension shall be discontinued during
 16 such default. If the beneficiary reports for duty in a timely manner,
 17 he may, in the discretion of the head of the employer, be restored
 18 to active service; such a beneficiary shall not suffer any loss of
 19 benefits while he awaits his restoration to active service.

20 If a disability beneficiary is not restored to active service, he
 21 shall nevertheless be subject to the provisions of subsection (3) of
 22 this section. If a disability beneficiary is restored to active service,
 23 he shall be subject to the provisions of subsection (4) of this sec-
 24 tion.

25 (3) Any beneficiary under the age of 55 years who has been
 26 retired on a disability retirement allowance under this act, on his
 27 request or upon the request of the [board of trustees] retirement
 28 system shall be given a medical examination and he shall submit
 29 to an examination by a physician or physicians designated by the
 30 medical board [at such place to be mutually agreed upon], [twice
 31 a year for a period of 3 years and] once a year [thereafter] for
 32 at least a period of 10 years following his retirement in order to
 33 determine whether or not the disability which existed at the time
 34 he was retired has vanished or has materially diminished. If the
 35 report of the medical board shall show that such beneficiary is
 36 able to perform either his former duty or any other available duty
 37 in the department which his employer is willing to assign to him,
 38 the beneficiary shall report for duty [within 10 days]; such a bene-
 39 ficiary shall not suffer any loss of benefits while he awaits his
 40 restoration to active service. If the beneficiary fails to submit to
 41 any such medical examination or fails to return to duty within 10
 42 days after being ordered so to do, or within such further time as
 43 may be allowed by the board of trustees for valid reason, as the

1 case may be, the pension shall be discontinued during such default.

2 **[(3)]** If such beneficiary is engaged in an occupation paying
3 more than the difference between his retirement allowance and
4 the salary now attributable to his former position in the police or
5 fire department, the amount of his pension shall be reduced to an
6 amount which, together with his annuity and the amount of his
7 earnings, shall equal the amount of the salary now attributable to
8 his former position in the police or fire department. Should his
9 earnings be later changed the amount of his pension shall be further
10 modified; provided, that the new pension shall not exceed the
11 amount of the pension originally granted.

12 (4) **[A** beneficiary restored to active service at a salary not less
13 than the salary he received at the time he was retired shall become
14 a member of the retirement system and shall be entitled to his
15 previous total service credit, but on his subsequent retirement, he
16 shall not receive a greater pension on account of his service ren-
17 dered before his previous retirement than he was entitled to re-
18 ceive at the time of his restoration, anything to the contrary not-
19 withstanding.]

20 *If a disability beneficiary is restored to active service, his pen-*
21 *sion, and the right to any death benefit as a result of his former*
22 *membership, shall be suspended until he again retires.*

23 *Such person shall be re-enrolled in the retirement system and*
24 *shall contribute thereto at a rate based on his age at the time of his*
25 *prior enrollment. Such person shall be treated as an active member*
26 *for determining disability or death benefits while in service.*

27 *Upon subsequent retirement of such member, he shall receive*
28 *a retirement allowance based on all his service as a member since*
29 *his last return to membership, and in addition he shall receive a*
30 *retirement allowance equal to the retirement allowance on which*
31 *he was retired at the time of his last retirement, but the total re-*
32 *tirement allowance upon subsequent retirement shall not be a*
33 *greater proportion of his average final compensation than the pro-*
34 *portion to which he would have been entitled had he remained in*
35 *service during the period of his prior retirement. Any death benefit*
36 *to which such member shall be eligible shall be based on his latest*
37 *retirement.*

38 9. Section 9 of chapter 255 of the laws of 1944 is amended to
39 read as follows:

40 9. (1) Upon the receipt of proper proof of the death of a member
41 in service on account of which no accidental death benefit is pay-
42 able under section 10 there shall be paid to such **[**person, if living,
43 as he shall have nominated by written designation duly executed

1 and filed with the board of trustees, otherwise to the executor or
2 administrator of the] member's [estate] beneficiary:

3 (a) [His] *The member's* aggregate contributions at the time of
4 death[;] and

5 (b) An amount equal to [1 and 1/2] *3 1/2* times the compensa-
6 tion [received] *upon which contributions* by the member *to the*
7 *annuity savings fund were based* in the last year of creditable
8 service.

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

19 [(3)] (2) a. For the purposes of this section *and section 10*, a
20 member shall be deemed to be [in service] *an active member* for
21 a period of no more than 93 days while on official leave of absence
22 without pay when such leave is due to any reason other than ill-
23 ness, and for a period of no more than 2 years if satisfactory evi-
24 dence is presented to the [board of trustees establishing the fact]
25 *retirement system* that such leave of absence without pay is due to
26 illness.

27 b. *Except in the case of members who have elected to receive*
28 *(1) a deferred retirement allowance pursuant to section 17 of chap-*
29 *ter 241 of the public laws of 1964, as amended, or (2) an early re-*
30 *retirement allowance pursuant to section 16 of chapter 241 of the*
31 *public laws of 1964, as amended, after separation from service pur-*
32 *suant to the aforesaid section 17, if a member dies within 30 days*
33 *after the date of retirement or the date of board approval, which-*
34 *ever is later, a death benefit shall be payable only if he is deemed*
35 *to be an active member in accordance with subpart a of this sub-*
36 *section; provided, however, a member applying for disability bene-*
37 *fits shall be deemed an active member if he was covered by the*
38 *death benefit provisions of the act at the termination of employ-*
39 *ment, filed the application for disability retirement with the retire-*
40 *ment system within 30 days following such termination of employ-*
41 *ment and dies within 30 days after the date of retirement or the*
42 *date of board approval, whichever is later.*

1 10. Section 10 of chapter 255 of the laws of 1944 is amended to
2 read as follows:

3 10. (1) Upon the [accidental] death of a member *in active serv-*
4 *ice as a result of* [before retirement; provided, that evidence shall
5 be submitted to the board of trustees justifying the determination
6 that the natural and proximate cause of such death was] an acci-
7 dent met in the actual performance of duty *at some definite time*
8 *and place*, [within 5 years preceding the date of such death,] and
9 [that] such death was not the result of the member's willful negli-
10 gence, an accidental death benefit shall be payable *if a report of*
11 *the accident is filed in the office of the retirement system within 60*
12 *days next following the accident, but the board of trustees may*
13 *waive such time limit, for a reasonable period, if in the judgment*
14 *of the board the circumstances warrant such action. No such ap-*
15 *plication shall be valid or acted upon unless it is filed in the office*
16 *of the retirement system within 5 years of the date of such death.*

17 [(2) The accidental death benefit shall consist of:

18 (a) The amount of the member's aggregate contributions which
19 shall be paid as an annuity to his designated beneficiary if living,
20 otherwise in one sum to the executor or administrator of the mem-
21 ber's estate; and

22 (b) An annual pension equal to $\frac{1}{2}$ the average final compensa-
23 tion of the member to the widow of the member if he leaves a widow
24 to whom he was married before he attained 50 years of age, to
25 continue until her death or remarriage. If there be a widow and
26 children of the member, the pension shall be paid to the widow for
27 the use of herself and such children. If there be such children and
28 no widow, or if the widow dies the pension which the widow would
29 have received had she survived, shall be paid to those children who
30 have not reached 18 years of age, in equal shares, if there be 3 or
31 more children; if there be 2 children, they shall be paid \$40.00 each,
32 monthly; if there be but one child, he shall be paid \$50.00 monthly;
33 but in no event shall the pension paid to the children exceed, in
34 the aggregate, the sum of \$1,500.00 annually.]

35 (2) *Upon the receipt of proper proofs of the death of a member*
36 *on account of which an accidental death benefit is payable, there*
37 *shall be paid to his widow or dependent widower a pension of 50%*
38 *of the compensation, upon which contributions by the member to*
39 *the annuity savings fund were based in the last year of creditable*
40 *service, for the use of herself or himself and the children of the*
41 *deceased member, to continue during her or his widowhood; if there*
42 *is no surviving widow or dependent widower or in case the widow*
43 *or dependent widower dies or remarries, 20% of such compensation*

1 *will be payable to one surviving child, 35% of such compensation*
2 *to 2 surviving children in equal shares and if there be 3 or more*
3 *children, 50% of such compensation will be payable to such chil-*
4 *dren in equal shares.*

5 **【The increased pension benefits payable under this act shall**
6 **apply only to cases where such policeman or fireman lost his life**
7 **while on duty on or after June 1, 1948 and shall not affect pen-**
8 **sions paid or to be paid as result of deaths occurring prior to said**
9 **date.】**

10 (3) If there is no surviving widow or children, there shall be
11 paid to any other beneficiary, if living, as the member shall have
12 nominated by written designation duly executed and filed with the
13 retirement system, otherwise to the executor or administrator of
14 the member's estate:

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

16 (b) An amount equal to $1\frac{1}{2}$ times the compensation received by
17 the member in the last year of creditable service.

18 (4) In no case shall the death benefit provided in subsection 2
19 be less than that provided under subsection 3.

20 (5) A member may file, and alter from time to time during his
21 lifetime, as desired, a request with the retirement system naming
22 the payee of the death benefit provided under subsection 3. Such
23 member may also file, and alter from time to time during his life-
24 time, as desired, a request with the retirement system directing
25 payment of said benefit in one sum or in equal annual installments
26 over a period of years or as a life annuity. Upon the death of such
27 member, a beneficiary to whom a benefit is payable in one sum
28 may elect to provide the amount payable in equal annual install-
29 ments over a period of years or as a life annuity.

30 11. Section 11 of chapter 255 of the laws of 1944 is amended to
31 read as follows:

32 11. If a member should cease to be a fireman or policeman, ex-
33 cept by death or retirement as provided in this act, he shall be paid
34 the amount of his aggregate contributions *less any outstanding*
35 *loan* upon the filing of a written application as required by the
36 retirement system. *No member shall be entitled to withdraw the*
37 *amounts contributed by his employer covering his military leave*
38 *unless he shall have returned to the payroll and contributed to the*
39 *retirement system for a period of 90 days.*

40 *If such person or any member shall die before withdrawing his*
41 *aggregate contributions, such deductions shall be paid to the mem-*
42 *ber's beneficiary.*

1 12. Section 13 of chapter 255 of the laws of 1944 is amended to
2 read as follows:

3 13. (1) *Subject to the provisions of chapter 70 of the laws of*
4 *1955, the* **[The]** general responsibility for the proper operation
5 of the retirement system and for making effective the provisions
6 of this act are hereby vested in a board of trustees **[which shall**
7 be organized immediately after 3 of the trustees provided for in
8 this section have qualified and taken the oath of office**]**.

9 (2) The board shall consist of 9 trustees as follows:

10 (a) Four members to be appointed by the Governor, who shall
11 serve at the pleasure of the Governor and until their successors
12 are appointed and who shall be private citizens of the State of
13 New Jersey who are neither an officer thereof nor a member of
14 any police or fire department thereof.

15 (b) The State Treasurer, ex officio.

16 (c) Two policemen and 2 firemen who shall be members of the
17 system and who shall be elected by the members of the system for
18 a term of 4 years according to such rules and regulations as the
19 board of trustees shall adopt to govern such election; provided,
20 however, that the elections conducted for the terms commencing
21 July 1, 1964 shall provide for the election of 2 firemen representa-
22 tives, the candidate receiving the highest number of votes to be
23 elected for a 4-year term and the candidate receiving the next
24 highest number of votes to be elected for a 2-year term, and pro-
25 vided further, the elections conducted for the terms commencing
26 July 1, 1966 shall provide for the election of 2 policemen repre-
27 sentatives, the candidate receiving the highest number of votes to
28 be elected for a 4-year term and the candidate receiving the next
29 highest number of votes to be elected for a 2-year term. At each
30 election thereafter, one policeman representative and one fireman
31 representative shall be elected for a 4-year term.

32 (3) Each trustee shall, after his appointment or election, take
33 an oath of office that, so far as it devolves upon him he will dili-
34 gently and honestly administer the affairs of the said board, and
35 that he will not knowingly violate or willingly permit to be violated
36 any of the provisions of the law applicable to the retirement sys-
37 tem. Such oath shall be subscribed by the member making it, and
38 certified by the officer before whom it is taken, and immediately
39 filed in the office of the Secretary of State.

40 (4) If a vacancy occurs in the office of a trustee, the vacancy
41 shall be filled for the unexpired term in the same manner as the
42 office was previously filled.

43 (5) The trustees shall serve without compensation, but they

1 shall be reimbursed for all necessary expenses that they may incur
2 through service on the board.

3 (6) Each trustee shall be entitled to one vote in the board. Five
4 **【votes shall be necessary for a decision by the trustees】** *trustees*
5 *must be present* at any meeting of said board *for the transaction*
6 *of its business.*

7 (7) Subject to the limitations of this act, the board of trustees
8 shall, from time to time, establish rules and regulations for the
9 administration of the funds created by this act and for the trans-
10 action of its business.

11 (8) The board of trustees shall elect from its membership a
12 chairman. The Chief of the Bureau of Police and Fire Funds of
13 the Division of Pensions of the State Department of the Treasury
14 shall be the Secretary of the Board. *The administration of the*
15 *program shall be performed by the personnel of the Division of*
16 *Pensions.*

17 **【(9)】** The board of trustees shall keep in convenient form such
18 data as shall be necessary for actuarial valuation of the various
19 funds of the retirement system, and for checking the experience
20 of the system.】

21 **【(10)】** (9) The board of trustees shall keep a record of all of
22 its proceedings which shall be open to public inspection. It shall
23 publish annually a report showing the fiscal transactions of the
24 retirement system for the preceding year, the amount of the ac-
25 cumulated cash and securities of the system, and the last balance
26 sheet showing the financial condition of the system by means of
27 an actuarial valuation of the assets and liabilities of the retire-
28 ment system.

29 **【(11)】** (10) The Attorney General of the State of New Jersey
30 shall be the legal advisor of the board of trustees.

31 **【(12)】** (11) The board of trustees shall designate a medical
32 board to be composed of 3 physicians as the board shall designate
33 who are not eligible to participate in the retirement system. If
34 required, other physicians may be employed to report on special
35 cases. The medical board shall **【arrange for and】** pass upon all
36 medical examinations required under the provisions of this act,
37 shall investigate all essential statements and certificates by or on
38 behalf of a member in connection with an application for disability
39 retirement, and shall report in writing to the board of trustees its
40 conclusions and recommendations upon all matters referred to it.

41 **【(13)】** (12) The board of trustees shall designate an actuary
42 who shall be the technical advisor of the board of trustees on mat-
43 ters regarding the operation of the funds created by the provi-

1 sions of this act, and shall perform such other duties as are required
2 in connection therewith.

3 **[(14)] (13)** **[Immediately after the establishment of the retire-**
4 **ment system, the]** *The* **actuary shall prepare and submit to the**
5 **board of trustees the mortality and service tables which he recom-**
6 **mends to the board for adoption[. Having regard to such recom-**
7 **mendation,]** *and* **the board shall adopt for the retirement system**
8 **such mortality and service tables as shall be deemed necessary,**
9 **and shall certify the rates of contributions payable under the pro-**
10 **visions of this act. At least once in each 5-year period following**
11 **the establishment of the system, the actuary shall make an actuarial**
12 **investigation into the mortality, service and compensation experi-**
13 **ence of the members and beneficiaries of the retirement system,**
14 **and, taking into account the result of such investigation, the board**
15 **of trustees shall adopt for the retirement system such mortality,**
16 **service and other tables as shall be deemed necessary and shall**
17 **certify the rates of contribution payable under the provisions of**
18 **this act.**

19 **[(15)] (14)** **The board of trustees from time to time shall set**
20 **the rate of regular interest at such per centum rate compounded**
21 **annually as shall be determined by the board** *with the advice of the*
22 *actuary* **to be equitable [in its judgment,] both to members and**
23 **to the taxpayers of the State, such rate to be limited to a minimum**
24 **of 2% and a maximum of 4%, with the rate of 3% applicable until**
25 **changed by the board.**

26 **[(16)] (15)** **On the basis of such tables** *recommended by the*
27 *actuary* **as the board of trustees shall adopt and regular interest,**
28 **the actuary shall make an annual valuation of the assets and lia-**
29 **bilities of the funds of the system created by this act.**

30 **[(17)] (16)** **The various funds created by this act shall be sub-**
31 **ject to the supervision of the Department of Banking and Insur-**
32 **ance of the State of New Jersey.**

33 **[(18)] (17)** **Each policeman or fireman member of the board of**
34 **trustees shall be entitled to time off from his municipal or county**
35 **duty, with pay, during the periods of his attendance upon regular**
36 **or special meetings of the boards of trustees or its duly appointed**
37 **committees, and such time off shall include reasonable travel time**
38 **required in connection therewith.**

39 13. Section 15 of chapter 255 of the laws of 1944 is amended to
40 read as follows:

41 15. (1) The contributions required for the support of the re-
42 tirement system shall be made by members and their employers.

43 (2) Upon the basis of such tables *recommended by the actuary*

1 as the board shall adopt and regular interest, the actuary of the
 2 retirement system shall determine for each age at entrance into
 3 the system the [uniform and constant] percentage of compensa-
 4 tion of the member entering at such age, *exclusive of the additional*
 5 *contribution prescribed by subsection (15) (3) (c)*, which, if de-
 6 ducted from each payment of his prospective earnable compensa-
 7 tion throughout active service, is computed to be sufficient to pro-
 8 vide for all benefits on account of his membership.

9 (3) (a) The percentage contribution rate of each member, ex-
 10 clusive of the [rate for any additional death benefit provided
 11 under section 5 of chapter 266 of the laws of 1953] *additional con-*
 12 *tribution prescribed by subsection (15) (3) (c)*, shall be fixed ac-
 13 cording to his age at entrance into membership and shall be $\frac{1}{2}$
 14 of the total percentage contribution rate calculated for such age
 15 to be required to provide all benefits except the pensions upon
 16 accidental disability and the benefits payable upon death.

17 (b) Notwithstanding the provisions of subsection (15) (3) (a),
 18 [for purposes of this amendatory and supplementary act,] the
 19 percentage contribution rates for members of the retirement sys-
 20 tem [as of the effective date of this act and for members enrolling
 21 on and after the effective date of this act,] exclusive of the [rate
 22 for any additional death benefit provided under section 5 of chap-
 23 ter 266 of the laws of 1953] *additional contribution prescribed by*
 24 *subsection (15) (3) (c)*, shall be fixed at the contribution rates in
 25 effect as of [the effective date of this act] *July 1, 1967*.

26 (c) *Effective July 1, 1967, all proportions of compensation are*
 27 *increased by an additional 1% of compensation which is subject to*
 28 *deductions from the compensation of members or contributions*
 29 *made on their behalf by their employers in lieu of such deductions.*

30 (4) Each employer shall make a contribution equal to that made
 31 by each member in its employ and in addition shall make a con-
 32 tribution equal to the percentage of the compensation of each such
 33 member certified by the [board] *retirement system* to be required
 34 to provide the cost of accidental disability pensions and any death
 35 benefits on his account [exclusive of additional death benefits pro-
 36 vided under section 5 of chapter 266 of the laws of 1953]. Not-
 37 withstanding this provision, the [board may in its discretion]
 38 *retirement system shall* certify an average and uniform rate for
 39 payments by all employers, which shall be set on the basis of the
 40 annual actuarial valuations to be sufficient to provide with previous
 41 contributions of employers all benefits for which employers are
 42 responsible.

43 (5) In addition each employer shall make such contribution, if

1 any, as is certified by the [board of trustees] *retirement system*
2 to be required to provide for accrued liability arising out of all
3 prior service [certificates] granted to members chargeable to such
4 employer.

5 (6) The percentage rates of contribution payable by *future*
6 members and *all* employers shall be subject to adjustment from
7 time to time by the board of trustees *with the advice of the actuary*
8 on the basis of annual actuarial valuations and experience investi-
9 gations as provided under section 13, so that the value of future
10 contributions of members and employers, when taken with present
11 assets, shall be equal to the value of prospective benefit payments.

12 (7) The [board of trustees] *retirement system* shall certify to
13 the chief fiscal officer of each employer the percentage of salary
14 payable by each member and by the employer in behalf of each
15 member. The [officer or officers responsible for the payment of
16 salaries of the] employer shall cause to be deducted from the sal-
17 ary of each member [on each and every payroll of such employer
18 for each and every payroll period] the percentage of earnable
19 compensation of each member [certified for payment by the mem-
20 ber]. In determining the amount earnable by a member in a pay-
21 roll period, the [board of trustees] *retirement system* may con-
22 sider the rate of salary payable to such member on the first day
23 of the payroll period as continuing throughout such payroll period,
24 and to facilitate the making of deductions it may modify the de-
25 duction required of any member by such an amount as shall not
26 exceed $\frac{1}{10}$ of 1% of the [annual salary] *compensation* upon the
27 basis of which such deduction is to be made.

28 (8) The deductions provided for herein shall be made notwith-
29 standing that the minimum salary provided for by law for any
30 member shall be reduced thereby. Every member shall be deemed
31 to consent and agree to the deductions made and provided for
32 herein, and payment of salary or compensation less said deduction
33 shall be a full and complete discharge and acquittance of all claims
34 and demands whatsoever for the service rendered by such person
35 during the period covered by such payment, except as to the bene-
36 fits provided under this act. The chief fiscal officer of each em-
37 ployer shall certify to the [board of trustees] on each and every
38 payroll or] *retirement system* in such [other] manner as the
39 [board of trustees] *retirement system* may prescribe, the amounts
40 [to be] deducted; and [each of said amounts shall be deducted,
41 and] when deducted shall be paid into said annuity savings fund,
42 and shall be credited to the individual account of the member from
43 whose salary said deduction was made.

(9)(a) The amount payable each year by the employer based on the percentage rates certified by the [board of trustees] *retirement system*, together with the amount, if any, payable each year by the employer on account of accrued liability arising out of prior service [certificates] as certified by the [board of trustees] *retirement system*, shall be included in the budget of the employer and levied and collected in the same manner as any other taxes are levied and collected for the payment of the salaries of members.

(b) In addition to the amounts indicated in subsection (15) (9) (a), the additional liabilities created by the provisions of this amendatory and supplementary act *and those of chapter 241 of the laws of 1964* shall be computed by the actuary as a flat annual payment, which, if paid in each fiscal year next following the effective date of this act, for a period of 30 years, will provide for this liability.

(10) The treasurer or corresponding officer of the employer shall pay on or before December 27 in each year to the State Treasurer the amount so certified as payable by the employer for said year, and shall pay monthly to the State Treasurer the amount of the deductions from the salary of the members in the employ of the employer, and the State Treasurer shall credit such amount to the appropriate fund or funds, of the retirement system.

If payment of the full amount of the employer's obligation is not made within 30 days of the due date established by this act, interest at the rate of 4% per annum shall commence to run against the unpaid balance thereof on the first day after such thirtieth day.

If payment in full, representing the transmittal and report of salary deductions, is not made within 15 days of the due date established by the retirement system, interest at the rate of 6% per annum shall commence to run against the total transmittal of salary deductions for the period on the first day after such fifteenth day.

(11) The expenses of administration of the retirement system shall be paid by the State of New Jersey. Each employer shall reimburse the State for a proportionate share of the amount paid by the State for administrative expense. This proportion shall be computed as the number of members under the jurisdiction of such employer bears to the total number of members in the system. The pro rata share of the cost of administrative expense shall be included with the certification by the [board of trustees] *retirement system* of the employer's contribution to the system.

(12) Notwithstanding anything to the contrary, the retirement system shall not be liable for the payment of any pension or other benefits on account of the employees or beneficiaries of any employer participating in the retirement system, for which reserves

1 have not been previously created from funds, contributed by such
2 employer or its employees for such benefits.

3 14. Section 16 of chapter 255 of the laws of 1944 is amended to
4 read as follows:

5 16. (1) All the assets of the retirement system shall be credited
6 according to the purpose for which they are held to one of [5] 4
7 funds, namely, the annuity savings fund, the pension accumulation
8 fund, the retirement reserve fund, [the members' death benefit
9 fund,] and the special reserve fund.

10 (2) The annuity savings fund shall be a fund in which shall be
11 accumulated contributions from the compensation of members to
12 provide for their [annuities] allowances. The aggregate contri-
13 butions of a member withdrawn by him or paid to his estate or his
14 designated beneficiary in event of his death as provided in this act
15 shall be paid from the annuity savings fund. Upon the retirement
16 or death of a member where the aggregate contributions of the
17 member are to be provided in the form of an annuity, the aggregate
18 contributions of the member shall be transferred from the annuity
19 savings fund to the retirement reserve fund.

20 (3) The pension accumulation fund shall be the fund in which
21 shall be credited contributions made by employers. Upon the death
22 of a member either before or after retirement any lump sum bene-
23 fit payable in addition to the employee's contributions, [except
24 any additional death benefit payable under section 5 of chapter 266
25 of the laws of 1953,] shall be charged to the pension accumulation
26 fund. Upon the retirement or death of a member the reserve of
27 any pension payable to or on his account shall be transferred to
28 the retirement reserve fund. All interest shall be credited to the
29 pension accumulation fund and annually the [board of trustees]
30 retirement system shall transfer from the pension accumulation
31 fund to the retirement reserve fund [and to the members' death
32 benefit fund] regular interest on the mean amount in [each] the
33 fund for the year. The [board of trustees] retirement system shall
34 also transfer annually from the pension accumulation fund to the
35 special reserve fund, subject to the limitations of that special re-
36 serve fund, such portion of the interest earnings as shall be de-
37 termined by the board of trustees. The board of trustees in its
38 discretion, *with the advice of the actuary*, may transfer to and from
39 the pension accumulation fund any surplus or deficit in the retire-
40 ment reserve fund.

41 (4) The retirement reserve fund shall be the fund in which shall
42 be held the reserves on all retirement allowances granted to mem-
43 bers or their beneficiaries and from which all retirement allowances

1 and benefits in lieu thereof shall be paid. Should a member who
 2 retired on account of disability be restored to active service his
 3 pension reserve shall be transferred from the retirement reserve
 4 fund to the pension accumulation fund and the excess of his aggregate
 5 contributions as they stood at retirement over the amount of
 6 annuity payments made shall be transferred to the annuity savings
 7 fund. [Should the pension of any disabled member be reduced
 8 as a result of an increase in his earning capacity the amount of
 9 the annual reduction in his pension shall be paid annually into the
 10 pension accumulation fund during the period of such reduction.]

11 [(5) The members' death benefit fund shall be a fund in which
 12 shall be accumulated contributions from the compensation of members
 13 to provide for their additional death benefits under the provisions
 14 of section 5 of chapter 266 of the laws of 1953. Upon the
 15 death of a member electing the additional death benefit, the additional
 16 death benefit payable shall be paid from the member's
 17 death benefit fund.]

18 [(6)] (5) The special reserve fund shall be the fund to which
 19 shall be credited all profits from the sale of securities and to which
 20 shall be transferred such portion of the interest earnings as shall
 21 be determined annually by the board of trustees. No additional
 22 amounts shall be credited to the special reserve fund at any time
 23 when the total accumulations in such fund equal 1% of the book
 24 value of the investments of the retirement system. In this event,
 25 any such excess shall be credited to the pension accumulation fund.
 26 All losses from the sale of securities shall be charged against the
 26A special reserve fund.

27 15. Section 16 of chapter 241 of the laws of 1964 is amended to
 28 read as follows:

29 16. Should a member resign after having [completed] *established*
 30 *25 years of creditable service*[,] before reaching [service retirement]
 31 *age 55*, he may elect to receive, in lieu of the payment provided
 32 in section 11, a retirement allowance which shall consist of:

33 (1) An annuity which shall be the actuarial equivalent of his
 34 aggregate contributions, and

35 (2) A pension in the amount, which when added to the member's
 36 annuity will provide a total retirement allowance of 2% of his
 37 average final compensation multiplied by the number of years of
 38 his creditable service up to 25 plus 1% of his average final compensation
 39 multiplied by the number of years of creditable service
 40 over 25; provided, however, that such retirement allowance shall
 41 be reduced in accordance with a table of actuarial equivalents
 42 recommended by the actuary and adopted by the board of trustees
 43 reflecting all months that the member lacks of being age 55.

1 Upon the receipt of proper proofs of the death of such a retired
 2 member, there shall be paid to [such person, if living, as he shall
 3 have nominated by written designation duly executed and filed with
 4 the retirement system, otherwise to the executor or administrator
 5 of the member's estate,] *his beneficiary* an amount equal to [$\frac{3}{16}$]
 6 $\frac{1}{4}$ of the compensation [received] *upon which contributions* by
 7 the member *to the annuity savings fund were based* in the last year
 8 of creditable service.

9 16. Section 17 of chapter 241 of the laws of 1964 is amended to
 10 read as follows:

11 17. Should a member, after having [completed] *established* 25
 12 years of creditable service, be separated voluntarily or involun-
 13 tarily from the service, before reaching [service retirement] age
 14 55, and not by removal for cause or charges of misconduct or de-
 15 linquency, such person may elect to receive the payments provided
 16 for in section 11 of chapter 255 of the laws of 1944 or section 16
 17 [of this act] *of chapter 241 of the laws of 1964*, or a deferred re-
 18 tirement allowance, beginning at age 55, which shall consist of:

19 (1) An annuity which shall be the actuarial equivalent of his
 20 aggregate contributions at the time of retirement[;] and

21 (2) A pension in the amount which, when added to the member's
 22 annuity, will provide a total retirement allowance of 2% of his
 23 average final compensation multiplied by the number of years of
 24 his creditable service up to 25 plus 1% of his average final com-
 25 pensation multiplied by the number of years of creditable service
 26 over 25, provided that such election is communicated by such mem-
 27 ber to the retirement system in writing stating at what time sub-
 28 sequent to the execution and filing thereof he desires to be retired;
 29 and provided further, that such member may later elect to receive
 30 payments provided under section 11 of chapter 255 of the laws of
 31 1944 or section 16 [of this act] *of chapter 241 of the laws of 1964*
 32 *if he had qualified under that section at the time of leaving serv-*
 33 *ice.*[, or if] *If* such member shall die before attaining age 55, his
 34 aggregate contributions shall be paid [to such person, if living,
 35 as he shall have nominated by written designation duly executed
 36 and filed with the retirement system, otherwise to the executor or
 37 administrator of the member's estate.] *and, in addition if such*
 38 *member shall die after attaining age 55 and has not withdrawn his*
 39 *aggregate contributions, an amount equal to $\frac{1}{4}$ of the compensa-*
 40 *tion upon which contributions by the member to the annuity sav-*
 41 *ings fund were based in the last year of creditable service shall be*
 42 *paid to such member's beneficiaries.*

43 [Upon the receipt of proper proofs of the death of a member

1 who was receiving a deferred retirement allowance, there shall be
 2 paid to such person, if living, as he shall have nominated by written
 3 designation duly executed and filed with the retirement system,
 4 otherwise to the executor or administrator of the member's estate,
 5 an amount equal to $\frac{3}{16}$ of the compensation received by the mem-
 6 ber in the last year of creditable service.】

7 17. Section 18 of chapter 241 of the laws of 1964 is amended to
 8 read as follows:

9 18. Any member who has at least 3 years of service *to his credit*
 10 for which he has contributed as a member may borrow from the
 11 retirement system, an amount equal to not more than 50% of the
 12 amount of his aggregate contributions, but not less than \$50.00;
 13 provided, that the amount so borrowed, together with interest
 14 thereon, can be repaid by additional deductions from salary, not
 15 in excess of 25% of the member's salary, made at the time the
 16 salary is paid to the member but not after the attainment of age
 17 55. The amount so borrowed, 【together with】 *plus 4% interest*
 18 【at the rate of 4%】 per annum on 【any】 *the initial amount bor-*
 19 *rowed and on the unpaid balance* 【thereof】 *at the beginning of*
 20 *each year of the loan thereafter*, shall be repaid to the retirement
 21 system in equal installments by deductions from the salary of the
 22 member at the time the salary is paid 【or in such lump sum amounts
 23 as the board of trustees shall approve,】 but such installments shall
 24 be at least equal to the members *full rate of* contribution to the
 25 retirement system and at least sufficient to repay the amount bor-
 26 rowed with interest thereon by the time the member attains age 55.
 27 Not more than 2 loans may be granted to any member in any cal-
 28 endar year. Notwithstanding any other law affecting the salary or
 29 compensation of any person or persons to whom this act applies
 30 or shall apply, the additional deductions required to repay the loan
 31 shall be made. Any unpaid balance of a loan at the time any benefit
 32 may become payable shall be deducted from the benefit otherwise
 33 payable.

34 Loans may be made to a member from his aggregate contribu-
 35 tions. 【In addition the board of trustees is hereby authorized to
 36 set aside moneys within the pension accumulation fund from which
 37 loans to members may be made. If such moneys are used for the
 38 purpose of making loans, the】 *The* interest earned on such loans
 39 shall be treated in the same manner as interest earned from in-
 40 vestments of the retirement system.

41 18. Section 20 of chapter 241 of the laws of 1964 is amended to
 42 read as follows:

43 20. The State Treasurer is hereby authorized and permitted to

1 purchase from one or more life insurance companies, as determined
 2 by him, a group life insurance coverage to provide for the death
 3 benefits specified in sections 5, 6, 7 **[(4)] (3)**, 9 and 10 **[(3)] (5)**
 4 of chapter 255 of the laws of 1944 and sections 16 and 17 of **[this**
 5 **act]** *chapter 241 of the laws of 1964*. Such group life insurance
 6 coverage may be provided under one or more policies issued to the
 7 State Treasurer specifically for this purpose or, in the discretion
 8 of the State Treasurer, under one or more policies issued to the
 9 State Treasurer which provide group life insurance coverage for
 10 members of one or more other retirement systems of the State of
 11 New Jersey. **[The board of trustees of the Police and Firemen's**
 12 **Retirement System of New Jersey is hereby authorized and per-**
 13 **mitted, upon the concurrence of $\frac{2}{3}$ of the members of the board,**
 14 **to purchase from one or more life insurance companies, as deter-**
 15 **mined by it, a policy or policies of group life insurance to provide**
 16 **for the benefits specified in section 5 of chapter 266 of the laws of**
 17 **1953.]** Whenever such policy or policies of group insurance shall
 18 be in effect, the benefits payable thereunder shall be in lieu of the
 19 above mentioned death benefits provided by said sections. Any
 20 dividend or retrospective rate credit allowed by an insurance com-
 21 pany shall be credited in an equitable manner to the special insur-
 22 ance funds from which premiums are paid.

23 19. Section 22 of chapter 241 of the laws of 1964 is amended to
 24 read as follows:

25 22. The State Treasurer may, in his discretion, determine to
 26 purchase group insurance coverage for the **[noncontributory]**
 27 death benefit provisions as provided in sections 5, 6, 7 **[(4)] (3)**,
 28 9 and 10 **[(3)] (5)** of chapter 255 of the laws of 1944 and sections
 29 16 and 17 of **[this act]** *chapter 241 of the laws of 1964*, or may de-
 30 termine not to purchase any group insurance coverage for the death
 31 benefit provisions heretofore mentioned. **[The board of trustees**
 32 **of the Police and Firemen's Retirement System of New Jersey,**
 33 **may in its discretion, upon the concurrence of $\frac{2}{3}$ of the members**
 34 **of the board, determine to purchase group insurance coverage for**
 35 **additional death benefit coverage as provided for in section 5 of**
 36 **chapter 266 of the laws of 1953, or may, in its discretion, determine**
 37 **not to purchase any contributory group insurance coverage for**
 38 **the additional death benefit provisions of section 5 of chapter 266**
 39 **of the laws of 1953.]**

40 20. Section 23 of chapter 241 of the laws of 1964 is amended to
 41 read as follows:

42 23. In the event the State Treasurer shall determine to purchase
 43 group insurance coverage for the **[noncontributory]** death bene-

1 fits, premiums for the same shall be paid from a special fund,
2 hereby created, called the "Group Insurance Premium Fund."
3 The State Treasurer shall estimate annually the amount which
4 will be required for premiums for such benefits for the ensuing
5 fiscal year and shall certify such amounts to the participating em-
6 ployers as due and owing from them. The participating employers
7 shall pay over to the State Treasurer the amount for premiums
8 so certified and the State Treasurer shall deposit these amounts
9 in the Group Insurance Premium Fund. During the period such
10 group insurance policy or policies are in effect with respect to
11 members of the Police and Firemen's Retirement System of New
12 Jersey the State Treasurer shall in no way commingle moneys in
13 this fund with any pension fund established by chapter 255 of the
14 laws of 1944.

15 [In the event that the board of trustees of the Police and Fire-
16 men's Retirement System of New Jersey shall determine to pur-
17 chase group coverage for the additional death benefits, premiums
18 for same shall be paid from a special fund hereby created called
19 the "Contributory Group Insurance Premium Fund." In such
20 event, the board of trustees, in its discretion, may authorize the
21 transfer of all or any portion of the amount credited to the mem-
22 ber's death benefit fund to the "Contributory Group Insurance
23 Premium Fund" and may authorize all or any portion thereof to
24 be paid to the insurance company or companies providing such
25 additional death benefit coverage for the purpose of establishing
26 a reserve for such coverage. While such group coverage shall be
27 in force, the contributions from the compensation of members to
28 provide such additional death benefits shall be accumulated in said
29 Contributory Group Insurance Premium Fund.]

30 21. Section 24 of chapter 241 of the laws of 1964 is amended to
31 read as follows:

32 24. [In the event that the board of trustees of the Police and
33 Firemen's Retirement System of New Jersey shall determine to
34 purchase group insurance coverage for the additional death benefit
35 coverage, there shall be deducted from the compensation of each
36 member participating in the additional death benefit coverage his
37 contribution towards the cost of such coverage. Such contribution
38 shall be determined from a schedule of contributions established
39 by the board of trustees of the Police and Firemen's Retirement
40 System of New Jersey, with the advice of the actuary, on the basis
41 it deems to be appropriate. The schedule of contributions shall be
42 subject to adjustment by said board of trustees from time to time
43 for the purpose of maintaining the Contributory Group Insurance

1 Premium Fund at a level sufficient to meet the obligations of the
2 fund for the cost of the insurance.】

3 *All reserves and moneys held by the insurance carrier under*
4 *group life insurance contracts providing for employee contribu-*
5 *tions pursuant to the provisions of chapter 241 of the laws of 1964,*
6 *and any amendments and supplements thereto, shall be transferred*
7 *and merged with those purchased by the State Treasurer.*

8 22. Section 25 of chapter 241 of the laws of 1964 is amended to
9 read as follows:

10 25. Any such group policy or policies shall include, with respect
11 to any insurance terminating *or reducing* because the member
12 **【ceases】** *has ceased* to be in service *or has retired*, the conversion
13 privilege available upon termination of employment as prescribed
14 by the law relating to group life insurance; and shall also include,
15 with respect to insurance terminating because of termination of
16 the group policy resulting from a termination of the death benefits
17 for all members established under sections 5, 6, 7 **【(4)】** (3), 9 and
18 10 **【(3)】** (5) of chapter 255 of the laws of 1944, **【section 5 of chap-**
19 **ter 266 of the laws of 1953,】** and sections 16 and 17 of **【this act】**
20 *chapter 241 of the laws of 1964*, the conversion privilege available
21 upon termination of the group policy as prescribed by such law.
22 Any such group policy or policies shall also provide that if a mem-
23 ber dies during the 31-day period during which he would be en-
24 titled to exercise the conversion privilege, the amount of insurance
25 with respect to which he could have exercised the conversion priv-
26 ilege shall be paid as a claim under the group policy. When bene-
27 fits payable upon the death of a member following retirement are
28 determined as though the member had not retired, the death bene-
29 fits payable under the group policy or policies, together with the
30 amount of insurance paid under any individual policy obtained
31 under the conversion privilege, shall in no event exceed the amount
32 of insurance for which the member was insured under the group
33 policy or policies immediately prior to the date the right of con-
34 version arose.

35 If any member who has exercised the conversion privilege under
36 the group policy or policies again becomes a member of the Police
37 and Firemen's Retirement System of New Jersey, and the indi-
38 vidual policy obtained pursuant to the conversion privilege is still
39 in force, he shall not again be eligible for any of the death benefits
40 provided by sections 5, 6, 7 **【(4)】** (3), 9 and 10 **【(3)】** (5) of chapter
41 255 of the laws of 1944, **【section 5 of chapter 266 of the laws of**
42 **1953】** and sections 16 and 17 of **【this act】** *chapter 241 of the laws*
43 *of 1964*, unless he furnishes satisfactory evidence of insurability.

1 23. Section 26 of chapter 241 of the laws of 1964 is amended to
2 read as follows:

3 26. Benefits under such group policy or policies shall be paid
4 by the insurance company to such person, if living, as the member
5 shall have nominated by written designation duly executed and
6 filed with the insurance company through the policyholder, other-
7 wise to the executors or administrators of the member's estate],
8 except that if a member dies as a result of an accident met in the
9 actual performance of duty and claim is made and allowed under
10 section 10(2) of chapter 255 of the laws of 1944, an amount equal
11 to the noncontributory death benefit which would otherwise be
12 payable pursuant to section 9(1) (b) of said chapter 255 shall be
13 paid to the State Treasurer]. A member may file with the insur-
14 ance company through the policyholder and alter from time to time
15 during his lifetime, as desired, a duly attested written nomination
16 of his payee for the death benefit.

17 24. Section 27 of chapter 241 of the laws of 1964 is amended to
18 read as follows:

19 27. Any such group policy or policies shall provide that pay-
20 ment of any death benefits which are payable by the insurance
21 company may be made in one sum directly to the beneficiary as
22 hereinafter provided, in equal [annual] installments over a period
23 of years or as a life annuity or in such other manner as may be made
24 available by the insurance company. A member may make such ar-
25 rangements for settlement, and may alter from time to time during
26 his lifetime any arrangement previously made, by making written
27 request to the insurance company through the policyholder. Upon
28 the death of a member, a beneficiary to whom a benefit is payable
29 in one sum by the insurance company may likewise arrange for a
30 settlement as described above. If a member's or beneficiary's
31 request for settlement of any death benefit in equal [annual] in-
32 stallments over a period of years or as a life annuity pursuant to
33 the foregoing is approved by the policyholder, the amount of such
34 [annual] installments or such life annuity, as the case may be,
35 shall be determined on the basis of such applicable mortality tables
36 and rates of interest as shall have been adopted by the retirement
37 system and are in effect at the member's death. Any arrangement
38 for payment under the group policy to a beneficiary shall be in
39 lieu of that provided by sections 5, 6, 7 [(4)] (3), 9 and 10 [(3)]
40 (5) of chapter 255 of the laws of 1944, [section 5 of chapter 266
41 of the laws of 1953] and sections 16 and 17 of [this act] chapter
42 241 of the laws of 1964.

43 25. a. Any person entitled to become a member of the Police and

1 Firemen's Retirement System shall not be allowed any of the death
2 benefits established by sections 5, 6, 7(3), 9 and 10(5) of chapter
3 255 of the laws of 1944, and sections 16 and 17 of chapter 241 of
4 the laws of 1964, if he makes application for membership beyond
5 the year after he first became eligible for membership, unless the
6 member furnishes satisfactory evidence of insurability and on the
7 effective date of his membership is actively at work and perform-
8 ing all his regular duties at his customary place of employment.
9 The effective date of coverage for such death benefits shall be
10 the first day of the month which immediately follows the date when
11 such evidence is determined to be satisfactory.

12 b. Such evidence of insurability will not be required of any per-
13 son becoming a member of the Police and Firemen's Retirement
14 System upon transfer from another State-administered retirement
15 system, if such system provided death benefits of a similar nature
16 and the transferring member was covered by such benefits just
17 prior to the transfer. If such transferring member was not covered
18 by such benefits just prior to the transfer, he may be allowed the
19 death benefits of the Police and Firemen's Retirement System
20 subject to the provisions of subsection a. of this section; provided,
21 however, that such member must furnish satisfactory evidence of
22 insurability under the provisions of subsection a. of this section
23 if he had been unable to give such evidence as a member of the
24 system from which he transferred.

25 c. Any person who must furnish satisfactory evidence of insur-
26 ability under the provisions of this section and who ceases to be
27 a member of the retirement system without such evidence having
28 been given, shall continue to be subject to the same requirement
29 if he subsequently becomes a member.

30 26. a. Upon the death after retirement of any member of the
31 retirement system there shall be paid to his widow or dependent
32 widower a pension of 25% of average final compensation for the
33 use of herself or himself, to continue during her or his widowhood,
34 plus 15% of such compensation payable to one surviving child or
35 an additional 25% of such compensation to 2 or more children; if
36 there is no surviving widow or dependent widower or in case the
37 widow or dependent widower dies or remarries, 20% of average
38 final compensation will be payable to one surviving child, 35% of
39 such compensation to 2 surviving children in equal shares and if
40 there be 3 or more children, 50% of such compensation would be
41 payable to such children in equal shares.

42 b. The increased pension benefits payable under this act shall
43 apply only to cases where such policeman or fireman retires on

1 or after the effective date of this amendatory and supplementary
2 act and shall not affect pensions paid or to be paid as a result of
3 retirements occurring prior to said date.

4 c. As of the effective date of this amendatory and supplementary
5 act, all widows' pensions previously granted pursuant to the pro-
6 visions of section 10 of chapter 255 of the laws of 1944, as amended,
7 and all such pensions previously granted, or to be granted where
8 retirement for accidental disability occurred prior to said date,
9 pursuant to the provisions of section 7(3) of chapter 255 of the
10 laws of 1944, as amended, will be subject to a maximum, annual,
11 aggregate payment of \$1,600.00.

12 27. A pension, an annuity or a retirement allowance granted
13 under the provisions of this act shall be effective only on the first
14 day of a month, shall be paid in equal monthly installments, and
15 shall not be decreased, increased, revoked or repealed, except as
16 otherwise provided in this act; provided, however, that at the time
17 any benefit becomes payable any unpaid balance of a loan or ar-
18 rearage outstanding shall be deducted from any benefit otherwise
19 payable.

20 Upon the death of a retirant, any unpaid benefits due him shall
21 be paid in one lump sum to such person, if living, as he shall have
22 nominated by written designation duly executed and filed with the
23 board of trustees, otherwise to the executor or administrator of
24 the retirant's estate. No pension, annuity or retirement allowance
25 shall be due to a retirant or beneficiary unless it constitutes a pay-
26 ment for an entire month.

27 28. The designation of beneficiary by a member or retirant shall
28 be made in writing on a form satisfactory to the retirement system,
29 and filed with the retirement system. The member or retirant may,
30 from time to time and without the consent of his death benefit
31 designee, change the beneficiary by filing written notice of the
32 change with the system on a form satisfactory to it. The new nomi-
33 nation will be effective on the date the notice, in proper form, is
34 received by the system, and any prior nomination shall thereupon
35 become void.

36 If more than one beneficiary is nominated and in such nomina-
37 tion the member or retirant has failed to specify their respective
38 interests, the beneficiaries shall share equally. If any beneficiary
39 predeceases the member or retirant, the interest of such beneficiary
40 shall terminate and shall be shared equally by such of the bene-
41 ficiaries as survive the member or retirant, unless the member or
42 retirant has made written request to the contrary in his beneficiary
43 nomination.

1 Any amounts due for which there is no beneficiary at the death
2 of a member, retirant or beneficiary shall be payable to the estate
3 of such member, retirant or beneficiary.

4 Except with regard to the payment of the member's accumulated
5 deductions and the payment, upon the death of a retirant after
6 attaining the age of 55 years, of the death benefits provided in
7 sections 5, 6, 7(3), 9 and 10(5) of chapter 255 of the laws of 1944
8 and sections 16 and 17 of chapter 241 of the laws of 1964, a member
9 may elect, by making written request to the retirement system,
10 that the whole or any part of his death benefits be made payable
11 to his beneficiary either as a life annuity or in equal installments
12 over a period of years specified in such election, and may alter
13 such election from time to time during his lifetime by again making
14 such written request. In the event of a change of beneficiary, any
15 previous arrangement by the member or retirant under this para-
16 graph shall be void. The election set forth in this paragraph shall
17 not apply or be available when the beneficiary is an estate, or a
18 corporation, partnership, association, institution, trustee, or any
19 fiduciary.

20 If, at the member's or retirant's death, an amount of death bene-
21 fit would be payable to the beneficiary in a single sum, any election
22 with regard to such amount which was available to the member
23 or retirant immediately prior to his death in accordance with the
24 provisions of the immediately preceding paragraph shall then be
25 available to such beneficiary for the benefit of such beneficiary.

26 The provisions of this section shall be construed separately with
27 respect to each of the death benefits for which a beneficiary is des-
28 ignated by the member or retirant.

29 29. a. In the case of any person who was required to become a
30 member of the retirement system as a condition of employment,
31 and whose application for enrollment in the retirement system or
32 whose application for transfer from one employer to another within
33 the system was filed beyond the effective date for his compulsory
34 enrollment in the system or his transfer within the system, such
35 person shall be required to purchase membership credit for his
36 compulsory coverage by paying into the annuity savings fund the
37 amount required by applying, in accordance with section 15 of
38 chapter 255 of the laws of 1944, his full rate of contribution on his
39 current base salary subject to the retirement system for each year
40 of previous service during which he was required to have been a
41 member.

42 b. If more than 2 years have elapsed from the time that contri-
43 butions would have been required from such person, $\frac{1}{2}$ of the

1 employee's cost, established by the computation provided by sub-
2 section a. of this section, will be required of his employer and shall
3 be included in the next budget subsequent to the certification of
4 this special liability by the retirement system. The amount certi-
5 fied by the system shall be payable by the employer to the pension
6 accumulation fund and shall be due and owing to the system even
7 if the employee is no longer in the employ of the employer by the
8 date such moneys are to be paid to the system.

9 c. The employee's obligation may be satisfied by regular install-
10 ments, equal to at least $\frac{1}{2}$ the full normal contribution to the re-
11 tirement system, over a maximum period of 10 years.

12 d. In the case of any person coming under the provisions of this
13 section, full pension credit for the period of employment for which
14 arrears are being paid by the employee shall be given upon the
15 payment of at least $\frac{1}{2}$ of the total employee's arrearage obligation
16 and the completion of 1 year of membership and the making of
17 such arrears payments, except that in the case of retirement pur-
18 suant to section 5 of chapter 255 of the laws of 1944 and sections
19 16 and 17 of chapter 241 of the laws of 1964, the total membership
20 credit for such service shall be in direct proportion as the amount
21 paid bears to the total amount of the arrearage obligation of the
22 employee.

23 30. a. If any member of the retirement system receives periodic
24 benefits payable under the Workmen's Compensation Law during
25 the course of his active service, in lieu of his normal compensation,
26 his regular salary deductions shall be paid to the retirement sys-
27 tem by his employer. Such payments shall be computed, in accord-
28 ance with section 15 of chapter 255 of the laws of 1944, at the full
29 rate of contribution on the base salary subject to the retirement
30 system, just prior to the receipt of the workmen's compensation
31 benefits. The moneys paid by the employer shall be credited to
32 the member's account in the annuity savings fund and shall be
33 treated as employee contributions for all purposes. The employer
34 will terminate the payment of these moneys when the periodic
35 benefits payable under the Workmen's Compensation Law are
36 terminated.

37 The member for whom the employer is making such payments,
38 will be considered as if he were in the active service.

39 b. No application for retirement benefits may be approved by
40 the board of trustees while the member, applying for such benefits,
41 is in receipt of periodic benefits under the Workmen's Compens-
42 ation Law.

43 31. a. Section 12 of P. L. 1944, chapter 255 is repealed.

- 1 b. Sections 5 and 6 of P. L. 1953, chapter 266 is repealed.
- 2 c. Section 2 of P. L. 1960, chapter 109 is repealed.
- 3 d. Section 3 of P. L. 1961, chapter 12 is repealed.
- 4 32. This act shall take effect July 1, 1967.

SENATE COMMITTEE AMENDMENTS TO

SENATE, No. 266

STATE OF NEW JERSEY

ADOPTED APRIL 24, 1967

Amend page 14, section 10, line 4, insert paragraph:

"If there is no surviving widow, dependent widower or child, 25% of the compensation upon which contributions by the member to the annuity savings fund were based in the last year of creditable service, will be payable to one surviving dependent parent or 40% of such compensation will be payable to 2 surviving parents in equal shares."

Amend page 14, section 10, line 10, after the word "widow", insert ", dependent widower, child"; delete "children", insert "dependent parent".

Amend page 14, section 10, lines 11-14, after the word "beneficiary", insert "of the deceased member", and omit the remainder of line 11 and all of lines 12 through 14.

Amend page 14, section 10, line 15, omit "(a) His", insert "his".

Amend page 14, section 10, lines 15-17, omit ", and (b) An amount equal to 1½ times the compensation received by the member in the last year of creditable service".

Amend page 14, section 10, lines 20-29, after "(5)", omit the remainder of line 20 and all of lines 21 through 29, and insert the following: "In addition to the foregoing benefits payable under subsection 2 or 3, there shall also be paid in one sum to such beneficiary, if living, as the member shall have nominated by written designation duly executed and filed with the retirement system, otherwise to the executor or administrator of the member's estate, an amount equal to 3½ times the compensation upon which contributions by the member to the annuity savings fund were based in the last year of creditable service."

[OFFICIAL COPY REPRINT]

SENATE, No. 266

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 6, 1967

By Senators KELLY and GROSSI

Referred to Committee on State, County and Municipal Government

AN Act concerning the police and firemen's retirement system for the police and firemen of a municipality, county or political subdivision thereof, revising parts of the statutory law, amending and supplementing P. L. 1944, chapter 255, amending P. L. 1964, chapter 241, and repealing section 12 of P. L. 1944, chapter 255, sections 5 and 6 of P. L. 1953, chapter 266, section 2 of P. L. 1960, chapter 109 and section 3 of P. L. 1961, chapter 12.

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

3 1. Section 1 of chapter 255 of the laws of 1944 is amended to
4 read as follows:

5 1. The following words and phrases as used in this act unless
6 a different meaning is plainly required by the context shall have
7 the following meanings:

8 (1) "Retirement system" shall mean the Police and Firemen's
9 Retirement System of New Jersey as defined in section 2 of this act.

10 (2) "Policeman or fireman" shall mean any permanent and
11 full-time active uniformed employee, and any active permanent
12 and full-time employee who is a detective, lineman, fire alarm op-
13 erator or inspector of combustibles, of any police or fire depart-
14 ment of a municipality or a fire department of a fire district located
15 in a township or a county police department.

16 (3) "Member" shall mean any policeman or fireman included
17 in the membership of the retirement system as provided in section
18 3 of this act.

19 (4) "Board of trustees" or "board" shall mean the board pro-
20 vided for in section 13 of this act [to administer the retirement
21 system].

22 (5) "Medical board" shall mean the board of physicians pro-
23 vided for in section 13 of this act.

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

1 (6) "Employer" shall mean the county, municipality or political
2 subdivision thereof which pays the particular policeman or fireman.

3 (7) "Service" shall mean service as a policeman or fireman or
4 county policeman paid for by an employer.

5 (8) "Creditable service" shall mean service rendered for which
6 credit is allowed as provided under section 4 of this act.

7 (9) "Regular interest" shall mean interest as determined from
8 time to time by the board of trustees *with the advice of the actuary*
9 under the provisions of section 13, subsection 15, of this act.

10 (10) "Aggregate contributions" shall mean the sum of *all* the
11 amounts, deducted from *the compensation of a* [member's salary
12 and credited] *member or contributed by him or on his behalf,*
13 *standing to the credit of his individual account in the annuity sav-*
14 *ings fund.*

15 (11) "Annuity" shall mean payments for life derived from the
16 aggregate contributions of a member. [All annuities shall be paid
17 in equal monthly installments.]

18 (12) "Pension" shall mean payments for life derived from con-
19 tributions by the employer. [All pensions shall be paid in equal
20 monthly installments.]

21 (13) "Retirement allowance" shall mean [the sum of] the pen-
22 sion [and] *plus the annuity*[, if any].

23 (14) "Earnable compensation" shall mean the full rate of the
24 salary that would be payable to an employee if he worked the full
25 normal working time for his position. In cases where salary in-
26 cludes maintenance, the [board of trustees] *retirement system*
27 shall fix the value of that part of the salary not paid in money which
28 shall be considered under this act.

29 (15) "Average final compensation" shall mean the average an-
30 nual [earnable] salary *upon which contributions are made* [of an
31 employee during his last 5] *for the 5 years of creditable service*
32 [as an employee] *immediately preceding his retirement, or* [if he
33 had less than 5 years of service, then his average earnable salary
34 for his total service] *it shall mean the average annual salary for*
35 *which contributions are made during any 5 fiscal years of his or*
36 *her membership providing the largest possible benefit to the mem-*
37 *ber or his beneficiary.*

38 (16) "Retirement" shall mean withdrawal from active service
39 with a retirement allowance granted under the provisions of this
40 act.

41 (17) "Annuity reserve" shall mean the present value of all
42 payments to be made on account of any annuity or benefit
43 in lieu of any annuity computed upon the basis of such mortality

1 tables *recommended by the actuary* as shall be adopted by the board
2 of trustees, and regular interest.

3 (18) "Pension reserve" shall mean the present value of all pay-
4 ments to be made on account of any pension or benefit in lieu of
5 any pension computed upon the basis of such mortality tables *rec-*
6 *ommended by the actuary* as shall be adopted by the board of
7 trustees, and regular interest.

8 (19) "Actuarial equivalent" shall mean a benefit of equal value
9 when computed upon the basis of such mortality tables *recom-*
10 *mended by the actuary* as shall be adopted by the board of trustees,
11 and regular interest.

12 (20) "Beneficiary" shall mean any person receiving a retire-
13 ment allowance or other benefit as provided by this act.

14 (21) "Child" shall mean a deceased member's unmarried child
15 either (a) under the age of 18 or (b) of any age who, at the time
16 of the member's death, is disabled because of mental retardation
17 or physical incapacity, is unable to do any substantial, gainful work
18 because of the impairment and his impairment has lasted or can
19 be expected to last for a continuous period of not less than 12
20 months, as affirmed by the medical board.

21 (22) "Dependent parent" shall mean the parent of a member
22 who was receiving at least 1/2 of his support from the member in
23 the 12-month period immediately preceding the member's death.
24 The dependency of such a parent will be considered terminated by
25 marriage of the parent subsequent to the death of the member.

26 (23) "Dependent widower" shall mean the man to whom a mem-
27 ber was married at least 5 years before the date of her death and
28 to whom she continued to be married until the date of her death
29 and who was receiving at least 1/2 of his support from the member
30 in the 12-month period immediately preceding the member's death.
31 The dependency of such a widower will be considered terminated
32 by marriage of the widower subsequent to the death of the mem-
33 ber. In the event of the payment of an accidental death benefit,
34 the 5-year qualification shall be waived.

35 (24) "Widow" shall mean the woman to whom a member was
36 married at least 5 years before the date of his death and to whom
37 he continued to be married until the date of his death and who has
38 not remarried subsequent to the member's death. In the event of
39 the payment of an accidental death benefit, the 5-year qualification
40 shall be waived.

41 2. Section 2 of chapter 255 of the laws of 1944 is amended to
42 read as follows:

43 2. A retirement system is hereby established in the Division of

1 *Pensions of the Department of the Treasury* for the purpose of
 2 providing retirement allowances and other benefits for policemen
 3 and firemen under the provisions of this act. [The retirement
 4 system so created shall be established within 30 days from the
 5 effective date of this act.] It shall have the powers and privileges
 6 of a corporation and shall be known as [the] "The Police and
 7 Firemen's Retirement System of New Jersey" and by such name
 8 all of its business shall be transacted, all of its funds invested, and
 9 all of its cash and securities and property held in trust for the
 10 purpose for which received.

11 3. Section 3 of chapter 255 of the laws of 1944 is amended to
 12 read as follows:

13 3. (1) After the date of the establishment of this retirement
 14 system, any person becoming a full-time policeman or fireman in
 15 a county or municipality or fire district located in a township where,
 16 prior to the date this act takes effect, a pension under chapter 16
 17 of Title 43 or article 4 of chapter 10 of Title 43 of the Revised
 18 Statutes for policemen or firemen has been established, shall be-
 19 come a member of this retirement system as a condition of his
 20 employment; *he will be enrolled* provided, that his age at becoming
 21 such full-time policeman or fireman is not over 30 years or if such
 22 person shall have met the requirements at the announced closing
 23 date of a civil service examination for such position and was ap-
 24 pointed during the existence of the civil service list promulgated
 25 as a result of such examination; and further provided, that he
 26 shall furnish such evidence of good health at the time of becoming
 27 a member as the [board of trustees] *retirement system* shall re-
 28 quire.

29 [Any person who became a policeman or fireman in any such
 30 county, municipality or fire district after June 30, 1944, and prior
 31 to April 11, 1945, and who at the time of becoming such policeman
 32 or fireman was over 30 years and not more than 35 years of age,
 33 shall become a member of this retirement system as a condition
 34 of his employment; provided, that he shall furnish such evidence
 35 of good health at the time of his becoming a policeman or fireman
 36 as the board of trustees shall require.]

37 (2) After the date upon which this act becomes effective in any
 38 county, municipality or political subdivision thereof, pursuant to
 39 a referendum as hereinafter provided (a) any person becoming a
 40 full-time policeman or fireman in any such county, municipality
 41 or political subdivision shall become a member of this retirement
 42 system as a condition of his employment; *he will be enrolled* pro-
 43 vided, that his age at becoming such full-time policeman or fireman

1 is not over 30 years; and provided further, that he shall furnish
 2 such evidence of good health at the time of becoming a member
 3 as the [board of trustees] *retirement system* shall require; and
 4 (b) any person in service as a full-time policeman or fireman in
 5 any such county, municipality or political subdivision on the date
 6 this act becomes effective therein who, within the time and in the
 7 manner permitted by this act, elects to become a member of this
 8 retirement system, shall become such member.

9 [(3) The board of trustees may accept as members into the re-
 10 tirement system, full-time policemen and firemen who are serving
 11 as probationers. The board of trustees may in its discretion deny
 12 the right to become members to any class of policemen or firemen
 13 whose compensation is only partly paid by the employer and shall
 14 deny it to those who are serving in a temporary or other than per
 15 annum basis, and it may also, in its discretion, make optional with
 16 members in any such class their individual entrance into member-
 17 ship.]

18 [(4)] (3) Should any member withdraw his aggregate contribu-
 19 tions, or become a beneficiary or die, or if more than 2 years have
 20 elapsed from the date of his last contributions to the system, he
 21 shall thereupon cease to be a member.

22 [(5)] (4) Should any member resign or be dismissed from the
 23 police or fire service of the employing agency and not make appli-
 24 cation for the return of his aggregate contributions, the [board
 25 of trustees may] *retirement system shall* upon receiving conclu-
 26 sive advice of such separation, terminate the membership [im-
 27 mediately thereafter]. The employees contributions from mem-
 28 berships so terminated shall be held by the retirement system and
 29 returned to the employee without interest when application for
 30 such return is made.

31 [(6) Any member of this retirement system in good standing
 32 on the effective date of this amendment shall not have his member-
 33 ship affected as a result of this amendment but the same shall apply
 34 to any person becoming a full-time policeman or fireman after the
 35 the effective date of this amendment.]

36 4. Section 4 of chapter 255 of the laws of 1944 is amended to
 37 read as follows:

38 4. Only service as a policeman or fireman paid for by an em-
 39 ployer, which was rendered by a member since he became a mem-
 40 ber, or, since he last became a member in case of a break in service,
 41 plus service, if any, covered by a prior service [certificate] *lia-*
 42 *bility*, shall be considered as creditable service for the purposes
 43 of this act, except that temporary service as a policeman or fire-

1 man may also be considered as creditable service if it results, with-
 2 out interruption, in a *valid* permanent or probational appointment
 3 as a policeman or fireman and the member agrees [within 1 year
 4 after the effective date of this act or] during his first year of mem-
 5 bership in the retirement system, to make contributions covering
 6 such temporary service on the basis of rates established by the
 7 actuary [and in accordance with rules and regulations established
 8 by the board of trustees].

9 5. Section 5 of chapter 255 of the laws of 1944 is amended to
 10 read as follows:

11 5. (1) Any member in service who has attained age 55 years
 12 may retire on a service retirement allowance upon written and duly
 13 executed application to the retirement system, setting forth at
 14 what time, not less than 30 days subsequent to the filing thereof,
 15 he desires to be retired. Any member in service who attains age 65
 16 years shall be retired on a service retirement allowance forthwith
 17 or on the first day of the next calendar month.

18 (2) Upon retirement for service a member shall receive a serv-
 19 ice retirement allowance which shall consist of:

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

22 (b) A pension in the amount which when added to the member's
 23 annuity will provide a total retirement allowance of $\frac{1}{60}$ of his
 24 average final compensation multiplied by the number of years of
 25 his creditable service, or 2% of his average final compensation
 26 multiplied by the number of years of his creditable service up to 25
 27 plus 1% of his average final compensation multiplied by the num-
 28 ber of years of creditable service over 25, whichever is greater.

29 (3) Upon the receipt of proper proofs of the death of a member
 30 who has retired on a service retirement allowance, there shall be
 31 paid to [such person, if living, as he shall have nominated by writ-
 32 ten designation duly executed and filed with the retirement system,
 33 otherwise to the executor or administrator of the member's estate,]
 34 *his beneficiary* an amount equal to [$\frac{3}{16}$] $\frac{1}{4}$ of the compensation
 35 [received] *upon which contributions by the member to the annuity*
 36 *savings fund were based* in the last year of creditable service.

37 6. Section 6 of chapter 255 of the laws of 1944 is amended to
 38 read as follows:

39 6. (1) Upon the written application by a member in service, *by*
 40 *one acting in his behalf* or by his employer, any member, *under 55*
 41 *years of age*, who has had 5 or more years of creditable service
 42 may be retired, not less than 30 days next following the date of
 43 filing such application, on an ordinary disability retirement allow-

1 ance; provided, that the medical board, after a medical examina-
 2 tion of such member, shall certify that such member is mentally
 3 or physically incapacitated for the performance of his usual duty
 4 and of any other available duty in the department which his em-
 5 ployer is willing to assign to him and that such incapacity is likely
 6 to be permanent and to such an extent that he should be retired.

7 (2) Upon retirement for ordinary disability, a member shall
 8 receive [a service retirement allowance if he has completed at least
 9 20 years of creditable service and attained age 55 years, otherwise]
 10 an ordinary disability retirement allowance *which* shall consist of:

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

13 (b) A pension in the amount which when added to the member's
 14 annuity will provide a total retirement allowance of $1\frac{1}{2}\%$ of aver-
 15 age final compensation multiplied by his number of years of credit-
 16 able service but in no event shall the total allowance be less than
 17 40% of the member's average final compensation.

18 (3) Upon the receipt of proper proofs of the death of a member
 19 who has retired on an ordinary disability retirement allowance,
 20 there shall be paid to such [person, if living, as he shall have nomi-
 21 nated by written designation duly executed and filed with the re-
 22 tirement system, otherwise to the executor or administrator of
 23 the] member's [estate] *beneficiary*, an amount equal to [$1\frac{1}{2}$] *3 1/2*
 24 times the compensation [received] *upon which contributions* by the
 25 member *to the annuity savings fund were based* in the last year of
 26 creditable service if such death occurs before the member shall
 27 have reached 55 years of age but if such death occurs thereafter,
 28 an amount equal to [$\frac{3}{16}$] *1/4* of [the] *such* compensation [re-
 29 ceived by the member in the last year of creditable service] *instead*
 30 *of 3 1/2 times such compensation.*

31 7. Section 7 of chapter 255 of the laws of 1944 is amended to
 32 read as follows:

33 7. (1) Upon the written application by a member, *by one acting*
 34 *in his behalf* or by his employer any member may be retired, not
 35 less than 30 days next following the date of filing such application,
 36 on an accidental disability retirement allowance; provided, that
 37 the medical board, after a medical examination of such member,
 38 shall certify that the member is permanently and totally disabled
 39 as a direct result of a traumatic event occurring during and as a
 40 result of the performance of his regular or assigned duties and
 41 that such disability was not the result of the member's willful
 42 negligence and that such member is mentally or physically inca-
 43 pacitated for the performance of his usual duty and of any other

1 available duty in the department which his employer is willing to
 2 assign to him. The application to accomplish such retirement must
 3 be filed within 5 years of the original traumatic event, but the
 4 board of trustees may consider an application filed after the 5-year
 5 period if it can be factually demonstrated to the satisfaction of
 6 the board of trustees that the disability is due to the accident and
 7 the filing was not accomplished within the 5-year period due to a
 8 delayed manifestation of the disability or other circumstances be-
 9 yond the control of the member.

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

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

15 (b) A pension, in addition to the annuity, equal to $\frac{2}{3}$ of the
 16 member's actual annual compensation for which contributions were
 17 being made at the time of the occurrence of the accident.

18 [(3) Upon the receipt of proper proofs of the death of a mem-
 19 ber who has retired on an accidental disability retirement allow-
 20 ance, there shall be paid a pension of \$1,500.00 a year to the widow
 21 of the member, if he leaves a widow to whom he was married at
 22 the time he became so disabled, to continue until her death or re-
 23 marriage; or, if there is no widow, or if such widow dies leaving
 24 children of the deceased member, a pension to each child under
 25 age 18 to continue to age 18 or prior death, such pension to be
 26 \$600.00 annually if there is only one such surviving child; or \$480.00
 27 annually to each child if 2 such surviving children; or \$1,500.00
 28 annually divided equally among the surviving children if there
 29 are 3 or more such children.]

30 [(4)] (3) Upon the receipt of proper proofs of the death of a
 31 member who has retired on accidental disability retirement allow-
 32 ance, there shall be paid to such [person, if living, as he shall have
 33 nominated by written designation duly executed and filed with the
 34 retirement system, otherwise to the executor or administrator of
 35 the] member's [estate] *beneficiary*, an amount equal to [1½]
 36 3 1/2 times the compensation [received] *upon which contributions*
 37 *by the member to the annuity savings fund were based* in the last
 38 year of creditable service if such death occurs before the member
 39 shall have reached 55 years of age but if such death occurs there-
 40 after, an amount equal to [¾] 1/4 of [the] *such* compensation
 41 [received by the member] *instead of 3 1/2 times such compen-*
 42 *sation.*

43 [(5)] (4) Permanent and total disability resulting from a car-

1 cardiovascular, pulmonary or musculo-skeletal condition which was
2 not a direct result of a traumatic event occurring in the perform-
3 ance of duty shall be deemed an ordinary disability.

4 8. Section 8 of chapter 255 of the laws of 1944 is amended to
5 read as follows:

6 8. (1) Upon the receipt by the retirement system of a written
7 application for a disability retirement allowance, the system shall
8 refer the application to the medical board, which shall designate
9 a physician or physicians to examine the applicant and the report
10 of the medical board shall be considered by the board of trustees
11 in acting upon such application.

12 (2) *Except for circumstances beyond his control, every disa-*
13 *bility beneficiary, who is under the age of 55 years, will be required*
14 *to report for rehabilitation at the nearest office of the New Jersey*
15 *Rehabilitation Commission within 90 days following the effective*
16 *date of his disability benefit. If the beneficiary fails to report within*
17 *the 90 days, or within such further time as may be allowed by the*
18 *board of trustees for valid reason, as the case may be, the pension*
19 *shall be discontinued during such default.*

20 *A report of the findings of the rehabilitation commission shall*
21 *be filed with the retirement system. If the report indicates that*
22 *the person could be rehabilitated to perform either his former duty*
23 *or comparable duty, it shall be his responsibility to follow such*
24 *course of rehabilitation until the rehabilitation commission finds*
25 *that he can be restored to active service. If the beneficiary refuses*
26 *the prescribed treatment of rehabilitation, such refusal shall be*
27 *stipulated in writing to the retirement system, citing the reasons*
28 *for his refusal. In the absence of valid reason or such stipulation,*
29 *as the case may be, the board of trustees shall find him in default*
30 *and his pension shall be discontinued during such default.*

31 *If a disability beneficiary has completed a course of rehabilita-*
32 *tion prescribed by the rehabilitation commission, he shall undergo*
33 *a medical examination by a physician or physicians designated by*
34 *the system. If the report of the medical board shall show that such*
35 *beneficiary is able to perform his former duty, the beneficiary shall*
36 *report for duty. If the beneficiary fails to return to duty within*
37 *10 days after being ordered so to do, or within such further time*
38 *as may be allowed by the board of trustees for valid reason, as the*
39 *case may be, the pension shall be discontinued during such default.*
40 *If the beneficiary reports for duty in a timely manner, his employer*
41 *shall be obligated to provide him with a position, in which he is*
42 *to perform his former duty, at that time or at the earliest possible*
43 *time in which his employer can provide such position or employ-*

1 *ment; such a beneficiary shall not suffer any loss of benefits while*
 2 *he awaits his restoration to active service. The head of any em-*
 3 *ployer who knowingly and willfully violates his obligation to re-*
 4 *store such disability beneficiary to active service shall be guilty of*
 5 *a misdemeanor as pursued by the office of the Attorney General*
 6 *before a court of proper jurisdiction.*

7 *If a disability beneficiary has completed a course of rehabilita-*
 8 *tion prescribed by the rehabilitation commission and the report of*
 9 *the medical board shall show that such beneficiary is not able to*
 10 *perform his former duty but can perform other comparable duty*
 11 *which his former employer is willing to assign to him, the bene-*
 12 *ficiary shall report for duty. If the beneficiary fails to return to*
 13 *duty within 10 days after being ordered so to do, or within such*
 14 *further time as may be allowed by the board of trustees for valid*
 15 *reason, as the case may be, the pension shall be discontinued during*
 16 *such default. If the beneficiary reports for duty in a timely manner,*
 17 *he may, in the discretion of the head of the employer, be restored*
 18 *to active service; such a beneficiary shall not suffer any loss of*
 19 *benefits while he awaits his restoration to active service.*

20 *If a disability beneficiary is not restored to active service, he*
 21 *shall nevertheless be subject to the provisions of subsection (3) of*
 22 *this section. If a disability beneficiary is restored to active service,*
 23 *he shall be subject to the provisions of subsection (4) of this sec-*
 24 *tion.*

25 (3) Any beneficiary under the age of 55 years who has been
 26 retired on a disability retirement allowance under this act, on his
 27 request or upon the request of the [board of trustees] retirement
 28 system shall be given a medical examination and he shall submit
 29 to an examination by a physician or physicians designated by the
 30 medical board [at such place to be mutually agreed upon], [twice
 31 a year for a period of 3 years and] once a year [thereafter] for
 32 at least a period of 10 years following his retirement in order to
 33 determine whether or not the disability which existed at the time
 34 he was retired has vanished or has materially diminished. If the
 35 report of the medical board shall show that such beneficiary is
 36 able to perform either his former duty or any other available duty
 37 in the department which his employer is willing to assign to him,
 38 the beneficiary shall report for duty [within 10 days]; such a bene-
 39 ficiary shall not suffer any loss of benefits while he awaits his
 40 restoration to active service. If the beneficiary fails to submit to
 41 any such medical examination or fails to return to duty within 10
 42 days after being ordered so to do, or within such further time as
 43 may be allowed by the board of trustees for valid reason, as the

1 case may be, the pension shall be discontinued during such default.

2 **[(3)]** If such beneficiary is engaged in an occupation paying
3 more than the difference between his retirement allowance and
4 the salary now attributable to his former position in the police or
5 fire department, the amount of his pension shall be reduced to an
6 amount which, together with his annuity and the amount of his
7 earnings, shall equal the amount of the salary now attributable to
8 his former position in the police or fire department. Should his
9 earnings be later changed the amount of his pension shall be further
10 modified; provided, that the new pension shall not exceed the
11 amount of the pension originally granted.

12 (4) **[A** beneficiary restored to active service at a salary not less
13 than the salary he received at the time he was retired shall become
14 a member of the retirement system and shall be entitled to his
15 previous total service credit, but on his subsequent retirement, he
16 shall not receive a greater pension on account of his service ren-
17 dered before his previous retirement than he was entitled to re-
18 ceive at the time of his restoration, anything to the contrary not-
19 withstanding.]

20 *If a disability beneficiary is restored to active service, his pen-*
21 *sion, and the right to any death benefit as a result of his former*
22 *membership, shall be suspended until he again retires.*

23 *Such person shall be re-enrolled in the retirement system and*
24 *shall contribute thereto at a rate based on his age at the time of his*
25 *prior enrollment. Such person shall be treated as an active member*
26 *for determining disability or death benefits while in service.*

27 *Upon subsequent retirement of such member, he shall receive*
28 *a retirement allowance based on all his service as a member since*
29 *his last return to membership, and in addition he shall receive a*
30 *retirement allowance equal to the retirement allowance on which*
31 *he was retired at the time of his last retirement, but the total re-*
32 *retirement allowance upon subsequent retirement shall not be a*
33 *greater proportion of his average final compensation than the pro-*
34 *portion to which he would have been entitled had he remained in*
35 *service during the period of his prior retirement. Any death benefit*
36 *to which such member shall be eligible shall be based on his latest*
37 *retirement.*

38 9. Section 9 of chapter 255 of the laws of 1944 is amended to
39 read as follows:

40 9. (1) Upon the receipt of proper proof of the death of a member
41 in service on account of which no accidental death benefit is pay-
42 able under section 10 there shall be paid to such **[**person, if living,
43 as he shall have nominated by written designation duly executed

1 and filed with the board of trustees, otherwise to the executor or
2 administrator of the] member's [estate] beneficiary:

3 (a) [His] *The member's* aggregate contributions at the time of
4 death[;] and

5 (b) An amount equal to [1 and 1/2] *3 1/2* times the compensa-
6 tion [received] *upon which contributions* by the member *to the*
7 *annuity savings fund were based* in the last year of creditable
8 service.

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

19 [(3)] (2) a. For the purposes of this section *and section 10*, a
20 member shall be deemed to be [in service] *an active member* for
21 a period of no more than 93 days while on official leave of absence
22 without pay when such leave is due to any reason other than ill-
23 ness, and for a period of no more than 2 years if satisfactory evi-
24 dence is presented to the [board of trustees establishing the fact]
25 *retirement system* that such leave of absence without pay is due to
26 illness.

27 b. *Except in the case of members who have elected to receive*
28 *(1) a deferred retirement allowance pursuant to section 17 of chap-*
29 *ter 241 of the public laws of 1964, as amended, or (2) an early re-*
30 *retirement allowance pursuant to section 16 of chapter 241 of the*
31 *public laws of 1964, as amended, after separation from service pur-*
32 *suant to the aforesaid section 17, if a member dies within 30 days*
33 *after the date of retirement or the date of board approval, which-*
34 *ever is later, a death benefit shall be payable only if he is deemed*
35 *to be an active member in accordance with subpart a of this sub-*
36 *section; provided, however, a member applying for disability bene-*
37 *fits shall be deemed an active member if he was covered by the*
38 *death benefit provisions of the act at the termination of employ-*
39 *ment, filed the application for disability retirement with the retire-*
40 *ment system within 30 days following such termination of employ-*
41 *ment and dies within 30 days after the date of retirement or the*
42 *date of board approval, whichever is later.*

1 10. Section 10 of chapter 255 of the laws of 1944 is amended to
2 read as follows:

3 10. (1) Upon the [accidental] death of a member *in active serv-*
4 *ice as a result of* [before retirement; provided, that evidence shall
5 be submitted to the board of trustees justifying the determination
6 that the natural and proximate cause of such death was] an acci-
7 dent met in the actual performance of duty *at some definite time*
8 *and place,* [within 5 years preceding the date of such death,] and
9 [that] such death was not the result of the member's willful negli-
10 gence, an accidental death benefit shall be payable *if a report of*
11 *the accident is filed in the office of the retirement system within 60*
12 *days next following the accident, but the board of trustees may*
13 *waive such time limit, for a reasonable period, if in the judgment*
14 *of the board the circumstances warrant such action. No such ap-*
15 *plication shall be valid or acted upon unless it is filed in the office*
16 *of the retirement system within 5 years of the date of such death.*

17 [(2) The accidental death benefit shall consist of:

18 (a) The amount of the member's aggregate contributions which
19 shall be paid as an annuity to his designated beneficiary if living,
20 otherwise in one sum to the executor or administrator of the mem-
21 ber's estate; and

22 (b) An annual pension equal to $\frac{1}{2}$ the average final compensa-
23 tion of the member to the widow of the member if he leaves a widow
24 to whom he was married before he attained 50 years of age, to
25 continue until her death or remarriage. If there be a widow and
26 children of the member, the pension shall be paid to the widow for
27 the use of herself and such children. If there be such children and
28 no widow, or if the widow dies the pension which the widow would
29 have received had she survived, shall be paid to those children who
30 have not reached 18 years of age, in equal shares, if there be 3 or
31 more children; if there be 2 children, they shall be paid \$40.00 each,
32 monthly; if there be but one child, he shall be paid \$50.00 monthly;
33 but in no event shall the pension paid to the children exceed, in
34 the aggregate, the sum of \$1,500.00 annually.]

35 (2) *Upon the receipt of proper proofs of the death of a member*
36 *on account of which an accidental death benefit is payable, there*
37 *shall be paid to his widow or dependent widower a pension of 50%*
38 *of the compensation, upon which contributions by the member to*
39 *the annuity savings fund were based in the last year of creditable*
40 *service, for the use of herself or himself and the children of the*
41 *deceased member, to continue during her or his widowhood; if there*
42 *is no surviving widow or dependent widower or in case the widow*
43 *or dependent widower dies or remarries, 20% of such compensation*

1 *will be payable to one surviving child, 35% of such compensation*
 2 *to 2 surviving children in equal shares and if there be 3 or more*
 3 *children, 50% of such compensation will be payable to such chil-*
 4 *dren in equal shares.*

4A **If there is no surviving widow, dependent widower or child,*
 4B *25% of the compensation upon which contributions by the member*
 4C *to the annuity savings fund were based in the last year of creditable*
 4D *service, will be payable to one surviving dependent parent or 40%*
 4E *of such compensation will be payable to 2 surviving parents in*
 4F *equal shares.**

5 **【The increased pension benefits payable under this act shall**
 6 **apply only to cases where such policeman or fireman lost his life**
 7 **while on duty on or after June 1, 1948 and shall not affect pen-**
 8 **sions paid or to be paid as result of deaths occurring prior to said**
 9 **date.】**

10 (3) *If there is no surviving widow*, dependent widower, child**
 11 *or *【children】* *dependent parent*, there shall be paid to any*
 12 *other beneficiary *of the deceased member*, *【if living, as the*
 13 *member shall have nominated by written designation duly executed*
 14 *and filed with the retirement system, otherwise to the executor or*
 14A *administrator of the member's estate:】**

15 **【(a) His】* *his* aggregate contributions at the time of*
 15A *death*【, and*

16 *(b) An amount equal to 1½ times the compensation received by*
 17 *the member in the last year of creditable service】*.*

18 (4) *In no case shall the death benefit provided in subsection 2*
 19 *be less than that provided under subsection 3.*

20 (5) **【A member may file, and alter from time to time during his*
 21 *lifetime, as desired, a request with the retirement system naming*
 22 *the payee of the death benefit provided under subsection 3. Such*
 23 *member may also file, and alter from time to time during his life-*
 24 *time, as desired, a request with the retirement system directing*
 25 *payment of said benefit in one sum or in equal annual installments*
 26 *over a period of years or as a life annuity. Upon the death of such*
 27 *member, a beneficiary to whom a benefit is payable in one sum*
 28 *may elect to provide the amount payable in equal annual install-*
 29 *ments over a period of years or as a life annuity.】* *In addition*
 29A *to the foregoing benefits payable under subsection 2 or 3, there*
 29B *shall also be paid in one sum to such beneficiary, if living, as the*
 29C *member shall have nominated by written designation duly executed*
 29D *and filed with the retirement system, otherwise to the executor or*
 29E *administrator of the member's estate, an amount equal to 3 1/2*
 29F *times the compensation upon which contributions by the member*

1 *to the annuity savings fund were based in the last year of creditable*
 1A *service.**

1B 11. Section 11 of chapter 255 of the laws of 1944 is amended to
 1C read as follows:

1D 11. If a member should cease to be a fireman or policeman, ex-
 1E cept by death or retirement as provided in this act, he shall be paid
 1F the amount of his aggregate contributions *less any outstanding*
 1G *loan* upon the filing of a written application as required by the
 1H retirement system. *No member shall be entitled to withdraw the*
 1I *amounts contributed by his employer covering his military leave*
 1J *unless he shall have returned to the payroll and contributed to the*
 1K *retirement system for a period of 90 days.*

1L *If such person or any member shall die before withdrawing his*
 1M *aggregate contributions, such deductions shall be paid to the mem-*
 1N *ber's beneficiary.*

1O 12. Section 13 of chapter 255 of the laws of 1944 is amended to
 2 read as follows:

3 13. (1) *Subject to the provisions of chapter 70 of the laws of*
 4 *1955, the [The] general responsibility for the proper operation*
 5 *of the retirement system and for making effective the provisions*
 6 *of this act are hereby vested in a board of trustees [which shall*
 7 *be organized immediately after 3 of the trustees provided for in*
 8 *this section have qualified and taken the oath of office].*

9 (2) The board shall consist of 9 trustees as follows:

10 (a) Four members to be appointed by the Governor, who shall
 11 serve at the pleasure of the Governor and until their successors
 12 are appointed and who shall be private citizens of the State of
 13 New Jersey who are neither an officer thereof nor a member of
 14 any police or fire department thereof.

15 (b) The State Treasurer, ex officio.

16 (c) Two policemen and 2 firemen who shall be members of the
 17 system and who shall be elected by the members of the system for
 18 a term of 4 years according to such rules and regulations as the
 19 board of trustees shall adopt to govern such election; provided,
 20 however, that the elections conducted for the terms commencing
 21 July 1, 1964 shall provide for the election of 2 firemen representa-
 22 tives, the candidate receiving the highest number of votes to be
 23 elected for a 4-year term and the candidate receiving the next
 24 highest number of votes to be elected for a 2-year term, and pro-
 25 vided further, the elections conducted for the terms commencing
 26 July 1, 1966 shall provide for the election of 2 policemen repre-
 27 sentatives, the candidate receiving the highest number of votes to
 28 be elected for a 4-year term and the candidate receiving the next

1 highest number of votes to be elected for a 2-year term. At each
 1A election thereafter, one policeman representative and one fireman
 1B representative shall be elected for a 4-year term.

1C (3) Each trustee shall, after his appointment or election, take
 1D an oath of office that, so far as it devolves upon him he will dili-
 1E gently and honestly administer the affairs of the said board, and
 1F that he will not knowingly violate or willingly permit to be violated
 1G any of the provisions of the law applicable to the retirement sys-
 1H tem. Such oath shall be subscribed by the member making it, and
 1I certified by the officer before whom it is taken, and immediately
 1J filed in the office of the Secretary of State.

1K (4) If a vacancy occurs in the office of a trustee, the vacancy
 1L shall be filled for the unexpired term in the same manner as the
 1M office was previously filled.

1N (5) The trustees shall serve without compensation, but they
 1O shall be reimbursed for all necessary expenses that they may incur
 2 through service on the board.

3 (6) Each trustee shall be entitled to one vote in the board. Five
 4 **【**votes shall be necessary for a decision by the trustees**】** *trustees*
 5 *must be present* at any meeting of said board *for the transactiion*
 6 *of its business.*

7 (7) Subject to the limitations of this act, the board of trustees
 8 shall, from time to time, establish rules and regulations for the
 9 administration of the funds created by this act and for the trans-
 10 action of its business.

11 (8) The board of trustees shall elect from its membership a
 12 chairman. The Chief of the Bureau of Police and Fire Funds of
 13 the Division of Pensions of the State Department of the Treasury
 14 shall be the Secretary of the Board. *The administration of the*
 15 *program shall be performed by the personnel of the Division of*
 16 *Pensions.*

17 **【**(9) The board of trustees shall keep in convenient form such
 18 data as shall be necessary for actuarial valuation of the various
 19 funds of the retirement system, and for checking the experience
 20 of the system.**】**

21 **【**(10)**】** (9) The board of trustees shall keep a record of all of
 22 its proceedings which shall be open to public inspection. It shall
 23 publish annually a report showing the fiscal transactions of the
 24 retirement system for the preceding year, the amount of the ac-
 25 cumulated cash and securities of the system, and the last balance
 26 sheet showing the financial condition of the system by means of
 27 an actuarial valuation of the assets and liabilities of the retire-
 28 ment system.

1 **[(11)]** (10) The Attorney General of the State of New Jersey
 1A shall be the legal advisor of the board of trustees.

1B **[(12)]** (11) The board of trustees shall designate a medical
 1C board to be composed of 3 physicians as the board shall designate
 1D who are not eligible to participate in the retirement system. If
 1E required, other physicians may be employed to report on special
 1F cases. The medical board shall **[arrange for and]** pass upon all
 1G medical examinations required under the provisions of this act,
 1H shall investigate all essential statements and certificates by or on
 1I behalf of a member in connection with an application for disability
 1J retirement, and shall report in writing to the board of trustees its
 1K conclusions and recommendations upon all matters referred to it.

1L **[(13)]** (12) The board of trustees shall designate an actuary
 1M who shall be the technical advisor of the board of trustees on mat-
 1N ters regarding the operation of the funds created by the provi-
 1O sions of this act, and shall perform such other duties as are required
 2 in connection therewith.

3 **[(14)]** (13) **[Immediately after the establishment of the retire-**
 4 **ment system, the]** *The* actuary shall prepare and submit to the
 5 board of trustees the mortality and service tables which he recom-
 6 mends to the board for adoption**].** Having regard to such recom-
 7 mendation,**]** *and* the board shall adopt for the retirement system
 8 such mortality and service tables as shall be deemed necessary,
 9 and shall certify the rates of contributions payable under the pro-
 10 visions of this act. At least once in each 5-year period following
 11 the establishment of the system, the actuary shall make an actuarial
 12 investigation into the mortality, service and compensation experi-
 13 ence of the members and beneficiaries of the retirement system,
 14 and, taking into account the result of such investigation, the board
 15 of trustees shall adopt for the retirement system such mortality,
 16 service and other tables as shall be deemed necessary and shall
 17 certify the rates of contribution payable under the provisions of
 18 this act.

19 **[(15)]** (14) The board of trustees from time to time shall set
 20 the rate of regular interest at such per centum rate compounded
 21 annually as shall be determined by the board *with the advice of the*
 22 *actuary* to be equitable **[in its judgment,]** both to members and
 23 to the taxpayers of the State, such rate to be limited to a minimum
 24 of 2% and a maximum of 4%, with the rate of 3% applicable until
 25 changed by the board.

26 **[(16)]** (15) On the basis of such tables *recommended by the*
 27 *actuary* as the board of trustees shall adopt and regular interest,
 28 the actuary shall make an annual valuation of the assets and lia-

1 bilities of the funds of the system created by this act.

1A **[(17)]** (16) the various funds created by this act shall be sub-
 1B ject to the supervision of the Department of Banking and Insur-
 1C ance of the State of New Jersey.

1D **[(18)]** (17) Each policeman or fireman member of the board of
 1E trustees shall be entitled to time off from his municipal or county
 1F duty, with pay, during the periods of his attendance upon regular
 1G or special meetings of the boards of trustees or its duly appointed
 1H committees, and such time off shall include reasonable travel time
 1I required in connection therewith.

1J 13. Section 15 of chapter 255 of the laws of 1944 is amended to
 1K read as follows:

1L 15. (1) The contributions required for the support of the re-
 1M tirement system shall be made by members and their employers.

1N (2) Upon the basis of such tables *recommended by the actuary*
 1O as the board shall adopt and regular interest, the actuary of the
 2 retirement system shall determine for each age at entrance into
 3 the system the **[uniform and constant]** percentage of compensa-
 4 tion of the member entering at such age, *exclusive of the additional*
 5 *contribution prescribed by subsection (15) (3) (c)*, which, if de-
 6 ducted from each payment of his prospective earnable compensa-
 7 tion throughout active service, is computed to be sufficient to pro-
 8 vide for all benefits on account of his membership.

9 (3) (a) The percentage contribution rate of each member, ex-
 10 clusive of the **[rate for any additional death benefit provided**
 11 **under section 5 of chapter 266 of the laws of 1953]** *additional con-*
 12 *tribution prescribed by subsection (15) (3) (c)*, shall be fixed ac-
 13 cording to his age at entrance into membership and shall be $\frac{1}{2}$
 14 of the total percentage contribution rate calculated for such age
 15 to be required to provide all benefits except the pensions upon
 16 accidental disability and the benefits payable upon death.

17 (b) Notwithstanding the provisions of subsection (15) (3) (a),
 18 **[for purposes of this amendatory and supplementary act,]** the
 19 percentage contribution rates for members of the retirement sys-
 20 tem **[as of the effective date of this act and for members enrolling**
 21 **on and after the effective date of this act,]** exclusive of the **[rate**
 22 **for any additional death benefit provided under section 5 of chap-**
 23 **ter 266 of the laws of 1953]** *additional contribution prescribed by*
 24 *subsection (15) (3) (c)*, shall be fixed at the contribution rates in
 25 effect as of **[the effective date of this act]** *July 1, 1967*.

26 (c) *Effective July 1, 1967, all proportions of compensation are*
 27 *increased by an additional 1% of compensation which is subject to*
 28 *deductions from the compensation of members or contributions*

1 *made on their behalf by their employers in lieu of such deductions.*

1A (4) Each employer shall make a contribution equal to that made
 1B by each member in its employ and in addition shall make a con-
 1C tribution equal to the percentage of the compensation of each such
 1D member certified by the [board] *retirement system* to be required
 1E to provide the cost of accidental disability pensions and any death
 1F benefits on his account [exclusive of additional death benefits pro-
 1G vided under section 5 of chapter 266 of the laws of 1953]. Not-
 1H withstanding this provision, the [board may in its discretion]
 1I *retirement system shall* certify an average and uniform rate for
 1J payments by all employers, which shall be set on the basis of the
 1K annual actuarial valuations to be sufficient to provide with previous
 1L contributions of employers all benefits for which employers are
 1M responsible.

1N (5) In addition each employer shall make such contribution, if
 1O any, as is certified by the [board of trustees] *retirement system*
 2 to be required to provide for accrued liability arising out of all
 3 prior service [certificates] granted to members chargeable to such
 4 employer.

5 (6) The percentage rates of contribution payable by *future*
 6 members and *all* employers shall be subject to adjustment from
 7 time to time by the board of trustees *with the advice of the actuary*
 8 on the basis of annual actuarial valuations and experience investi-
 9 gations as provided under section 13, so that the value of future
 10 contributions of members and employers, when taken with present
 11 assets, shall be equal to the value of prospective benefit payments.

12 (7) The [board of trustees] *retirement system* shall certify to
 13 the chief fiscal officer of each employer the percentage of salary
 14 payable by each member and by the employer in behalf of each
 15 member. The [officer or officers responsible for the payment of
 16 salaries of the] employer shall cause to be deducted from the sal-
 17 ary of each member [on each and every payroll of such employer
 18 for each and every payroll period] the percentage of earnable
 19 compensation of each member [certified for payment by the mem-
 20 ber]. In determining the amount earnable by a member in a pay-
 21 roll period, the [board of trustees] *retirement system* may con-
 22 sider the rate of salary payable to such member on the first day
 23 of the payroll period as continuing throughout such payroll period,
 24 and to facilitate the making of deductions it may modify the de-
 25 duction required of any member by such an amount as shall not
 26 exceed $\frac{1}{10}$ of 1% of the [annual salary] *compensation* upon the
 27 basis of which such deduction is to be made.

28 (8) The deductions provided for herein shall be made notwith-

1 standing that the minimum salary provided for by law for any
 1A member shall be reduced thereby. Every member shall be deemed
 1B to consent and agree to the deductions made and provided for
 1C herein, and payment of salary or compensation less said deduction
 1D shall be a full and complete discharge and acquittance of all claims
 1E and demands whatsoever for the service rendered by such person
 1F during the period covered by such payment, except as to the bene-
 1G fits provided under this act. The chief fiscal officer of each em-
 1H ployer shall certify to the [board of trustees on each and every
 1I payroll or] *retirement system* in such [other] manner as the
 1J [board of trustees] *retirement system* may prescribe, the amounts
 1K [to be] deducted; and [each of said amounts shall be deducted,
 1L and] when deducted shall be paid into said annuity savings fund,
 1M and shall be credited to the individual account of the member from
 1N whose salary said deduction was made.

1O (9) (a) The amount payable each year by the employer based
 2 on the percentage rates certified by the [board of trustees] *retire-*
 3 *ment system*, together with the amount, if any, payable each year
 4 by the employer on account of accrued liability arising out of prior
 5 service [certificates] as certified by the [board of trustees] *re-*
 6 *tirement system*, shall be included in the budget of the employer
 7 and levied and collected in the same manner as any other taxes
 8 are levied and collected for the payment of the salaries of members.

9 (b) In addition to the amounts indicated in subsection (15) (9)
 10 (a), the additional liabilities created by the provisions of this
 11 amendatory and supplementary act *and those of chapter 241 of*
 12 *the laws of 1964* shall be computed by the actuary as a flat annual
 13 payment, which, if paid in each fiscal year next following the ef-
 14 fective date of this act, for a period of 30 years, will provide for
 15 this liability.

16 (10) The treasurer or corresponding officer of the employer
 17 shall pay on or before December 27 in each year to the State
 18 Treasurer the amount so certified as payable by the employer for
 19 said year, and shall pay monthly to the State Treasurer the amount
 20 of the deductions from the salary of the members in the employ of
 21 the employer, and the State Treasurer shall credit such amount to
 21A the appropriate fund or funds, of the retirement system.

22 *If payment of the full amount of the employer's obligation is not*
 23 *made within 30 days of the due date established by this act, interest*
 24 *at the rate of 4% per annum shall commence to run against the*
 25 *unpaid balance thereof on the first day after such thirtieth day.*

26 *If payment in full, representing the transmittal and report of*
 27 *salary deductions, is not made within 15 days of the due date es-*

1 *tablished by the retirement system, interest at the rate of 6% per*
 1A *annum shall commence to run against the total transmittal of salary*
 1B *deductions for the period on the first day after such fifteenth day.*

1C (11) The expenses of administration of the retirement system
 1D shall be paid by the State of New Jersey. Each employer shall
 1E reimburse the State for a proportionate share of the amount paid
 1F by the State for administrative expense. This proportion shall
 1G be computed as the number of members under the jurisdiction of
 1H such employer bears to the total number of members in the system.
 1I The pro rata share of the cost of administrative expense shall be
 1J included with the certification by the [board of trustees] retire-
 1K *ment system* of the employer's contribution to the system.

1L (12) Notwithstanding anything to the contrary, the retirement
 1M system shall not be liable for the payment of any pension or other
 1N benefits on account of the employees or beneficiaries of any em-
 1O ployer participating in the retirement system, for which reserves
 1P have not been previously created from funds, contributed by such
 2 employer or its employees for such benefits.

3 14. Section 16 of chapter 255 of the laws of 1944 is amended to
 4 read as follows:

5 16. (1) All the assets of the retirement system shall be credited
 6 according to the purpose for which they are held to one of [5] 4
 7 funds, namely, the annuity savings fund, the pension accumulation
 8 fund, the retirement reserve fund, [the members' death benefit
 9 fund,] and the special reserve fund.

10 (2) The annuity savings fund shall be a fund in which shall be
 11 accumulated contributions from the compensation of members to
 12 provide for their [annuities] *allowances*. The aggregate contri-
 13 butions of a member withdrawn by him or paid to his estate or his
 14 designated beneficiary in event of his death as provided in this act
 15 shall be paid from the annuity savings fund. Upon the retirement
 16 or death of a member where the aggregate contributions of the
 17 member are to be provided in the form of an annuity, the aggregate
 18 contributions of the member shall be transferred from the annuity
 19 savings fund to the retirement reserve fund.

20 (3) The pension accumulation fund shall be the fund in which
 21 shall be credited contributions made by employers. Upon the death
 22 of a member either before or after retirement any lump sum bene-
 23 fit payable in addition to the employee's contributions, [except
 24 any additional death benefit payable under section 5 of chapter 266
 25 of the laws of 1953,] shall be charged to the pension accumulation
 26 fund. Upon the retirement or death of a member the reserve of
 27 any pension payable to or on his account shall be transferred to

1 the retirement reserve fund. All interest shall be credited to the
 1A pension accumulation fund and annually the **board of trustees**
 1B *retirement system* shall transfer from the pension accumulation
 1C fund to the retirement reserve fund **and to the members' death**
 1D **benefit fund** regular interest on the mean amount in **each** *the*
 1E fund for the year. The **board of trustees** *retirement system* shall
 1F also transfer annually from the pension accumulation fund to the
 1G special reserve fund, subject to the limitations of that special re-
 1H serve fund, such portion of the interest earnings as shall be de-
 1I termined by the board of trustees. The board of trustees in its
 1J discretion, *with the advice of the actuary*, may transfer to and from
 1K the pension accumulation fund any surplus or deficit in the retire-
 1L ment reserve fund.

1M (4) The retirement reserve fund shall be the fund in which shall
 1N be held the reserves on all retirement allowances granted to mem-
 1O bers or their beneficiaries and from which all retirement allowances
 1P and benefits in lieu thereof shall be paid. Should a member who
 2 retired on account of disability be restored to active service his
 3 pension reserve shall be transferred from the retirement reserve
 4 fund to the pension accumulation fund and the excess of his aggre-
 5 gate contributions as they stood at retirement over the amount of
 6 annuity payments made shall be transferred to the annuity sav-
 7 ings fund. **Should the pension of any disabled member be reduced**
 8 **as a result of an increase in his earning capacity the amount of**
 9 **the annual reduction in his pension shall be paid annually into the**
 10 **pension accumulation fund during the period of such reduction.**

11 **[(5) The members' death benefit fund shall be a fund in which**
 12 **shall be accumulated contributions from the compensation of mem-**
 13 **bers to provide for their additional death benefits under the pro-**
 14 **visions of section 5 of chapter 266 of the laws of 1953. Upon the**
 15 **death of a member electing the additional death benefit, the ad-**
 16 **ditional death benefit payable shall be paid from the member's**
 17 **death benefit fund.]**

18 **[(6)] (5)** The special reserve fund shall be the fund to which
 19 shall be credited all profits from the sale of securities and to which
 20 shall be transferred such portion of the interest earnings as shall
 21 be determined annually by the board of trustees. No additional
 22 amounts shall be credited to the special reserve fund at any time
 23 when the total accumulations in such fund equal 1% of the book
 24 value of the investments of the retirement system. In this event,
 25 any such excess shall be credited to the pension accumulation fund.
 26 All losses from the sale of securities shall be charged against the
 26A special reserve fund.

1 15. Section 16 of chapter 241 of the laws of 1964 is amended to
1A read as follows:

1B 16. Should a member resign after having **completed** *estab-*
1C *lished* 25 years of creditable service~~[,]~~ before reaching **service re-**
1D **tirement** age 55, he may elect to receive, in lieu of the payment pro-
1E vided in section 11, a retirement allowance which shall consist of:

1F (1) An annuity which shall be the actuarial equivalent of his
1G aggregate contributions, and

1H (2) A pension in the amount, which when added to the member's
1I annuity will provide a total retirement allowance of 2% of his
1J average final compensation multiplied by the number of years of
1K his creditable service up to 25 plus 1% of his average final com-
1L pensation multiplied by the number of years of creditable service
1M over 25; provided, however, that such retirement allowance shall
1N be reduced in accordance with a table of actuarial equivalents
1O recommended by the actuary and adopted by the board of trustees
1P reflecting all months that the member lacks of being age 55.

1Q Upon the receipt of proper proofs of the death of such a retired
2 member, there shall be paid to **such person, if living, as he shall**
3 **have nominated by written designation duly executed and filed with**
4 **the retirement system, otherwise to the executor or administrator**
5 **of the member's estate,] his beneficiary** an amount equal to **$\frac{3}{16}$**
6 **$\frac{1}{4}$ of the compensation received** upon which contributions by
7 the member to the annuity savings fund were based in the last year
8 of creditable service.

9 16. Section 17 of chapter 241 of the laws of 1964 is amended to
10 read as follows:

11 17. Should a member, after having **completed** *established* 25
12 years of creditable service, be separated voluntarily or involun-
13 tarily from the service, before reaching **service retirement** age
14 55, and not by removal for cause or charges of misconduct or de-
15 linquency, such person may elect to receive the payments provided
16 for in section 11 of chapter 255 of the laws of 1944 or section 16
17 **of this act** of chapter 241 of the laws of 1964, or a deferred re-
18 tirement allowance, beginning at age 55, which shall consist of:

19 (1) An annuity which shall be the actuarial equivalent of his
20 aggregate contributions at the time of retirement~~[,]~~ and

21 (2) A pension in the amount which, when added to the member's
22 annuity, will provide a total retirement allowance of 2% of his
23 average final compensation multiplied by the number of years of
24 his creditable service up to 25 plus 1% of his average final com-
25 pensation multiplied by the number of years of creditable service
26 over 25, provided that such election is communicated by such mem-

1 ber to the retirement system in writing stating at what time sub-
 1A sequent to the execution and filing thereof he desires to be retired;
 1B and provided further, that such member may later elect to receive
 1C payments provided under section 11 of chapter 255 of the laws of
 1D 1944 or section 16 **of this act** *of chapter 241 of the laws of 1964*
 1E *if he had qualified under that section at the time of leaving serv-*
 1F *ice.*, or if **If** such member shall die before attaining age 55, his
 1G aggregate contributions shall be paid **to** such person, if living,
 1H as he shall have nominated by written designation duly executed
 1I and filed with the retirement system, otherwise to the executor or
 1J administrator of the member's estate. **and, in addition if such**
 1K *member shall die after attaining age 55 and has not withdrawn his*
 1L *aggregate contributions, an amount equal to 1/4 of the compensa-*
 1M *tion upon which contributions by the member to the annuity sav-*
 1N *ings fund were based in the last year of creditable service shall be*
 1O *paid to such member's beneficiaries.*

1P **Upon the receipt of proper proofs of the death of a member**
 1Q **who was receiving a deferred retirement allowance, there shall be**
 2 **paid to such person, if living, as he shall have nominated by written**
 3 **designation duly executed and filed with the retirement system,**
 4 **otherwise to the executor or administrator of the member's estate,**
 5 **an amount equal to $\frac{3}{16}$ of the compensation received by the mem-**
 6 **ber in the last year of creditable service.**

7 17. Section 18 of chapter 241 of the laws of 1964 is amended to
 8 read as follows:

9 18. Any member who has at least 3 years of service *to his credit*
 10 *for which he has contributed as a member may borrow from the*
 11 *retirement system, an amount equal to not more than 50% of the*
 12 *amount of his aggregate contributions, but not less than \$50.00;*
 13 *provided, that the amount so borrowed, together with interest*
 14 *thereon, can be repaid by additional deductions from salary, not*
 15 *in excess of 25% of the member's salary, made at the time the*
 16 *salary is paid to the member but not after the attainment of age*
 17 *55. The amount so borrowed, together with plus 4% interest*
 18 **at the rate of 4%** *per annum on any the initial amount bor-*
 19 *rowed and on the unpaid balance thereof at the beginning of*
 20 *each year of the loan thereafter, shall be repaid to the retirement*
 21 *system in equal installments by deductions from the salary of the*
 22 *member at the time the salary is paid or in such lump sum amounts*
 23 *as the board of trustees shall approve, but such installments shall*
 24 *be at least equal to the members full rate of contribution to the*
 25 *retirement system and at least sufficient to repay the amount bor-*
 26 *rowed with interest thereon by the time the member attains age 55.*

1 Not more than 2 loans may be granted to any member in any cal-
 1A endar year. Notwithstanding any other law affecting the salary or
 1B compensation of any person or persons to whom this act applies
 1C or shall apply, the additional deductions required to repay the loan
 1D shall be made. Any unpaid balance of a loan at the time any benefit
 1E may become payable shall be deducted from the benefit otherwise
 1F payable.

1G Loans may be made to a member from his aggregate contribu-
 1H tions. [In addition the board of trustees is hereby authorized to
 1I set aside moneys within the pension accumulation fund from which
 1J loans to members may be made. If such moneys are used for the
 1K purpose of making loans, the] *The* interest earned on such loans
 1L shall be treated in the same manner as interest earned from in-
 1M vestments of the retirement system.

1N 18. Section 20 of chapter 241 of the laws of 1964 is amended to
 1O read as follows:

1P 20. The State Treasurer is hereby authorized and permitted to
 1Q purchase from one or more life insurance companies, as determined
 2 by him, a group life insurance coverage to provide for the death
 3 benefits specified in sections 5, 6, 7 [(4)] (3), 9 and 10 [(3)] (5)
 4 of chapter 255 of the laws of 1944 and sections 16 and 17 of [this
 5 act] *chapter 241 of the laws of 1964*. Such group life insurance
 6 coverage may be provided under one or more policies issued to the
 7 State Treasurer specifically for this purpose or, in the discretion
 8 of the State Treasurer, under one or more policies issued to the
 9 State Treasurer which provide group life insurance coverage for
 10 members of one or more other retirement systems of the State of
 11 New Jersey. [The board of trustees of the Police and Firemen's
 12 Retirement System of New Jersey is hereby authorized and per-
 13 mitted, upon the concurrence of $\frac{2}{3}$ of the members of the board,
 14 to purchase from one or more life insurance companies, as deter-
 15 mined by it, a policy or policies of group life insurance to provide
 16 for the benefits specified in section 5 of chapter 266 of the laws of
 17 1953.] Whenever such policy or policies of group insurance shall
 18 be in effect, the benefits payable thereunder shall be in lieu of the
 19 above mentioned death benefits provided by said sections. Any
 20 dividend or retrospective rate credit allowed by an insurance com-
 21 pany shall be credited in an equitable manner to the special insur-
 22 ance funds from which premiums are paid.

23 19. Section 22 of chapter 241 of the laws of 1964 is amended to
 24 read as follows:

25 22. The State Treasurer may, in his discretion, determine to
 26 purchase group insurance coverage for the [noncontributory]

1 death benefit provisions as provided in sections 5, 6, 7 **[(4)] (3)**,
 1A 9 and 10 **[(3)] (5)** of chapter 255 of the laws of 1944 and sections
 1B 16 and 17 of **[this act] chapter 241 of the laws of 1964**, or may de-
 1C termine not to purchase any group insurance coverage for the death
 1D benefit provisions heretofore mentioned. **[The board of trustees**
 1E of the Police and Firemen's Retirement System of New Jersey,
 1F may in its discretion, upon the concurrence of $\frac{2}{3}$ of the members
 1G of the board, determine to purchase group insurance coverage for
 1H additional death benefit coverage as provided for in section 5 of
 1I chapter 266 of the laws of 1953, or may, in its discretion, determine
 1J not to purchase any contributory group insurance coverage for
 1K the additional death benefit provisions of section 5 of chapter 266
 1L of the laws of 1953.]

1M 20. Section 23 of chapter 241 of the laws of 1964 is amended to
 1N read as follows:

1O 23. In the event the State Treasurer shall determine to purchase
 1P group insurance coverage for the **[noncontributory]** death bene-
 1Q fits, premiums for the same shall be paid from a special fund,
 2 hereby created, called the "Group Insurance Premium Fund."
 3 The State Treasurer shall estimate annually the amount which
 4 will be required for premiums for such benefits for the ensuing
 5 fiscal year and shall certify such amounts to the participating em-
 6 ployers as due and owing from them. The participating employers
 7 shall pay over to the State Treasurer the amount for premiums
 8 so certified and the State Treasurer shall deposit these amounts
 9 in the Group Insurance Premium Fund. During the period such
 10 group insurance policy or policies are in effect with respect to
 11 members of the Police and Firemen's Retirement System of New
 12 Jersey the State Treasurer shall in no way commingle moneys in
 13 this fund with any pension fund established by chapter 255 of the
 14 laws of 1944.

15 **[In the event that the board of trustees of the Police and Fire-**
 16 **men's Retirement System of New Jersey shall determine to pur-**
 17 **chase group coverage for the additional death benefits, premiums**
 18 **for same shall be paid from a special fund hereby created called**
 19 **the "Contributory Group Insurance Premium Fund." In such**
 20 **event, the board of trustees, in its discretion, may authorize the**
 21 **transfer of all or any portion of the amount credited to the mem-**
 22 **ber's death benefit fund to the "Contributory Group Insurance**
 23 **Premium Fund" and may authorize all or any portion thereof to**
 24 **be paid to the insurance company or companies providing such**
 25 **additional death benefit coverage for the purpose of establishing**
 26 **a reserve for such coverage. While such group coverage shall be**

1 in force, the contributions from the compensation of members to
 1A provide such additional death benefits shall be accumulated in said
 1B Contributory Group Insurance Premium Fund.】

1C 21. Section 24 of chapter 241 of the laws of 1964 is amended to
 1D read as follows:

1E 24. 【In the event that the board of trustees of the Police and
 1F Firemen's Retirement System of New Jersey shall determine to
 1G purchase group insurance coverage for the additional death benefit
 1H coverage, there shall be deducted from the compensation of each
 1I member participating in the additional death benefit coverage his
 1J contribution towards the cost of such coverage. Such contribution
 1K shall be determined from a schedule of contributions established
 1L by the board of trustees of the Police and Firemen's Retirement
 1M System of New Jersey, with the advice of the actuary, on the basis
 1N it deems to be appropriate. The schedule of contributions shall be
 1O subject to adjustment by said board of trustees from time to time
 1P for the purpose of maintaining the Contributory Group Insurance
 1Q Premium Fund at a level sufficient to meet the obligations of the
 2 fund for the cost of the insurance.】

3 *All reserves and moneys held by the insurance carrier under*
 4 *group life insurance contracts providing for employee contribu-*
 5 *tions pursuant to the provisions of chapter 241 of the laws of 1964,*
 6 *and any amendments and supplements thereto, shall be transferred*
 7 *and merged with those purchased by the State Treasurer.*

8 22. Section 25 of chapter 241 of the laws of 1964 is amended to
 9 read as follows:

10 25. Any such group policy or policies shall include, with respect
 11 to any insurance terminating *or reducing* because the member
 12 【ceases】 *has ceased* to be in service *or has retired*, the conversion
 13 privilege available upon termination of employment as prescribed
 14 by the law relating to group life insurance; and shall also include,
 15 with respect to insurance terminating because of termination of
 16 the group policy resulting from a termination of the death benefits
 17 for all members established under sections 5, 6, 7 【(4)】 (3), 9 and
 18 10 【(3)】 (5) of chapter 255 of the laws of 1944, 【section 5 of chap-
 19 *ter 266 of the laws of 1953,】 and sections 16 and 17 of 【this act】*
 20 *chapter 241 of the laws of 1964, the conversion privilege available*
 21 *upon termination of the group policy as prescribed by such law.*
 22 Any such group policy or policies shall also provide that if a mem-
 23 ber dies during the 31-day period during which he would be en-
 24 titled to exercise the conversion privilege, the amount of insurance
 25 with respect to which he could have exercised the conversion priv-
 26 ilege shall be paid as a claim under the group policy. When bene-

1 fits payable upon the death of a member following retirement are
 1A determined as though the member had not retired, the death bene-
 1B fits payable under the group policy or policies, together with the
 1C amount of insurance paid under any individual policy obtained
 1D under the conversion privilege, shall in no event exceed the amount
 1E of insurance for which the member was insured under the group
 1F policy or policies immediately prior to the date the right of con-
 1G version arose.

1H If any member who has exercised the conversion privilege under
 1I the group policy or policies again becomes a member of the Police
 1J and Firemen's Retirement System of New Jersey, and the indi-
 1K vidual policy obtained pursuant to the conversion privilege is still
 1L in force, he shall not again be eligible for any of the death benefits
 1M provided by sections 5, 6, 7 [(4)] (3), 9 and 10 [(3)] (5) of chapter
 1N 255 of the laws of 1944, [section 5 of chapter 266 of the laws of
 1O 1953] and sections 16 and 17 of [this act] *chapter 241 of the laws*
 1P *of 1964*, unless he furnishes satisfactory evidence of insurability.

1Q 23. Section 26 of chapter 241 of the laws of 1964 is amended to
 2 read as follows:

3 26. Benefits under such group policy or policies shall be paid
 4 by the insurance company to such person, if living, as the member
 5 shall have nominated by written designation duly executed and
 6 filed with the insurance company through the policyholder, other-
 7 wise to the executors or administrators of the member's estate[,
 8 except that if a member dies as a result of an accident met in the
 9 actual performance of duty and claim is made and allowed under
 10 section 10(2) of chapter 255 of the laws of 1944, an amount equal
 11 to the noncontributory death benefit which would otherwise be
 12 payable pursuant to section 9(1) (b) of said chapter 255 shall be
 13 paid to the State Treasurer]. A member may file with the insur-
 14 ance company through the policyholder and alter from time to time
 15 during his lifetime, as desired, a duly attested written nomination
 16 of his payee for the death benefit.

17 24. Section 27 of chapter 241 of the laws of 1964 is amended to
 18 read as follows:

19 27. Any such group policy or policies shall provide that pay-
 20 ment of any death benefits which are payable by the insurance
 21 company may be made in one sum directly to the beneficiary as
 22 hereinafter provided, in equal [annual] installments over a period
 23 of years or as a life annuity or in such other manner as may be made
 24 available by the insurance company. A member may make such ar-
 25 rangements for settlement, and may alter from time to time during
 26 his lifetime any arrangement previously made, by making written

1 request to the insurance company through the policyholder. Upon
 1A the death of a member, a beneficiary to whom a benefit is payable
 1B in one sum by the insurance company may likewise arrange for a
 1C settlement as described above. If a member's or beneficiary's
 1D request for settlement of any death benefit in equal **[annual]** in-
 1E stallments over a period of years or as a life annuity pursuant to
 1F the foregoing is approved by the policyholder, the amount of such
 1G **[annual]** installments or such life annuity, as the case may be,
 1H shall be determined on the basis of such applicable mortality tables
 1I and rates of interest as shall have been adopted by the retirement
 1J system and are in effect at the member's death. Any arrangement
 1K for payment under the group policy to a beneficiary shall be in
 1L lieu of that provided by sections 5, 6, 7 **[(4)] (3)**, 9 and 10 **[(3)]**
 1M **(5)** of chapter 255 of the laws of 1944, **[section 5 of chapter 266**
 1N **of the laws of 1953]** and sections 16 and 17 of **[this act] chapter**
 1O **241 of the laws of 1964.**

1P 25. a. Any person entitled to become a member of the Police and
 1Q Firemen's Retirement System shall not be allowed any of the death
 2 benefits established by sections 5, 6, 7(3), 9 and 10(5) of chapter
 3 255 of the laws of 1944, and sections 16 and 17 of chapter 241 of
 4 the laws of 1964, if he makes application for membership beyond
 5 the year after he first became eligible for membership, unless the
 6 member furnishes satisfactory evidence of insurability and on the
 7 effective date of his membership is actively at work and perform-
 8 ing all his regular duties at his customary place of employment.
 9 The effective date of coverage for such death benefits shall be
 10 the first day of the month which immediately follows the date when
 11 such evidence is determined to be satisfactory.

12 b. Such evidence of insurability will not be required of any per-
 13 son becoming a member of the Police and Firemen's Retirement
 14 System upon transfer from another State-administered retirement
 15 system, if such system provided death benefits of a similar nature
 16 and the transferring member was covered by such benefits just
 17 prior to the transfer. If such transferring member was not covered
 18 by such benefits just prior to the transfer, he may be allowed the
 19 death benefits of the Police and Firemen's Retirement System
 20 subject to the provisions of subsection a. of this section; provided,
 21 however, that such member must furnish satisfactory evidence of
 22 insurability under the provisions of subsection a. of this section
 23 if he had been unable to give such evidence as a member of the
 24 system from which he transferred.

25 c. Any person who must furnish satisfactory evidence of insur-
 26 ability under the provisions of this section and who ceases to be

1 a member of the retirement system without such evidence having
1A been given, shall continue to be subject to the same requirement
1B if he subsequently becomes a member.

1C 26. a. Upon the death after retirement of any member of the
1D retirement system there shall be paid to his widow or dependent
1E widower a pension of 25% of average final compensation for the
1F use of herself or himself, to continue during her or his widowhood,
1G plus 15% of such compensation payable to one surviving child or
1H an additional 25% of such compensation to 2 or more children; if
1I there is no surviving widow or dependent widower or in case the
1J widow or dependent widower dies or remarries, 20% of average
1K final compensation will be payable to one surviving child, 35% of
1L such compensation to 2 surviving children in equal shares and if
1M there be 3 or more children, 50% of such compensation would be
1N payable to such children in equal shares.

1O b. The increased pension benefits payable under this act shall
1P apply only to cases where such policeman or fireman retires on
1Q or after the effective date of this amendatory and supplementary
2 act and shall not affect pensions paid or to be paid as a result of
3 retirements occurring prior to said date.

4 c. As of the effective date of this amendatory and supplementary
5 act, all widows' pensions previously granted pursuant to the pro-
6 visions of section 10 of chapter 255 of the laws of 1944, as amended,
7 and all such pensions previously granted, or to be granted where
8 retirement for accidental disability occurred prior to said date,
9 pursuant to the provisions of section 7(3) of chapter 255 of the
10 laws of 1944, as amended, will be subject to a maximum, annual,
11 aggregate payment of \$1,600.00.

12 27. A pension, an annuity or a retirement allowance granted
13 under the provisions of this act shall be effective only on the first
14 day of a month, shall be paid in equal monthly installments, and
15 shall not be decreased, increased, revoked or repealed, except as
16 otherwise provided in this act; provided, however, that at the time
17 any benefit becomes payable any unpaid balance of a loan or ar-
18 rearage outstanding shall be deducted from any benefit otherwise
19 payable.

20 Upon the death of a retirant, any unpaid benefits due him shall
21 be paid in one lump sum to such person, if living, as he shall have
22 nominated by written designation duly executed and filed with the
23 board of trustees, otherwise to the executor or administrator of
24 the retirant's estate. No pension, annuity or retirement allowance
25 shall be due to a retirant or beneficiary unless it constitutes a pay-
26 ment for an entire month.

1 28. The designation of beneficiary by a member or retirant shall
1A be made in writing on a form satisfactory to the retirement system,
1B and filed with the retirement system. The member or retirant may,
1C from time to time and without the consent of his death benefit
1D designee, change the beneficiary by filing written notice of the
1E change with the system on a form satisfactory to it. The new nomi-
1F nation will be effective on the date the notice, in proper form, is
1G received by the system, and any prior nomination shall thereupon
1H become void.

1I If more than one beneficiary is nominated and in such nomina-
1J tion the member or retirant has failed to specify their respective
1K interests, the beneficiaries shall share equally. If any beneficiary
1L predeceases the member or retirant, the interest of such beneficiary
1M shall terminate and shall be shared equally by such of the bene-
1N ficiaries as survive the member or retirant, unless the member or
1O retirant has made written request to the contrary in his beneficiary
1P nomination.

1Q Any amounts due for which there is no beneficiary at the death
2 of a member, retirant or beneficiary shall be payable to the estate
3 of such member, retirant or beneficiary.

4 Except with regard to the payment of the member's accumulated
5 deductions and the payment, upon the death of a retirant after
6 attaining the age of 55 years, of the death benefits provided in
7 sections 5, 6, 7(3), 9 and 10(5) of chapter 255 of the laws of 1944
8 and sections 16 and 17 of chapter 241 of the laws of 1964, a member
9 may elect, by making written request to the retirement system,
10 that the whole or any part of his death benefits be made payable
11 to his beneficiary either as a life annuity or in equal installments
12 over a period of years specified in such election, and may alter
13 such election from time to time during his lifetime by again making
14 such written request. In the event of a change of beneficiary, any
15 previous arrangement by the member or retirant under this para-
16 graph shall be void. The election set forth in this paragraph shall
17 not apply or be available when the beneficiary is an estate, or a
18 corporation, partnership, association, institution, trustee, or any
19 fiduciary.

20 If, at the member's or retirant's death, an amount of death bene-
21 fit would be payable to the beneficiary in a single sum, any election
22 with regard to such amount which was available to the member
23 or retirant immediately prior to his death in accordance with the
24 provisions of the immediately preceding paragraph shall then be
25 available to such beneficiary for the benefit of such beneficiary.

26 The provisions of this section shall be construed separately with

1 respect to each of the death benefits for which a beneficiary is des-
1A ignated by the member or retirant.

1B 29. a. In the case of any person who was required to become a
1C member of the retirement system as a condition of employment,
1D and whose application for enrollment in the retirement system or
1E whose application for transfer from one employer to another within
1F the system was filed beyond the effective date for his compulsory
1G enrollment in the system or his transfer within the system, such
1H person shall be required to purchase membership credit for his
1I compulsory coverage by paying into the annuity savings fund the
1J amount required by applying, in accordance with section 15 of
1K chapter 255 of the laws of 1944, his full rate of contribution on his
1L current base salary subject to the retirement system for each year
1M of previous service during which he was required to have been a
1N member.

1O b. If more than 2 years have elapsed from the time that contri-
1P butions would have been required from such person, $\frac{1}{2}$ of the
1Q employee's cost, established by the computation provided by sub-
2 section a. of this section, will be required of his employer and shall
3 be included in the next budget subsequent to the certification of
4 this special liability by the retirement system. The amount certi-
5 fied by the system shall be payable by the employer to the pension
6 accumulation fund and shall be due and owing to the system even
7 if the employee is no longer in the employ of the employer by the
8 date such moneys are to be paid to the system.

9 c. The employee's obligation may be satisfied by regular install-
10 ments, equal to at least $\frac{1}{2}$ the full normal contribution to the re-
11 tirement system, over a maximum period of 10 years.

12 d. In the case of any person coming under the provisions of this
13 section, full pension credit for the period of employment for which
14 arrears are being paid by the employee shall be given upon the
15 payment of at least $\frac{1}{2}$ of the total employee's arrearage obligation
16 and the completion of 1 year of membership and the making of
17 such arrears payments, except that in the case of retirement pur-
18 suant to section 5 of chapter 255 of the laws of 1944 and sections
19 16 and 17 of chapter 241 of the laws of 1964, the total membership
20 credit for such service shall be in direct proportion as the amount
21 paid bears to the total amount of the arrearage obligation of the
22 employee.

23 30. a. If any member of the retirement system receives periodic
24 benefits payable under the Workmen's Compensation Law during
25 the course of his active service, in lieu of his normal compensation,
26 his regular salary deductions shall be paid to the retirement sys-

1 tem by his employer. Such payments shall be computed, in accord-
1A ance with section 15 of chapter 255 of the laws of 1944, at the full
1B rate of contribution on the base salary subject to the retirement
1C system, just prior to the receipt of the workmen's compensation
1D benefits. The moneys paid by the employer shall be credited to
1E the member's account in the annuity savings fund and shall be
1F treated as employee contributions for all purposes. The employer
1G will terminate the payment of these moneys when the periodic
1H benefits payable under the Workmen's Compensation Law are
1I terminated.

1J The member for whom the employer is making such payments,
1K will be considered as if he were in the active service.

1L b. No application for retirement benefits may be approved by
1M the board of trustees while the member, applying for such benefits,
1N is in receipt of periodic benefits under the Workmen's Compens-
1O sation Law.

1P 31. a. Section 12 of P. L. 1944, chapter 255 is repealed.

1Q b. Sections 5 and 6 of P. L. 1953, chapter 266 is repealed.

2 c. Section 2 of P. L. 1960, chapter 109 is repealed.

3 d. Section 3 of P. L. 1961, chapter 12 is repealed.

4 32. This act shall take effect July 1, 1967.

ASSEMBLY COMMITTEE AMENDMENTS TO

SENATE, No. 266

[OFFICIAL COPY REPRINT]

STATE OF NEW JERSEY

ADOPTED NOVEMBER 20, 1967

Amend page 14, section 10, line 4F, after line 4F, insert the following new paragraph:

“In the event of accidental death occurring in the first year of creditable service, the benefits, payable pursuant to this subsection, shall be computed at the annual rate of compensation.”.

Amend page 18, section 13, line 26, delete “1967”, and insert in lieu thereof “1968”.

Amend page 24, section 17, line 17, delete “plus 4%”, and insert in lieu thereof “together with”.

Amend page 24, section 17, line 18, before the words “per annum”, insert “at the rate of 4%”.

Amend page 24, section 17, lines 18 and 19, delete “the initial amount borrowed and on the”, and insert in lieu thereof “any”.

Amend page 24, section 17, lines 19 and 20, delete “at the beginning of each year of the loan thereafter”, and insert in lieu thereof “thereof”.

Amend page 33, section 32, line 4, delete “July 1, 1967”, and insert in lieu thereof “immediately except that the insurance death benefits payable under this act shall be applicable to deaths occurring on or after July 1, 1967”.

CHAPTER 256 LAWS OF N. J. 1967

APPROVED 12-18-67

[SECOND OFFICIAL COPY REPRINT]

SENATE, No. 266

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 6, 1967

By Senators KELLY, GROSSI and FARLEY

Referred to Committee on State, County and Municipal Government

AN Act concerning the police and firemen's retirement system for the police and firemen of a municipality, county or political subdivision thereof, revising parts of the statutory law, amending and supplementing P. L. 1944, chapter 255, amending P. L. 1964, chapter 241, and repealing section 12 of P. L. 1944, chapter 255, sections 5 and 6 of P. L. 1953, chapter 266, section 2 of P. L. 1960, chapter 109 and section 3 of P. L. 1961, chapter 12.

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

3 1. Section 1 of chapter 255 of the laws of 1944 is amended to
4 read as follows:

5 1. The following words and phrases as used in this act unless
6 a different meaning is plainly required by the context shall have
7 the following meanings:

8 (1) "Retirement system" shall mean the Police and Firemen's
9 Retirement System of New Jersey as defined in section 2 of this act.

10 (2) "Policeman or fireman" shall mean any permanent and
11 full-time active uniformed employee, and any active permanent
12 and full-time employee who is a detective, lineman, fire alarm op-
13 erator or inspector of combustibles, of any police or fire depart-
14 ment of a municipality or a fire department of a fire district located
15 in a township or a county police department.

16 (3) "Member" shall mean any policeman or fireman included
17 in the membership of the retirement system as provided in section
18 3 of this act.

19 (4) "Board of trustees" or "board" shall mean the board pro-
20 vided for in section 13 of this act [to administer the retirement
21 system].

22 (5) "Medical board" shall mean the board of physicians pro-
23 vided for in section 13 of this act.

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

1 (6) "Employer" shall mean the county, municipality or political
2 subdivision thereof which pays the particular policeman or fireman.

3 (7) "Service" shall mean service as a policeman or fireman or
4 county policeman paid for by an employer.

5 (8) "Creditable service" shall mean service rendered for which
6 credit is allowed as provided under section 4 of this act.

7 (9) "Regular interest" shall mean interest as determined from
8 time to time by the board of trustees *with the advice of the actuary*
9 under the provisions of section 13, subsection 15, of this act.

10 (10) "Aggregate contributions" shall mean the sum of *all* the
11 amounts, deducted from *the compensation of a* [member's salary
12 and credited] *member or contributed by him or on his behalf,*
13 *standing to the credit of his individual* account in the annuity sav-
14 ings fund.

15 (11) "Annuity" shall mean payments for life derived from the
16 aggregate contributions of a member. [All annuities shall be paid
17 in equal monthly installments.]

18 (12) "Pension" shall mean payments for life derived from con-
19 tributions by the employer. [All pensions shall be paid in equal
20 monthly installments.]

21 (13) "Retirement allowance" shall mean [the sum of] the pen-
22 sion [and] *plus the annuity*[, if any].

23 (14) "Earnable compensation" shall mean the full rate of the
24 salary that would be payable to an employee if he worked the full
25 normal working time for his position. In cases where salary in-
26 cludes maintenance, the [board of trustees] *retirement system*
27 shall fix the value of that part of the salary not paid in money which
28 shall be considered under this act.

29 (15) "Average final compensation" shall mean the average an-
30 nual [earnable] salary *upon which contributions are made* [of an
31 employee during his last 5] *for the 5 years of creditable service*
32 [as an employee] *immediately preceding his retirement, or* [if he
33 had less than 5 years of service, then his average earnable salary
34 for his total service] *it shall mean the average annual salary for*
35 *which contributions are made during any 5 fiscal years of his or*
36 *her membership providing the largest possible benefit to the mem-*
37 *ber or his beneficiary.*

38 (16) "Retirement" shall mean withdrawal from active service
39 with a retirement allowance granted under the provisions of this
40 act.

41 (17) "Annuity reserve" shall mean the present value of all
42 payments to be made on account of any annuity or benefit
43 in lieu of any annuity computed upon the basis of such mortality

1 tables *recommended by the actuary* as shall be adopted by the board
2 of trustees, and regular interest.

3 (18) "Pension reserve" shall mean the present value of all pay-
4 ments to be made on account of any pension or benefit in lieu of
5 any pension computed upon the basis of such mortality tables *rec-*
6 *ommended by the actuary* as shall be adopted by the board of
7 trustees, and regular interest.

8 (19) "Actuarial equivalent" shall mean a benefit of equal value
9 when computed upon the basis of such mortality tables *recom-*
10 *mended by the actuary* as shall be adopted by the board of trustees,
11 and regular interest.

12 (20) "Beneficiary" shall mean any person receiving a retire-
13 ment allowance or other benefit as provided by this act.

14 (21) "Child" shall mean a deceased member's unmarried child
15 either (a) under the age of 18 or (b) of any age who, at the time
16 of the member's death, is disabled because of mental retardation
17 or physical incapacity, is unable to do any substantial, gainful work
18 because of the impairment and his impairment has lasted or can
19 be expected to last for a continuous period of not less than 12
20 months, as affirmed by the medical board.

21 (22) "Dependent parent" shall mean the parent of a member
22 who was receiving at least 1/2 of his support from the member in
23 the 12-month period immediately preceding the member's death.
24 The dependency of such a parent will be considered terminated by
25 marriage of the parent subsequent to the death of the member.

26 (23) "Dependent widower" shall mean the man to whom a mem-
27 ber was married at least 5 years before the date of her death and
28 to whom she continued to be married until the date of her death
29 and who was receiving at least 1/2 of his support from the member
30 in the 12-month period immediately preceding the member's death.
31 The dependency of such a widower will be considered terminated
32 by marriage of the widower subsequent to the death of the mem-
33 ber. In the event of the payment of an accidental death benefit,
34 the 5-year qualification shall be waived.

35 (24) "Widow" shall mean the woman to whom a member was
36 married at least 5 years before the date of his death and to whom
37 he continued to be married until the date of his death and who has
38 not remarried subsequent to the member's death. In the event of
39 the payment of an accidental death benefit, the 5-year qualification
40 shall be waived.

41 2. Section 2 of chapter 255 of the laws of 1944 is amended to
42 read as follows:

43 2. A retirement system is hereby established in the Division of

1 *Pensions of the Department of the Treasury* for the purpose of
 2 providing retirement allowances and other benefits for policemen
 3 and firemen under the provisions of this act. [The retirement
 4 system so created shall be established within 30 days from the
 5 effective date of this act.] It shall have the powers and privileges
 6 of a corporation and shall be known as [the] "The Police and
 7 Firemen's Retirement System of New Jersey" and by such name
 8 all of its business shall be transacted, all of its funds invested, and
 9 all of its cash and securities and property held in trust for the
 10 purpose for which received.

11 3. Section 3 of chapter 255 of the laws of 1944 is amended to
 12 read as follows:

13 3. (1) After the date of the establishment of this retirement
 14 system, any person becoming a full-time policeman or fireman in
 15 a county or municipality or fire district located in a township where,
 16 prior to the date this act takes effect, a pension under chapter 16
 17 of Title 43 or article 4 of chapter 10 of Title 43 of the Revised
 18 Statutes for policemen or firemen has been established, shall be-
 19 come a member of this retirement system as a condition of his
 20 employment; *he will be enrolled* provided, that his age at becoming
 21 such full-time policeman or fireman is not over 30 years or if such
 22 person shall have met the requirements at the announced closing
 23 date of a civil service examination for such position and was ap-
 24 pointed during the existence of the civil service list promulgated
 25 as a result of such examination; and further provided, that he
 26 shall furnish such evidence of good health at the time of becoming
 27 a member as the [board of trustees] *retirement system* shall re-
 28 quire.

29 [Any person who became a policeman or fireman in any such
 30 county, municipality or fire district after June 30, 1944, and prior
 31 to April 11, 1945, and who at the time of becoming such policeman
 32 or fireman was over 30 years and not more than 35 years of age,
 33 shall become a member of this retirement system as a condition
 34 of his employment; provided, that he shall furnish such evidence
 35 of good health at the time of his becoming a policeman or fireman
 36 as the board of trustees shall require.]

37 (2) After the date upon which this act becomes effective in any
 38 county, municipality or political subdivision thereof, pursuant to
 39 a referendum as hereinafter provided (a) any person becoming a
 40 full-time policeman or fireman in any such county, municipality
 41 or political subdivision shall become a member of this retirement
 42 system as a condition of his employment; *he will be enrolled* pro-
 43 vided, that his age at becoming such full-time policeman or fireman

1 is not over 30 years; and provided further, that he shall furnish
 2 such evidence of good health at the time of becoming a member
 3 as the [board of trustees] *retirement system* shall require; and
 4 (b) any person in service as a full-time policeman or fireman in
 5 any such county, municipality or political subdivision on the date
 6 this act becomes effective therein who, within the time and in the
 7 manner permitted by this act, elects to become a member of this
 8 retirement system, shall become such member.

9 [(3) The board of trustees may accept as members into the re-
 10 tirement system, full-time policemen and firemen who are serving
 11 as probationers. The board of trustees may in its discretion deny
 12 the right to become members to any class of policemen or firemen
 13 whose compensation is only partly paid by the employer and shall
 14 deny it to those who are serving in a temporary or other than per
 15 annum basis, and it may also, in its discretion, make optional with
 16 members in any such class their individual entrance into member-
 17 ship.]

18 [(4)] (3) Should any member withdraw his aggregate contribu-
 19 tions, or become a beneficiary or die, or if more than 2 years have
 20 elapsed from the date of his last contributions to the system, he
 21 shall thereupon cease to be a member.

22 [(5)] (4) Should any member resign or be dismissed from the
 23 police or fire service of the employing agency and not make appli-
 24 cation for the return of his aggregate contributions, the [board
 25 of trustees may] *retirement system shall* upon receiving conclu-
 26 sive advice of such separation, terminate the membership [im-
 27 mediately thereafter]. The employees contributions from mem-
 28 berships so terminated shall be held by the retirement system and
 29 returned to the employee without interest when application for
 30 such return is made.

31 [(6) Any member of this retirement system in good standing
 32 on the effective date of this amendment shall not have his member-
 33 ship affected as a result of this amendment but the same shall apply
 34 to any person becoming a full-time policeman or fireman after the
 35 the effective date of this amendment.]

36 4. Section 4 of chapter 255 of the laws of 1944 is amended to
 37 read as follows:

38 4. Only service as a policeman or fireman paid for by an em-
 39 ployer, which was rendered by a member since he became a mem-
 40 ber, or, since he last became a member in case of a break in service,
 41 plus service, if any, covered by a prior service [certificate] *lia-*
 42 *bility*, shall be considered as creditable service for the purposes
 43 of this act, except that temporary service as a policeman or fire-

1 man may also be considered as creditable service if it results, with-
 2 out interruption, in a *valid* permanent or probational appointment
 3 as a policeman or fireman and the member agrees [within 1 year
 4 after the effective date of this act or] during his first year of mem-
 5 bership in the retirement system, to make contributions covering
 6 such temporary service on the basis of rates established by the
 7 actuary [and in accordance with rules and regulations established
 8 by the board of trustees].

9 5. Section 5 of chapter 255 of the laws of 1944 is amended to
 10 read as follows:

11 5. (1) Any member in service who has attained age 55 years
 12 may retire on a service retirement allowance upon written and duly
 13 executed application to the retirement system, setting forth at
 14 what time, not less than 30 days subsequent to the filing thereof,
 15 he desires to be retired. Any member in service who attains age 65
 16 years shall be retired on a service retirement allowance forthwith
 17 or on the first day of the next calendar month.

18 (2) Upon retirement for service a member shall receive a serv-
 19 ice retirement allowance which shall consist of:

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

22 (b) A pension in the amount which when added to the member's
 23 annuity will provide a total retirement allowance of $\frac{1}{60}$ of his
 24 average final compensation multiplied by the number of years of
 25 his creditable service, or 2% of his average final compensation
 26 multiplied by the number of years of his creditable service up to 25
 27 plus 1% of his average final compensation multiplied by the num-
 28 ber of years of creditable service over 25, whichever is greater.

29 (3) Upon the receipt of proper proofs of the death of a member
 30 who has retired on a service retirement allowance, there shall be
 31 paid to [such person, if living, as he shall have nominated by writ-
 32 ten designation duly executed and filed with the retirement system,
 33 otherwise to the executor or administrator of the member's estate,]
 34 *his beneficiary* an amount equal to [$\frac{3}{16}$] $\frac{1}{4}$ of the compensation
 35 [received] *upon which contributions* by the member *to the annuity*
 36 *savings fund were based* in the last year of creditable service.

37 6. Section 6 of chapter 255 of the laws of 1944 is amended to
 38 read as follows:

39 6. (1) Upon the written application by a member in service, *by*
 40 *one acting in his behalf* or by his employer, any member, *under 55*
 41 *years of age*, who has had 5 or more years of creditable service
 42 may be retired, not less than 30 days next following the date of
 43 filing such application, on an ordinary disability retirement allow-

1 ance; provided, that the medical board, after a medical examina-
 2 tion of such member, shall certify that such member is mentally
 3 or physically incapacitated for the performance of his usual duty
 4 and of any other available duty in the department which his em-
 5 ployer is willing to assign to him and that such incapacity is likely
 6 to be permanent and to such an extent that he should be retired.

7 (2) Upon retirement for ordinary disability, a member shall
 8 receive [a service retirement allowance if he has completed at least
 9 20 years of creditable service and attained age 55 years, otherwise]
 10 an ordinary disability retirement allowance *which* shall consist of:

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

13 (b) A pension in the amount which when added to the member's
 14 annuity will provide a total retirement allowance of $1\frac{1}{2}\%$ of aver-
 15 age final compensation multiplied by his number of years of credit-
 16 able service but in no event shall the total allowance be less than
 17 40% of the member's average final compensation.

18 (3) Upon the receipt of proper proofs of the death of a member
 19 who has retired on an ordinary disability retirement allowance,
 20 there shall be paid to such [person, if living, as he shall have nomi-
 21 nated by written designation duly executed and filed with the re-
 22 tirement system, otherwise to the executor or administrator of
 23 the] member's [estate] *beneficiary*, an amount equal to [$1\frac{1}{2}$] $3\frac{1}{2}$
 24 times the compensation [received] *upon which contributions* by the
 25 member *to the annuity savings fund were based* in the last year of
 26 creditable service if such death occurs before the member shall
 27 have reached 55 years of age but if such death occurs thereafter,
 28 an amount equal to [$\frac{3}{16}$] $\frac{1}{4}$ of [the] *such* compensation [re-
 29 ceived by the member in the last year of creditable service] *instead*
 30 *of $3\frac{1}{2}$ times such compensation.*

31 7. Section 7 of chapter 255 of the laws of 1944 is amended to
 32 read as follows:

33 7. (1) Upon the written application by a member, *by one acting*
 34 *in his behalf* or by his employer any member may be retired, not
 35 less than 30 days next following the date of filing such application,
 36 on an accidental disability retirement allowance; provided, that
 37 the medical board, after a medical examination of such member,
 38 shall certify that the member is permanently and totally disabled
 39 as a direct result of a traumatic event occurring during and as a
 40 result of the performance of his regular or assigned duties and
 41 that such disability was not the result of the member's willful
 42 negligence and that such member is mentally or physically inca-
 43 pacitated for the performance of his usual duty and of any other

1 available duty in the department which his employer is willing to
 2 assign to him. The application to accomplish such retirement must
 3 be filed within 5 years of the original traumatic event, but the
 4 board of trustees may consider an application filed after the 5-year
 5 period if it can be factually demonstrated to the satisfaction of
 6 the board of trustees that the disability is due to the accident and
 7 the filing was not accomplished within the 5-year period due to a
 8 delayed manifestation of the disability or other circumstances be-
 9 yond the control of the member.

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

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

15 (b) A pension, in addition to the annuity, equal to $\frac{2}{3}$ of the
 16 member's actual annual compensation for which contributions were
 17 being made at the time of the occurrence of the accident.

18 [(3) Upon the receipt of proper proofs of the death of a mem-
 19 ber who has retired on an accidental disability retirement allow-
 20 ance, there shall be paid a pension of \$1,500.00 a year to the widow
 21 of the member, if he leaves a widow to whom he was married at
 22 the time he became so disabled, to continue until her death or re-
 23 marriage; or, if there is no widow, or if such widow dies leaving
 24 children of the deceased member, a pension to each child under
 25 age 18 to continue to age 18 or prior death, such pension to be
 26 \$600.00 annually if there is only one such surviving child; or \$480.00
 27 annually to each child if 2 such surviving children; or \$1,500.00
 28 annually divided equally among the surviving children if there
 29 are 3 or more such children.]

30 [(4)] (3) Upon the receipt of proper proofs of the death of a
 31 member who has retired on accidental disability retirement allow-
 32 ance, there shall be paid to such [person, if living, as he shall have
 33 nominated by written designation duly executed and filed with the
 34 retirement system, otherwise to the executor or administrator of
 35 the] member's [estate] *beneficiary*, an amount equal to [1½]
 36 3 1/2 times the compensation [received] *upon which contributions*
 37 *by the member to the annuity savings fund were based* in the last
 38 year of creditable service if such death occurs before the member
 39 shall have reached 55 years of age but if such death occurs there-
 40 after, an amount equal to [$\frac{3}{16}$] 1/4 of [the] *such* compensation
 41 [received by the member] *instead of 3 1/2 times such compen-*
 42 *sation.*

43 [(5)] (4) Permanent and total disability resulting from a car-

1 diovascular, pulmonary or musculo-skeletal condition which was
2 not a direct result of a traumatic event occurring in the perform-
3 ance of duty shall be deemed an ordinary disability.

4 8. Section 8 of chapter 255 of the laws of 1944 is amended to
5 read as follows:

6 8. (1) Upon the receipt by the retirement system of a written
7 application for a disability retirement allowance, the system shall
8 refer the application to the medical board, which shall designate
9 a physician or physicians to examine the applicant and the report
10 of the medical board shall be considered by the board of trustees
11 in acting upon such application.

12 (2) *Except for circumstances beyond his control, every disa-*
13 *bility beneficiary, who is under the age of 55 years, will be required*
14 *to report for rehabilitation at the nearest office of the New Jersey*
15 *Rehabilitation Commission within 90 days following the effective*
16 *date of his disability benefit. If the beneficiary fails to report within*
17 *the 90 days, or within such further time as may be allowed by the*
18 *board of trustees for valid reason, as the case may be, the pension*
19 *shall be discontinued during such default.*

20 *A report of the findings of the rehabilitation commission shall*
21 *be filed with the retirement system. If the report indicates that*
22 *the person could be rehabilitated to perform either his former duty*
23 *or comparable duty, it shall be his responsibility to follow such*
24 *course of rehabilitation until the rehabilitation commission finds*
25 *that he can be restored to active service. If the beneficiary refuses*
26 *the prescribed treatment of rehabilitation, such refusal shall be*
27 *stipulated in writing to the retirement system, citing the reasons*
28 *for his refusal. In the absence of valid reason or such stipulation,*
29 *as the case may be, the board of trustees shall find him in default*
30 *and his pension shall be discontinued during such default.*

31 *If a disability beneficiary has completed a course of rehabilita-*
32 *tion prescribed by the rehabilitation commission, he shall undergo*
33 *a medical examination by a physician or physicians designated by*
34 *the system. If the report of the medical board shall show that such*
35 *beneficiary is able to perform his former duty, the beneficiary shall*
36 *report for duty. If the beneficiary fails to return to duty within*
37 *10 days after being ordered so to do, or within such further time*
38 *as may be allowed by the board of trustees for valid reason, as the*
39 *case may be, the pension shall be discontinued during such default.*
40 *If the beneficiary reports for duty in a timely manner, his employer*
41 *shall be obligated to provide him with a position, in which he is*
42 *to perform his former duty, at that time or at the earliest possible*
43 *time in which his employer can provide such position or employ-*

1 ment; such a beneficiary shall not suffer any loss of benefits while
 2 he awaits his restoration to active service. The head of any em-
 3 ployer who knowingly and willfully violates his obligation to re-
 4 store such disability beneficiary to active service shall be guilty of
 5 a misdemeanor as pursued by the office of the Attorney General
 6 before a court of proper jurisdiction.

7 If a disability beneficiary has completed a course of rehabilita-
 8 tion prescribed by the rehabilitation commission and the report of
 9 the medical board shall show that such beneficiary is not able to
 10 perform his former duty but can perform other comparable duty
 11 which his former employer is willing to assign to him, the bene-
 12 ficiary shall report for duty. If the beneficiary fails to return to
 13 duty within 10 days after being ordered so to do, or within such
 14 further time as may be allowed by the board of trustees for valid
 15 reason, as the case may be, the pension shall be discontinued during
 16 such default. If the beneficiary reports for duty in a timely manner,
 17 he may, in the discretion of the head of the employer, be restored
 18 to active service; such a beneficiary shall not suffer any loss of
 19 benefits while he awaits his restoration to active service.

20 If a disability beneficiary is not restored to active service, he
 21 shall nevertheless be subject to the provisions of subsection (3) of
 22 this section. If a disability beneficiary is restored to active service,
 23 he shall be subject to the provisions of subsection (4) of this sec-
 24 tion.

25 (3) Any beneficiary under the age of 55 years who has been
 26 retired on a disability retirement allowance under this act, on his
 27 request or upon the request of the [board of trustees] retirement
 28 system shall be given a medical examination and he shall submit
 29 to an examination by a physician or physicians designated by the
 30 medical board [at such place to be mutually agreed upon], [twice
 31 a year for a period of 3 years and] once a year [thereafter] for
 32 at least a period of 10 years following his retirement in order to
 33 determine whether or not the disability which existed at the time
 34 he was retired has vanished or has materially diminished. If the
 35 report of the medical board shall show that such beneficiary is
 36 able to perform either his former duty or any other available duty
 37 in the department which his employer is willing to assign to him,
 38 the beneficiary shall report for duty [within 10 days]; such a bene-
 39 ficiary shall not suffer any loss of benefits while he awaits his
 40 restoration to active service. If the beneficiary fails to submit to
 41 any such medical examination or fails to return to duty within 10
 42 days after being ordered so to do, or within such further time as
 43 may be allowed by the board of trustees for valid reason, as the

1 case may be, the pension shall be discontinued during such default.

2 **[(3)]** If such beneficiary is engaged in an occupation paying
3 more than the difference between his retirement allowance and
4 the salary now attributable to his former position in the police or
5 fire department, the amount of his pension shall be reduced to an
6 amount which, together with his annuity and the amount of his
7 earnings, shall equal the amount of the salary now attributable to
8 his former position in the police or fire department. Should his
9 earnings be later changed the amount of his pension shall be further
10 modified; provided, that the new pension shall not exceed the
11 amount of the pension originally granted.

12 (4) **[A** beneficiary restored to active service at a salary not less
13 than the salary he received at the time he was retired shall become
14 a member of the retirement system and shall be entitled to his
15 previous total service credit, but on his subsequent retirement, he
16 shall not receive a greater pension on account of his service ren-
17 dered before his previous retirement than he was entitled to re-
18 ceive at the time of his restoration, anything to the contrary not-
19 withstanding.]

20 *If a disability beneficiary is restored to active service, his pen-*
21 *sion, and the right to any death benefit as a result of his former*
22 *membership, shall be suspended until he again retires.*

23 *Such person shall be re-enrolled in the retirement system and*
24 *shall contribute thereto at a rate based on his age at the time of his*
25 *prior enrollment. Such person shall be treated as an active member*
26 *for determining disability or death benefits while in service.*

27 *Upon subsequent retirement of such member, he shall receive*
28 *a retirement allowance based on all his service as a member since*
29 *his last return to membership, and in addition he shall receive a*
30 *retirement allowance equal to the retirement allowance on which*
31 *he was retired at the time of his last retirement, but the total re-*
32 *tirement allowance upon subsequent retirement shall not be a*
33 *greater proportion of his average final compensation than the pro-*
34 *portion to which he would have been entitled had he remained in*
35 *service during the period of his prior retirement. Any death benefit*
36 *to which such member shall be eligible shall be based on his latest*
37 *retirement.*

38 9. Section 9 of chapter 255 of the laws of 1944 is amended to
39 read as follows:

40 9. (1) Upon the receipt of proper proof of the death of a member
41 in service on account of which no accidental death benefit is pay-
42 able under section 10 there shall be paid to such **[**person, if living,
43 as he shall have nominated by written designation duly executed

1 and filed with the board of trustees, otherwise to the executor or
2 administrator of the] member's [estate] *beneficiary*:

3 (a) [His] *The member's* aggregate contributions at the time of
4 death[;] and

5 (b) An amount equal to [1 and ½] *3 1/2* times the compensa-
6 tion [received] *upon which contributions* by the member *to the*
7 *annuity savings fund were based* in the last year of creditable
8 service.

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

19 [(3)] (2) a. For the purposes of this section *and section 10*, a
20 member shall be deemed to be [in service] *an active member* for
21 a period of no more than 93 days while on official leave of absence
22 without pay when such leave is due to any reason other than ill-
23 ness, and for a period of no more than 2 years if satisfactory evi-
24 dence is presented to the [board of trustees establishing the fact]
25 *retirement system* that such leave of absence without pay is due to
26 illness.

27 b. *Except in the case of members who have elected to receive*
28 *(1) a deferred retirement allowance pursuant to section 17 of chap-*
29 *ter 241 of the public laws of 1964, as amended, or (2) an early re-*
30 *retirement allowance pursuant to section 16 of chapter 241 of the*
31 *public laws of 1964, as amended, after separation from service pur-*
32 *suant to the aforesaid section 17, if a member dies within 30 days*
33 *after the date of retirement or the date of board approval, which-*
34 *ever is later, a death benefit shall be payable only if he is deemed*
35 *to be an active member in accordance with subpart a of this sub-*
36 *section; provided, however, a member applying for disability bene-*
37 *fits shall be deemed an active member if he was covered by the*
38 *death benefit provisions of the act at the termination of employ-*
39 *ment, filed the application for disability retirement with the retire-*
40 *ment system within 30 days following such termination of employ-*
41 *ment and dies within 30 days after the date of retirement or the*
42 *date of board approval, whichever is later.*

1 10. Section 10 of chapter 255 of the laws of 1944 is amended to
2 read as follows:

3 10. (1) Upon the [accidental] death of a member *in active serv-*
4 *ice as a result of* [before retirement; provided, that evidence shall
5 be submitted to the board of trustees justifying the determination
6 that the natural and proximate cause of such death was] an acci-
7 dent met in the actual performance of duty *at some definite time*
8 *and place,* [within 5 years preceding the date of such death,] and
9 [that] such death was not the result of the member's willful negli-
10 gence, an accidental death benefit shall be payable *if a report of*
11 *the accident is filed in the office of the retirement system within 60*
12 *days next following the accident, but the board of trustees may*
13 *waive such time limit, for a reasonable period, if in the judgment*
14 *of the board the circumstances warrant such action. No such ap-*
15 *plication shall be valid or acted upon unless it is filed in the office*
16 *of the retirement system within 5 years of the date of such death.*

17 [(2) The accidental death benefit shall consist of:

18 (a) The amount of the member's aggregate contributions which
19 shall be paid as an annuity to his designated beneficiary if living,
20 otherwise in one sum to the executor or administrator of the mem-
21 ber's estate; and

22 (b) An annual pension equal to $\frac{1}{2}$ the average final compensa-
23 tion of the member to the widow of the member if he leaves a widow
24 to whom he was married before he attained 50 years of age, to
25 continue until her death or remarriage. If there be a widow and
26 children of the member, the pension shall be paid to the widow for
27 the use of herself and such children. If there be such children and
28 no widow, or if the widow dies the pension which the widow would
29 have received had she survived, shall be paid to those children who
30 have not reached 18 years of age, in equal shares, if there be 3 or
31 more children; if there be 2 children, they shall be paid \$40.00 each,
32 monthly; if there be but one child, he shall be paid \$50.00 monthly;
33 but in no event shall the pension paid to the children exceed, in
34 the aggregate, the sum of \$1,500.00 annually.]

35 (2) *Upon the receipt of proper proofs of the death of a member*
36 *on account of which an accidental death benefit is payable, there*
37 *shall be paid to his widow or dependent widower a pension of 50%*
38 *of the compensation, upon which contributions by the member to*
39 *the annuity savings fund were based in the last year of creditable*
40 *service, for the use of herself or himself and the children of the*
41 *deceased member, to continue during her or his widowhood; if there*
42 *is no surviving widow or dependent widower or in case the widow*
43 *or dependent widower dies or remarries, 20% of such compensation*
44 *will be payable to one surviving child, 35% of such compensation*

1-2 to 2 surviving children in equal shares and if there be 3 or more
 3 children, 50% of such compensation will be payable to such chil-
 4 dren in equal shares.

4A *If there is no surviving widow, dependent widower or child,
 4B 25% of the compensation upon which contributions by the member
 4C to the annuity savings fund were based in the last year of creditable
 4D service, will be payable to one surviving dependent parent or 40%
 4E of such compensation will be payable to 2 surviving parents in
 4F equal shares.*

4G **In the event of accidental death occurring in the first year of
 4H creditable service, the benefits, payable pursuant to this subsec-
 4I tion, shall be computed at the annual rate of compensation.**

5 [The increased pension benefits payable under this act shall
 6 apply only to cases where such policeman or fireman lost his life
 7 while on duty on or after June 1, 1948 and shall not affect pen-
 8 sions paid or to be paid as result of deaths occurring prior to said
 9 date.]

10 (3) If there is no surviving widow*, dependent widower, child*
 11 or *[children]* *dependent parent*, there shall be paid to any
 12 other beneficiary *of the deceased member*, *[if living, as the
 13 member shall have nominated by written designation duly executed
 14 and filed with the retirement system, otherwise to the executor or
 14A administrator of the member's estate:]*

15 *[a) His]* *his* aggregate contributions at the time of
 15A death*, and

16 (b) An amount equal to 1½ times the compensation received by
 17 the member in the last year of creditable service]*.

18 (4) In no case shall the death benefit provided in subsection 2
 19 be less than that provided under subsection 3.

20 (5) *[A member may file, and alter from time to time during his
 21 lifetime, as desired, a request with the retirement system naming
 22 the payee of the death benefit provided under subsection 3. Such
 23 member may also file, and alter from time to time during his life-
 24 time, as desired, a request with the retirement system directing
 25 payment of said benefit in one sum or in equal annual installments
 26 over a period of years or as a life annuity. Upon the death of such
 27 member, a beneficiary to whom a benefit is payable in one sum
 28 may elect to provide the amount payable in equal annual install-
 29 ments over a period of years or as a life annuity.]* *In addition
 29A to the foregoing benefits payable under subsection 2 or 3, there
 29B shall also be paid in one sum to such beneficiary, if living, as the
 29C member shall have nominated by written designation duly executed
 29D and filed with the retirement system, otherwise to the executor or
 29E administrator of the member's estate, an amount equal to 3 1/2
 29F times the compensation upon which contributions by the member

1 *to the annuity savings fund were based in the last year of creditable*
 1A *service.**

1B 11. Section 11 of chapter 255 of the laws of 1944 is amended to
 1C read as follows:

1D 11. If a member should cease to be a fireman or policeman, ex-
 1E cept by death or retirement as provided in this act, he shall be paid
 1F the amount of his aggregate contributions *less any outstanding*
 1G *loan* upon the filing of a written application as required by the
 1H retirement system. *No member shall be entitled to withdraw the*
 1I *amounts contributed by his employer covering his military leave*
 1J *unless he shall have returned to the payroll and contributed to the*
 1K *retirement system for a period of 90 days.*

1L *If such person or any member shall die before withdrawing his*
 1M *aggregate contributions, such deductions shall be paid to the mem-*
 1N *ber's beneficiary.*

1O 12. Section 13 of chapter 255 of the laws of 1944 is amended to
 2 read as follows:

3 13. (1) *Subject to the provisions of chapter 70 of the laws of*
 4 *1955, the [The] general responsibility for the proper operation*
 5 *of the retirement system and for making effective the provisions*
 6 *of this act are hereby vested in a board of trustees [which shall*
 7 *be organized immediately after 3 of the trustees provided for in*
 8 *this section have qualified and taken the oath of office].*

9 (2) The board shall consist of 9 trustees as follows:

10 (a) Four members to be appointed by the Governor, who shall
 11 serve at the pleasure of the Governor and until their successors
 12 are appointed and who shall be private citizens of the State of
 13 New Jersey who are neither an officer thereof nor a member of
 14 any police or fire department thereof.

15 (b) The State Treasurer, ex officio.

16 (c) Two policemen and 2 firemen who shall be members of the
 17 system and who shall be elected by the members of the system for
 18 a term of 4 years according to such rules and regulations as the
 19 board of trustees shall adopt to govern such election; provided,
 20 however, that the elections conducted for the terms commencing
 21 July 1, 1964 shall provide for the election of 2 firemen representa-
 22 tives, the candidate receiving the highest number of votes to be
 23 elected for a 4-year term and the candidate receiving the next
 24 highest number of votes to be elected for a 2-year term, and pro-
 25 vided further, the elections conducted for the terms commencing
 26 July 1, 1966 shall provide for the election of 2 policemen repre-
 27 sentatives, the candidate receiving the highest number of votes to
 28 be elected for a 4-year term and the candidate receiving the next

1 highest number of votes to be elected for a 2-year term. At each
 1A election thereafter, one policeman representative and one fireman
 1B representative shall be elected for a 4-year term.

1C (3) Each trustee shall, after his appointment or election, take
 1D an oath of office that, so far as it devolves upon him he will dili-
 1E gently and honestly administer the affairs of the said board, and
 1F that he will not knowingly violate or willingly permit to be violated
 1G any of the provisions of the law applicable to the retirement sys-
 1H tem. Such oath shall be subscribed by the member making it, and
 1I certified by the officer before whom it is taken, and immediately
 1J filed in the office of the Secretary of State.

1K (4) If a vacancy occurs in the office of a trustee, the vacancy
 1L shall be filled for the unexpired term in the same manner as the
 1M office was previously filled.

1N (5) The trustees shall serve without compensation, but they
 1O shall be reimbursed for all necessary expenses that they may incur
 2 through service on the board.

3 (6) Each trustee shall be entitled to one vote in the board. Five
 4 **¶**votes shall be necessary for a decision by the trustees **¶** trustees
 5 *must be present* at any meeting of said board *for the transactiion*
 6 *of its business.*

7 (7) Subject to the limitations of this act, the board of trustees
 8 shall, from time to time, establish rules and regulations for the
 9 administration of the funds created by this act and for the trans-
 10 action of its business.

11 (8) The board of trustees shall elect from its membership a
 12 chairman. The Chief of the Bureau of Police and Fire Funds of
 13 the Division of Pensions of the State Department of the Treasury
 14 shall be the Secretary of the Board. *The administration of the*
 15 *program shall be performed by the personnel of the Division of*
 16 *Pensions.*

17 **¶**(9) The board of trustees shall keep in convenient form such
 18 data as shall be necessary for actuarial valuation of the various
 19 funds of the retirement system, and for checking the experience
 20 of the system.**¶**

21 **¶**(10) **¶**(9) The board of trustees shall keep a record of all of
 22 its proceedings which shall be open to public inspection. It shall
 23 publish annually a report showing the fiscal transactions of the
 24 retirement system for the preceding year, the amount of the ac-
 25 cumulated cash and securities of the system, and the last balance
 26 sheet showing the financial condition of the system by means of
 27 an actuarial valuation of the assets and liabilities of the retire-
 28 ment system.

1 **[(11)] (10)** The Attorney General of the State of New Jersey
 1A shall be the legal advisor of the board of trustees.

1B **[(12)] (11)** The board of trustees shall designate a medical
 1C board to be composed of 3 physicians as the board shall designate
 1D who are not eligible to participate in the retirement system. If
 1E required, other physicians may be employed to report on special
 1F cases. The medical board shall **[arrange for and]** pass upon all
 1G medical examinations required under the provisions of this act,
 1H shall investigate all essential statements and certificates by or on
 1I behalf of a member in connection with an application for disability
 1J retirement, and shall report in writing to the board of trustees its
 1K conclusions and recommendations upon all matters referred to it.

1L **[(13)] (12)** The board of trustees shall designate an actuary
 1M who shall be the technical advisor of the board of trustees on mat-
 1N ters regarding the operation of the funds created by the provi-
 1O sions of this act, and shall perform such other duties as are required
 2 in connection therewith.

3 **[(14)] (13)** **[Immediately after the establishment of the retire-**
 4 **ment system, the]** *The* actuary shall prepare and submit to the
 5 board of trustees the mortality and service tables which he recom-
 6 mends to the board for adoption**].** Having regard to such recom-
 7 mendation,**]** *and* the board shall adopt for the retirement system
 8 such mortality and service tables as shall be deemed necessary,
 9 and shall certify the rates of contributions payable under the pro-
 10 visions of this act. At least once in each 5-year period following
 11 the establishment of the system, the actuary shall make an actuarial
 12 investigation into the mortality, service and compensation experi-
 13 ence of the members and beneficiaries of the retirement system,
 14 and, taking into account the result of such investigation, the board
 15 of trustees shall adopt for the retirement system such mortality,
 16 service and other tables as shall be deemed necessary and shall
 17 certify the rates of contribution payable under the provisions of
 18 this act.

19 **[(15)] (14)** The board of trustees from time to time shall set
 20 the rate of regular interest at such per centum rate compounded
 21 annually as shall be determined by the board *with the advice of the*
 22 *actuary* to be equitable **[in its judgment,]** both to members and
 23 to the taxpayers of the State, such rate to be limited to a minimum
 24 of 2% and a maximum of 4%, with the rate of 3% applicable until
 25 changed by the board.

26 **[(16)] (15)** On the basis of such tables *recommended by the*
 27 *actuary* as the board of trustees shall adopt and regular interest,
 28 the actuary shall make an annual valuation of the assets and lia-

1 bilities of the funds of the system created by this act.

1A **[(17)]** (16) the various funds created by this act shall be sub-
 1B ject to the supervision of the Department of Banking and Insur-
 1C ance of the State of New Jersey.

1D **[(18)]** (17) Each policeman or fireman member of the board of
 1E trustees shall be entitled to time off from his municipal or county
 1F duty, with pay, during the periods of his attendance upon regular
 1G or special meetings of the boards of trustees or its duly appointed
 1H committees, and such time off shall include reasonable travel time
 1I required in connection therewith.

1J 13. Section 15 of chapter 255 of the laws of 1944 is amended to
 1K read as follows:

1L 15. (1) The contributions required for the support of the re-
 1M tirement system shall be made by members and their employers.

1N (2) Upon the basis of such tables *recommended by the actuary*
 1O as the board shall adopt and regular interest, the actuary of the
 2 retirement system shall determine for each age at entrance into
 3 the system the **[uniform and constant]** percentage of compensa-
 4 tion of the member entering at such age, *exclusive of the additional*
 5 *contribution prescribed by subsection (15) (3) (c)*, which, if de-
 6 ducted from each payment of his prospective earnable compensa-
 7 tion throughout active service, is computed to be sufficient to pro-
 8 vide for all benefits on account of his membership.

9 (3) (a) The percentage contribution rate of each member, ex-
 10 clusive of the **[rate for any additional death benefit provided**
 11 **under section 5 of chapter 266 of the laws of 1953]** *additional con-*
 12 *tribution prescribed by subsection (15) (3) (c)*, shall be fixed ac-
 13 cording to his age at entrance into membership and shall be $\frac{1}{2}$
 14 of the total percentage contribution rate calculated for such age
 15 to be required to provide all benefits except the pensions upon
 16 accidental disability and the benefits payable upon death.

17 (b) Notwithstanding the provisions of subsection (15) (3) (a),
 18 **[for purposes of this amendatory and supplementary act,]** the
 19 percentage contribution rates for members of the retirement sys-
 20 tem **[as of the effective date of this act and for members enrolling**
 21 **on and after the effective date of this act,]** exclusive of the **[rate**
 22 **for any additional death benefit provided under section 5 of chap-**
 23 **ter 266 of the laws of 1953]** *additional contribution prescribed by*
 24 *subsection (15) (3) (c)*, shall be fixed at the contribution rates in
 25 effect as of **[the effective date of this act]** *July 1, 1967.*

26 (c) *Effective July 1, **[1967]** **1968**, all proportions of*
 27 *compensation are increased by an additional 1% of compensation*
 28 *which is subject to deductions from the compensation of members*
 29 *or contributions made on their behalf by their employers in lieu of*

1 *such deductions.*

1A (4) Each employer shall make a contribution equal to that made
 1B by each member in its employ and in addition shall make a con-
 1C tribution equal to the percentage of the compensation of each such
 1D member certified by the [board] *retirement system* to be required
 1E to provide the cost of accidental disability pensions and any death
 1F benefits on his account [exclusive of additional death benefits pro-
 1G vided under section 5 of chapter 266 of the laws of 1953]. Not-
 1H withstanding this provision, the [board may in its discretion]
 1I *retirement system* shall certify an average and uniform rate for
 1J payments by all employers, which shall be set on the basis of the
 1K annual actuarial valuations to be sufficient to provide with previous
 1L contributions of employers all benefits for which employers are
 1M responsible.

1N (5) In addition each employer shall make such contribution, if
 1O any, as is certified by the [board of trustees] *retirement system*
 2 to be required to provide for accrued liability arising out of all
 3 prior service [certificates] granted to members chargeable to such
 4 employer.

5 (6) The percentage rates of contribution payable by *future*
 6 members and *all* employers shall be subject to adjustment from
 7 time to time by the board of trustees *with the advice of the actuary*
 8 on the basis of annual actuarial valuations and experience investi-
 9 gations as provided under section 13, so that the value of future
 10 contributions of members and employers, when taken with present
 11 assets, shall be equal to the value of prospective benefit payments.

12 (7) The [board of trustees] *retirement system* shall certify to
 13 the chief fiscal officer of each employer the percentage of salary
 14 payable by each member and by the employer in behalf of each
 15 member. The [officer or officers responsible for the payment of
 16 salaries of the] employer shall cause to be deducted from the sal-
 17 ary of each member [on each and every payroll of such employer
 18 for each and every payroll period] the percentage of earnable
 19 compensation of each member [certified for payment by the mem-
 20 ber]. In determining the amount earnable by a member in a pay-
 21 roll period, the [board of trustees] *retirement system* may con-
 22 sider the rate of salary payable to such member on the first day
 23 of the payroll period as continuing throughout such payroll period,
 24 and to facilitate the making of deductions it may modify the de-
 25 duction required of any member by such an amount as shall not
 26 exceed $\frac{1}{10}$ of 1% of the [annual salary] *compensation* upon the
 27 basis of which such deduction is to be made.

28 (8) The deductions provided for herein shall be made notwith-

1 standing that the minimum salary provided for by law for any
 1A member shall be reduced thereby. Every member shall be deemed
 1B to consent and agree to the deductions made and provided for
 1C herein, and payment of salary or compensation less said deduction
 1D shall be a full and complete discharge and acquittance of all claims
 1E and demands whatsoever for the service rendered by such person
 1F during the period covered by such payment, except as to the bene-
 1G fits provided under this act. The chief fiscal officer of each em-
 1H ployer shall certify to the [board of trustees on each and every
 1I payroll or] *retirement system* in such [other] manner as the
 1J [board of trustees] *retirement system* may prescribe, the amounts
 1K [to be] deducted; and [each of said amounts shall be deducted,
 1L and] when deducted shall be paid into said annuity savings fund,
 1M and shall be credited to the individual account of the member from
 1N whose salary said deduction was made.

1O (9) (a) The amount payable each year by the employer based
 2 on the percentage rates certified by the [board of trustees] *retire-*
 3 *ment system*, together with the amount, if any, payable each year
 4 by the employer on account of accrued liability arising out of prior
 5 service [certificates] as certified by the [board of trustees] *re-*
 6 *tirement system*, shall be included in the budget of the employer
 7 and levied and collected in the same manner as any other taxes
 8 are levied and collected for the payment of the salaries of members.

9 (b) In addition to the amounts indicated in subsection (15) (9)
 10 (a), the additional liabilities created by the provisions of this
 11 amendatory and supplementary act *and those of chapter 241 of*
 12 *the laws of 1964* shall be computed by the actuary as a flat annual
 13 payment, which, if paid in each fiscal year next following the ef-
 14 fective date of this act, for a period of 30 years, will provide for
 15 this liability.

16 (10) The treasurer or corresponding officer of the employer
 17 shall pay on or before December 27 in each year to the State
 18 Treasurer the amount so certified as payable by the employer for
 19 said year, and shall pay monthly to the State Treasurer the amount
 20 of the deductions from the salary of the members in the employ of
 21 the employer, and the State Treasurer shall credit such amount to
 21A the appropriate fund or funds, of the retirement system.

22 *If payment of the full amount of the employer's obligation is not*
 23 *made within 30 days of the due date established by this act, interest*
 24 *at the rate of 4% per annum shall commence to run against the*
 25 *unpaid balance thereof on the first day after such thirtieth day.*

26 *If payment in full, representing the transmittal and report of*
 27 *salary deductions, is not made within 15 days of the due date es-*

1 *tablished by the retirement system, interest at the rate of 6% per*
 1A *annum shall commence to run against the total transmittal of salary*
 1B *deductions for the period on the first day after such fifteenth day.*

1C (11) The expenses of administration of the retirement system
 1D shall be paid by the State of New Jersey. Each employer shall
 1E reimburse the State for a proportionate share of the amount paid
 1F by the State for administrative expense. This proportion shall
 1G be computed as the number of members under the jurisdiction of
 1H such employer bears to the total number of members in the system.
 1I The pro rata share of the cost of administrative expense shall be
 1J included with the certification by the [board of trustees] retire-
 1K *ment system* of the employer's contribution to the system.

1L (12) Notwithstanding anything to the contrary, the retirement
 1M system shall not be liable for the payment of any pension or other
 1N benefits on account of the employees or beneficiaries of any em-
 1O ployer participating in the retirement system, for which reserves
 1P have not been previously created from funds, contributed by such
 2 employer or its employees for such benefits.

3 14. Section 16 of chapter 255 of the laws of 1944 is amended to
 4 read as follows:

5 16. (1) All the assets of the retirement system shall be credited
 6 according to the purpose for which they are held to one of [5] 4
 7 funds, namely, the annuity savings fund, the pension accumulation
 8 fund, the retirement reserve fund, [the members' death benefit
 9 fund,] and the special reserve fund.

10 (2) The annuity savings fund shall be a fund in which shall be
 11 accumulated contributions from the compensation of members to
 12 provide for their [annuities] *allowances*. The aggregate contri-
 13 butions of a member withdrawn by him or paid to his estate or his
 14 designated beneficiary in event of his death as provided in this act
 15 shall be paid from the annuity savings fund. Upon the retirement
 16 or death of a member where the aggregate contributions of the
 17 member are to be provided in the form of an annuity, the aggregate
 18 contributions of the member shall be transferred from the annuity
 19 savings fund to the retirement reserve fund.

20 (3) The pension accumulation fund shall be the fund in which
 21 shall be credited contributions made by employers. Upon the death
 22 of a member either before or after retirement any lump sum bene-
 23 fit payable in addition to the employee's contributions, [except
 24 any additional death benefit payable under section 5 of chapter 266
 25 of the laws of 1953,] shall be charged to the pension accumulation
 26 fund. Upon the retirement or death of a member the reserve of
 27 any pension payable to or on his account shall be transferred to

1 the retirement reserve fund. All interest shall be credited to the
 1A pension accumulation fund and annually the [board of trustees]
 1B *retirement system* shall transfer from the pension accumulation
 1C fund to the retirement reserve fund [and to the members' death
 1D benefit fund] regular interest on the mean amount in [each] *the*
 1E fund for the year. The [board of trustees] *retirement system* shall
 1F also transfer annually from the pension accumulation fund to the
 1G special reserve fund, subject to the limitations of that special re-
 1H serve fund, such portion of the interest earnings as shall be de-
 1I termined by the board of trustees. The board of trustees in its
 1J discretion, *with the advice of the actuary*, may transfer to and from
 1K the pension accumulation fund any surplus or deficit in the retire-
 1L ment reserve fund.

1M (4) The retirement reserve fund shall be the fund in which shall
 1N be held the reserves on all retirement allowances granted to mem-
 1O bers or their beneficiaries and from which all retirement allowances
 1P and benefits in lieu thereof shall be paid. Should a member who
 2 retired on account of disability be restored to active service his
 3 pension reserve shall be transferred from the retirement reserve
 4 fund to the pension accumulation fund and the excess of his aggre-
 5 gate contributions as they stood at retirement over the amount of
 6 annuity payments made shall be transferred to the annuity sav-
 7 ings fund. [Should the pension of any disabled member be reduced
 8 as a result of an increase in his earning capacity the amount of
 9 the annual reduction in his pension shall be paid annually into the
 10 pension accumulation fund during the period of such reduction.]

11 [(5) The members' death benefit fund shall be a fund in which
 12 shall be accumulated contributions from the compensation of mem-
 13 bers to provide for their additional death benefits under the pro-
 14 visions of section 5 of chapter 266 of the laws of 1953. Upon the
 15 death of a member electing the additional death benefit, the ad-
 16 ditional death benefit payable shall be paid from the member's
 17 death benefit fund.]

18 [(6)] (5) The special reserve fund shall be the fund to which
 19 shall be credited all profits from the sale of securities and to which
 20 shall be transferred such portion of the interest earnings as shall
 21 be determined annually by the board of trustees. No additional
 22 amounts shall be credited to the special reserve fund at any time
 23 when the total accumulations in such fund equal 1% of the book
 24 value of the investments of the retirement system. In this event,
 25 any such excess shall be credited to the pension accumulation fund.
 26 All losses from the sale of securities shall be charged against the
 26A special reserve fund.

1 15. Section 16 of chapter 241 of the laws of 1964 is amended to
1A read as follows:

1B 16. Should a member resign after having **[completed]** *estab-*
1C *lished* 25 years of creditable service**[,]** before reaching **[service re-**
1D *tirement]* age 55, he may elect to receive, in lieu of the payment pro-
1E vided in section 11, a retirement allowance which shall consist of:

1F (1) An annuity which shall be the actuarial equivalent of his
1G aggregate contributions, and

1H (2) A pension in the amount, which when added to the member's
1I annuity will provide a total retirement allowance of 2% of his
1J average final compensation multiplied by the number of years of
1K his creditable service up to 25 plus 1% of his average final com-
1L pensation multiplied by the number of years of creditable service
1M over 25; provided, however, that such retirement allowance shall
1N be reduced in accordance with a table of actuarial equivalents
1O recommended by the actuary and adopted by the board of trustees
1P reflecting all months that the member lacks of being age 55.

1Q Upon the receipt of proper proofs of the death of such a retired
2 member, there shall be paid to **[such person, if living, as he shall**
3 *have nominated by written designation duly executed and filed with*
4 *the retirement system, otherwise to the executor or administrator*
5 *of the member's estate,]* *his beneficiary* an amount equal to **[$\frac{3}{16}$]**
6 *1/4 of the compensation [received] upon which contributions by*
7 *the member to the annuity savings fund were based in the last year*
8 *of creditable service.*

9 16. Section 17 of chapter 241 of the laws of 1964 is amended to
10 read as follows:

11 17. Should a member, after having **[completed]** *established* 25
12 years of creditable service, be separated voluntarily or involun-
13 tarily from the service, before reaching **[service retirement]** age
14 55, and not by removal for cause or charges of misconduct or de-
15 linquency, such person may elect to receive the payments provided
16 for in section 11 of chapter 255 of the laws of 1944 or section 16
17 **[of this act]** *of chapter 241 of the laws of 1964*, or a deferred re-
18 tirement allowance, beginning at age 55, which shall consist of:

19 (1) An annuity which shall be the actuarial equivalent of his
20 aggregate contributions at the time of retirement**[;]** and

21 (2) A pension in the amount which, when added to the member's
22 annuity, will provide a total retirement allowance of 2% of his
23 average final compensation multiplied by the number of years of
24 his creditable service up to 25 plus 1% of his average final com-
25 pensation multiplied by the number of years of creditable service
26 over 25, provided that such election is communicated by such mem-

ber to the retirement system in writing stating at what time subsequent to the execution and filing thereof he desires to be retired; and provided further, that such member may later elect to receive payments provided under section 11 of chapter 255 of the laws of 1944 or section 16 **[of this act]** *of chapter 241 of the laws of 1964 if he had qualified under that section at the time of leaving service.* **[, or if]** If such member shall die before attaining age 55, his aggregate contributions shall be paid **[to such person, if living, as he shall have nominated by written designation duly executed and filed with the retirement system, otherwise to the executor or administrator of the member's estate.]** *and, in addition if such member shall die after attaining age 55 and has not withdrawn his aggregate contributions, an amount equal to 1/4 of the compensation upon which contributions by the member to the annuity savings fund were based in the last year of creditable service shall be paid to such member's beneficiaries.*

[Upon the receipt of proper proofs of the death of a member who was receiving a deferred retirement allowance, there shall be paid to such person, if living, as he shall have nominated by written designation duly executed and filed with the retirement system, otherwise to the executor or administrator of the member's estate, an amount equal to 3/16 of the compensation received by the member in the last year of creditable service.]

17. Section 18 of chapter 241 of the laws of 1964 is amended to read as follows:

18. Any member who has at least 3 years of service *to his credit* for which he has contributed as a member may borrow from the retirement system, an amount equal to not more than 50% of the amount of his aggregate contributions, but not less than \$50.00; provided, that the amount so borrowed, together with interest thereon, can be repaid by additional deductions from salary, not in excess of 25% of the member's salary, made at the time the salary is paid to the member but not after the attainment of age 55. The amount so borrowed, **[together with]** ****[plus 4%]**** ****together with**** interest **[at the rate of 4%]** ****at the rate of 4%**** per annum on **[any]** ****[the initial amount borrowed and on the]**** ****any**** unpaid balance **[thereof]** ****[at the beginning of each year of the loan thereafter]**** ****thereof****, shall be repaid to the retirement system in equal installments by deductions from the salary of the member at the time the salary is paid **[or in such lump sum amounts as the board of trustees shall approve,]** but such installments shall be at least equal to the members *full rate of contribution* to the retirement system and at least sufficient to repay the amount borrowed with interest thereon by the time the member

1 attains age 55. Not more than 2 loans may be granted to any mem-
 1A ber in any calendar year. Notwithstanding any other law affecting
 1B the salary or compensation of any person or persons to whom
 1C this act applies or shall apply, the additional deductions required
 1D to repay the loan shall be made. Any unpaid balance of a loan
 1E at the time any benefit may become payable shall be deducted from
 1F the benefit otherwise payable.

1G Loans may be made to a member from his aggregate contribu-
 1H tions. [In addition the board of trustees is hereby authorized to
 1I set aside moneys within the pension accumulation fund from which
 1J loans to members may be made. If such moneys are used for the
 1K purpose of making loans, the] *The* interest earned on such loans
 1L shall be treated in the same manner as interest earned from in-
 1M vestments of the retirement system.

1N 18. Section 20 of chapter 241 of the laws of 1964 is amended to
 1O read as follows:

1P 20. The State Treasurer is hereby authorized and permitted to
 1Q purchase from one or more life insurance companies, as determined
 2 by him, a group life insurance coverage to provide for the death
 3 benefits specified in sections 5, 6, 7 [(4)] (3), 9 and 10 [(3)] (5)
 4 of chapter 255 of the laws of 1944 and sections 16 and 17 of [this
 5 act] *chapter 241 of the laws of 1964*. Such group life insurance
 6 coverage may be provided under one or more policies issued to the
 7 State Treasurer specifically for this purpose or, in the discretion
 8 of the State Treasurer, under one or more policies issued to the
 9 State Treasurer which provide group life insurance coverage for
 10 members of one or more other retirement systems of the State of
 11 New Jersey. [The board of trustees of the Police and Firemen's
 12 Retirement System of New Jersey is hereby authorized and per-
 13 mitted, upon the concurrence of $\frac{2}{3}$ of the members of the board,
 14 to purchase from one or more life insurance companies, as deter-
 15 mined by it, a policy or policies of group life insurance to provide
 16 for the benefits specified in section 5 of chapter 266 of the laws of
 17 1953.] Whenever such policy or policies of group insurance shall
 18 be in effect, the benefits payable thereunder shall be in lieu of the
 19 above mentioned death benefits provided by said sections. Any
 20 dividend or retrospective rate credit allowed by an insurance com-
 21 pany shall be credited in an equitable manner to the special insur-
 22 ance funds from which premiums are paid.

23 19. Section 22 of chapter 241 of the laws of 1964 is amended to
 24 read as follows:

25 22. The State Treasurer may, in his discretion, determine to
 26 purchase group insurance coverage for the [noncontributory]

1 death benefit provisions as provided in sections 5, 6, 7 ~~[(4)]~~ (3),
 1A 9 and 10 ~~[(3)]~~ (5) of chapter 255 of the laws of 1944 and sections
 1B 16 and 17 of ~~[this act]~~ *chapter 241 of the laws of 1964*, or may de-
 1C termine not to purchase any group insurance coverage for the death
 1D benefit provisions heretofore mentioned. ~~[The board of trustees~~
 1E of the Police and Firemen's Retirement System of New Jersey,
 1F may in its discretion, upon the concurrence of $\frac{2}{3}$ of the members
 1G of the board, determine to purchase group insurance coverage for
 1H additional death benefit coverage as provided for in section 5 of
 1I chapter 266 of the laws of 1953, or may, in its discretion, determine
 1J not to purchase any contributory group insurance coverage for
 1K the additional death benefit provisions of section 5 of chapter 266
 1L of the laws of 1953.]

1M 20. Section 23 of chapter 241 of the laws of 1964 is amended to
 1N read as follows:

1O 23. In the event the State Treasurer shall determine to purchase
 1P group insurance coverage for the ~~[noncontributory]~~ death bene-
 1Q fits, premiums for the same shall be paid from a special fund,
 2 hereby created, called the "Group Insurance Premium Fund."
 3 The State Treasurer shall estimate annually the amount which
 4 will be required for premiums for such benefits for the ensuing
 5 fiscal year and shall certify such amounts to the participating em-
 6 ployers as due and owing from them. The participating employers
 7 shall pay over to the State Treasurer the amount for premiums
 8 so certified and the State Treasurer shall deposit these amounts
 9 in the Group Insurance Premium Fund. During the period such
 10 group insurance policy or policies are in effect with respect to
 11 members of the Police and Firemen's Retirement System of New
 12 Jersey the State Treasurer shall in no way commingle moneys in
 13 this fund with any pension fund established by chapter 255 of the
 14 laws of 1944.

15 ~~[In the event that the board of trustees of the Police and Fire-~~
 16 men's Retirement System of New Jersey shall determine to pur-
 17 chase group coverage for the additional death benefits, premiums
 18 for same shall be paid from a special fund hereby created called
 19 the "Contributory Group Insurance Premium Fund." In such
 20 event, the board of trustees, in its discretion, may authorize the
 21 transfer of all or any portion of the amount credited to the mem-
 22 ber's death benefit fund to the "Contributory Group Insurance
 23 Premium Fund" and may authorize all or any portion thereof to
 24 be paid to the insurance company or companies providing such
 25 additional death benefit coverage for the purpose of establishing
 26 a reserve for such coverage. While such group coverage shall be

1 in force, the contributions from the compensation of members to
 1A provide such additional death benefits shall be accumulated in said
 1B Contributory Group Insurance Premium Fund.】

1C 21. Section 24 of chapter 241 of the laws of 1964 is amended to
 1D read as follows:

1E 24. 【In the event that the board of trustees of the Police and
 1F Firemen's Retirement System of New Jersey shall determine to
 1G purchase group insurance coverage for the additional death benefit
 1H coverage, there shall be deducted from the compensation of each
 1I member participating in the additional death benefit coverage his
 1J contribution towards the cost of such coverage. Such contribution
 1K shall be determined from a schedule of contributions established
 1L by the board of trustees of the Police and Firemen's Retirement
 1M System of New Jersey, with the advice of the actuary, on the basis
 1N it deems to be appropriate. The schedule of contributions shall be
 1O subject to adjustment by said board of trustees from time to time
 1P for the purpose of maintaining the Contributory Group Insurance
 1Q Premium Fund at a level sufficient to meet the obligations of the
 2 fund for the cost of the insurance.】

3 *All reserves and moneys held by the insurance carrier under*
 4 *group life insurance contracts providing for employee contribu-*
 5 *tions pursuant to the provisions of chapter 241 of the laws of 1964,*
 6 *and any amendments and supplements thereto, shall be transferred*
 7 *and merged with those purchased by the State Treasurer.*

8 22. Section 25 of chapter 241 of the laws of 1964 is amended to
 9 read as follows:

10 25. Any such group policy or policies shall include, with respect
 11 to any insurance terminating *or reducing* because the member
 12 【ceases】 *has ceased* to be in service *or has retired*, the conversion
 13 privilege available upon termination of employment as prescribed
 14 by the law relating to group life insurance; and shall also include,
 15 with respect to insurance terminating because of termination of
 16 the group policy resulting from a termination of the death benefits
 17 for all members established under sections 5, 6, 7 【(4)】 (3), 9 and
 18 10 【(3)】 (5) of chapter 255 of the laws of 1944, 【section 5 of chap-
 19 *ter 266 of the laws of 1953,】 and sections 16 and 17 of 【this act】*
 20 *chapter 241 of the laws of 1964, the conversion privilege available*
 21 *upon termination of the group policy as prescribed by such law.*
 22 Any such group policy or policies shall also provide that if a mem-
 23 ber dies during the 31-day period during which he would be en-
 24 titled to exercise the conversion privilege, the amount of insurance
 25 with respect to which he could have exercised the conversion priv-
 26 ilege shall be paid as a claim under the group policy. When bene-

1 fits payable upon the death of a member following retirement are
 1A determined as though the member had not retired, the death bene-
 1B fits payable under the group policy or policies, together with the
 1C amount of insurance paid under any individual policy obtained
 1D under the conversion privilege, shall in no event exceed the amount
 1E of insurance for which the member was insured under the group
 1F policy or policies immediately prior to the date the right of con-
 1G version arose.

1H If any member who has exercised the conversion privilege under
 1I the group policy or policies again becomes a member of the Police
 1J and Firemen's Retirement System of New Jersey, and the indi-
 1K vidual policy obtained pursuant to the conversion privilege is still
 1L in force, he shall not again be eligible for any of the death benefits
 1M provided by sections 5, 6, 7 **[(4)] (3)**, 9 and 10 **[(3)] (5)** of chapter
 1N 255 of the laws of 1944, **[section 5 of chapter 266 of the laws of**
 1O **1953]** and sections 16 and 17 of **[this act] chapter 241 of the laws**
 1P **of 1964**, unless he furnishes satisfactory evidence of insurability.

1Q 23. Section 26 of chapter 241 of the laws of 1964 is amended to
 2 read as follows:

3 26. Benefits under such group policy or policies shall be paid
 4 by the insurance company to such person, if living, as the member
 5 shall have nominated by written designation duly executed and
 6 filed with the insurance company through the policyholder, other-
 7 wise to the executors or administrators of the member's estate**],**
 8 except that if a member dies as a result of an accident met in the
 9 actual performance of duty and claim is made and allowed under
 10 section 10(2) of chapter 255 of the laws of 1944, an amount equal
 11 to the noncontributory death benefit which would otherwise be
 12 payable pursuant to section 9(1) (b) of said chapter 255 shall be
 13 paid to the State Treasurer**].** A member may file with the insur-
 14 ance company through the policyholder and alter from time to time
 15 during his lifetime, as desired, a duly attested written nomination
 16 of his payee for the death benefit.

17 24. Section 27 of chapter 241 of the laws of 1964 is amended to
 18 read as follows:

19 27. Any such group policy or policies shall provide that pay-
 20 ment of any death benefits which are payable by the insurance
 21 company may be made in one sum directly to the beneficiary as
 22 hereinafter provided, in equal **[annual]** installments over a period
 23 of years or as a life annuity or in such other manner as may be made
 24 available by the insurance company. A member may make such ar-
 25 rangements for settlement, and may alter from time to time during
 26 his lifetime any arrangement previously made, by making written

1 request to the insurance company through the policyholder. Upon
 1A the death of a member, a beneficiary to whom a benefit is payable
 1B in one sum by the insurance company may likewise arrange for a
 1C settlement as described above. If a member's or beneficiary's
 1D request for settlement of any death benefit in equal **[annual]** in-
 1E stallments over a period of years or as a life annuity pursuant to
 1F the foregoing is approved by the policyholder, the amount of such
 1G **[annual]** installments or such life annuity, as the case may be,
 1H shall be determined on the basis of such applicable mortality tables
 1I and rates of interest as shall have been adopted by the retirement
 1J system and are in effect at the member's death. Any arrangement
 1K for payment under the group policy to a beneficiary shall be in
 1L lieu of that provided by sections 5, 6, 7 **[(4)]** (3), 9 and 10 **[(3)]**
 1M (5) of chapter 255 of the laws of 1944, **[section 5 of chapter 266**
 1N **of the laws of 1953]** and sections 16 and 17 of **[this act]** *chapter*
 1O *241 of the laws of 1964.*

1P 25. a. Any person entitled to become a member of the Police and
 1Q Firemen's Retirement System shall not be allowed any of the death
 2 benefits established by sections 5, 6, 7(3), 9 and 10(5) of chapter
 3 255 of the laws of 1944, and sections 16 and 17 of chapter 241 of
 4 the laws of 1964, if he makes application for membership beyond
 5 the year after he first became eligible for membership, unless the
 6 member furnishes satisfactory evidence of insurability and on the
 7 effective date of his membership is actively at work and perform-
 8 ing all his regular duties at his customary place of employment.
 9 The effective date of coverage for such death benefits shall be
 10 the first day of the month which immediately follows the date when
 11 such evidence is determined to be satisfactory.

12 b. Such evidence of insurability will not be required of any per-
 13 son becoming a member of the Police and Firemen's Retirement
 14 System upon transfer from another State-administered retirement
 15 system, if such system provided death benefits of a similar nature
 16 and the transferring member was covered by such benefits just
 17 prior to the transfer. If such transferring member was not covered
 18 by such benefits just prior to the transfer, he may be allowed the
 19 death benefits of the Police and Firemen's Retirement System
 20 subject to the provisions of subsection a. of this section; provided,
 21 however, that such member must furnish satisfactory evidence of
 22 insurability under the provisions of subsection a. of this section
 23 if he had been unable to give such evidence as a member of the
 24 system from which he transferred.

25 c. Any person who must furnish satisfactory evidence of insur-
 26 ability under the provisions of this section and who ceases to be

1 a member of the retirement system without such evidence having
1A been given, shall continue to be subject to the same requirement
1B if he subsequently becomes a member.

1C 26. a. Upon the death after retirement of any member of the
1D retirement system there shall be paid to his widow or dependent
1E widower a pension of 25% of average final compensation for the
1F use of herself or himself, to continue during her or his widowhood,
1G plus 15% of such compensation payable to one surviving child or
1H an additional 25% of such compensation to 2 or more children; if
1I there is no surviving widow or dependent widower or in case the
1J widow or dependent widower dies or remarries, 20% of average
1K final compensation will be payable to one surviving child, 35% of
1L such compensation to 2 surviving children in equal shares and if
1M there be 3 or more children, 50% of such compensation would be
1N payable to such children in equal shares.

1O b. The increased pension benefits payable under this act shall
1P apply only to cases where such policeman or fireman retires on
1Q or after the effective date of this amendatory and supplementary
2 act and shall not affect pensions paid or to be paid as a result of
3 retirements occurring prior to said date.

4 c. As of the effective date of this amendatory and supplementary
5 act, all widows' pensions previously granted pursuant to the pro-
6 visions of section 10 of chapter 255 of the laws of 1944, as amended,
7 and all such pensions previously granted, or to be granted where
8 retirement for accidental disability occurred prior to said date,
9 pursuant to the provisions of section 7(3) of chapter 255 of the
10 laws of 1944, as amended, will be subject to a maximum, annual,
11 aggregate payment of \$1,600.00.

12 27. A pension, an annuity or a retirement allowance granted
13 under the provisions of this act shall be effective only on the first
14 day of a month, shall be paid in equal monthly installments, and
15 shall not be decreased, increased, revoked or repealed, except as
16 otherwise provided in this act; provided, however, that at the time
17 any benefit becomes payable any unpaid balance of a loan or ar-
18 rearage outstanding shall be deducted from any benefit otherwise
19 payable.

20 Upon the death of a retirant, any unpaid benefits due him shall
21 be paid in one lump sum to such person, if living, as he shall have
22 nominated by written designation duly executed and filed with the
23 board of trustees, otherwise to the executor or administrator of
24 the retirant's estate. No pension, annuity or retirement allowance
25 shall be due to a retirant or beneficiary unless it constitutes a pay-
26 ment for an entire month.

1 28. The designation of beneficiary by a member or retirant shall
1A be made in writing on a form satisfactory to the retirement system,
1B and filed with the retirement system. The member or retirant may,
1C from time to time and without the consent of his death benefit
1D designee, change the beneficiary by filing written notice of the
1E change with the system on a form satisfactory to it. The new nomi-
1F nation will be effective on the date the notice, in proper form, is
1G received by the system, and any prior nomination shall thereupon
1H become void.

1I If more than one beneficiary is nominated and in such nomina-
1J tion the member or retirant has failed to specify their respective
1K interests, the beneficiaries shall share equally. If any beneficiary
1L predeceases the member or retirant, the interest of such beneficiary
1M shall terminate and shall be shared equally by such of the bene-
1N ficiaries as survive the member or retirant, unless the member or
1O retirant has made written request to the contrary in his beneficiary
1P nomination.

1Q Any amounts due for which there is no beneficiary at the death
2 of a member, retirant or beneficiary shall be payable to the estate
3 of such member, retirant or beneficiary.

4 Except with regard to the payment of the member's accumulated
5 deductions and the payment, upon the death of a retirant after
6 attaining the age of 55 years, of the death benefits provided in
7 sections 5, 6, 7(3), 9 and 10(5) of chapter 255 of the laws of 1944
8 and sections 16 and 17 of chapter 241 of the laws of 1964, a member
9 may elect, by making written request to the retirement system,
10 that the whole or any part of his death benefits be made payable
11 to his beneficiary either as a life annuity or in equal installments
12 over a period of years specified in such election, and may alter
13 such election from time to time during his lifetime by again making
14 such written request. In the event of a change of beneficiary, any
15 previous arrangement by the member or retirant under this para-
16 graph shall be void. The election set forth in this paragraph shall
17 not apply or be available when the beneficiary is an estate, or a
18 corporation, partnership, association, institution, trustee, or any
19 fiduciary.

20 If, at the member's or retirant's death, an amount of death bene-
21 fit would be payable to the beneficiary in a single sum, any election
22 with regard to such amount which was available to the member
23 or retirant immediately prior to his death in accordance with the
24 provisions of the immediately preceding paragraph shall then be
25 available to such beneficiary for the benefit of such beneficiary.

26 The provisions of this section shall be construed separately with

1 respect to each of the death benefits for which a beneficiary is des-
1A ignated by the member or retirant.

1B 29. a. In the case of any person who was required to become a
1C member of the retirement system as a condition of employment,
1D and whose application for enrollment in the retirement system or
1E whose application for transfer from one employer to another within
1F the system was filed beyond the effective date for his compulsory
1G enrollment in the system or his transfer within the system, such
1H person shall be required to purchase membership credit for his
1I compulsory coverage by paying into the annuity savings fund the
1J amount required by applying, in accordance with section 15 of
1K chapter 255 of the laws of 1944, his full rate of contribution on his
1L current base salary subject to the retirement system for each year
1M of previous service during which he was required to have been a
1N member.

1O b. If more than 2 years have elapsed from the time that contri-
1P butions would have been required from such person, $\frac{1}{2}$ of the
1Q employee's cost, established by the computation provided by sub-
2 section a. of this section, will be required of his employer and shall
3 be included in the next budget subsequent to the certification of
4 this special liability by the retirement system. The amount certi-
5 fied by the system shall be payable by the employer to the pension
6 accumulation fund and shall be due and owing to the system even
7 if the employee is no longer in the employ of the employer by the
8 date such moneys are to be paid to the system.

9 c. The employee's obligation may be satisfied by regular install-
10 ments, equal to at least $\frac{1}{2}$ the full normal contribution to the re-
11 tirement system, over a maximum period of 10 years.

12 d. In the case of any person coming under the provisions of this
13 section, full pension credit for the period of employment for which
14 arrears are being paid by the employee shall be given upon the
15 payment of at least $\frac{1}{2}$ of the total employee's arrearage obligation
16 and the completion of 1 year of membership and the making of
17 such arrears payments, except that in the case of retirement pur-
18 suant to section 5 of chapter 255 of the laws of 1944 and sections
19 16 and 17 of chapter 241 of the laws of 1964, the total membership
20 credit for such service shall be in direct proportion as the amount
21 paid bears to the total amount of the arrearage obligation of the
22 employee.

23 30. a. If any member of the retirement system receives periodic
24 benefits payable under the Workmen's Compensation Law during
25 the course of his active service, in lieu of his normal compensation,
26 his regular salary deductions shall be paid to the retirement sys-

1 tem by his employer. Such payments shall be computed, in accord-
 1A ance with section 15 of chapter 255 of the laws of 1944, at the full
 1B rate of contribution on the base salary subject to the retirement
 1C system, just prior to the receipt of the workmen's compensation
 1D benefits. The moneys paid by the employer shall be credited to
 1E the member's account in the annuity savings fund and shall be
 1F treated as employee contributions for all purposes. The employer
 1G will terminate the payment of these moneys when the periodic
 1H benefits payable under the Workmen's Compensation Law are
 1I terminated.

1J The member for whom the employer is making such payments,
 1K will be considered as if he were in the active service.

1L b. No application for retirement benefits may be approved by
 1M the board of trustees while the member, applying for such benefits,
 1N is in receipt of periodic benefits under the Workmen's Compens-
 1O sation Law.

1P 31. a. Section 12 of P. L. 1944, chapter 255 is repealed.

1Q b. Sections 5 and 6 of P. L. 1953, chapter 266 is repealed.

2 c. Section 2 of P. L. 1960, chapter 109 is repealed.

3 d. Section 3 of P. L. 1961, chapter 12 is repealed.

4 32. This act shall take effect **[July 1, 1967]** ***immediately*
 5 *except that the insurance death benefits payable under this act shall*
 6 *be applicable to deaths occurring on or after July 1, 1967**.*

SENATE, No. 2250

STATE OF NEW JERSEY

INTRODUCED APRIL 26, 1971

By Senator WOODCOCK

(Without Reference)

AN ACT concerning the police and firemen's retirement system for the police and firemen of a municipality, county or political subdivision thereof and revising parts of the statutory law.

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

1 1. Section 1 of P. L. 1944, c. 255 (C. 43:16A-1) is amended to
2 read as follows:

3 1. **[The following words and phrases as]** *As* used in this act
4 **[unless a different meaning is plainly required by the context shall**
5 **have the following meanings]:**

6 (1) "Retirement system" shall mean the Police and Firemen's
7 Retirement System of New Jersey as defined in section 2 of this
8 act.

9 (2) "Policeman or fireman" shall mean any permanent and
10 full-time active uniformed employee, and any active permanent
11 and full-time employee who is a detective, lineman, fire alarm
12 operator**[, mechanical repairman, automotive mechanic, supervisor**
13 **of automotive mechanics]** or inspector of combustibles of any
14 police or fire department of a municipality or a fire department
15 of a fire district located in a township or a county police *or park*
16 *police* department.

17 (3) "Member" shall mean any policeman or fireman included
18 in the membership of the retirement system as provided in section
19 3 of this act.

20 (4) "Board of trustees" or "board" shall mean the board pro-
21 vided for in section 13 of this act.

22 (5) "Medical board" shall mean the board of physicians pro-
23 vided for in section 13 of this act.

24 (6) "Employer" shall mean the county, municipality or

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

25 political subdivision thereof which pays the particular policeman
26 or fireman.

27 (7) "Service" shall mean service as a policeman or fireman or
28 county policeman paid for by an employer.

29 (8) "Creditable service" shall mean service rendered for which
30 credit is allowed as provided under section 4 of this act.

31 (9) "Regular interest" shall mean interest as determined an-
32 nually by the State Treasurer after consultation with the Directors
33 of the Divisions of Investment and Pensions and the actuary of
34 the system. It shall bear a reasonable relationship to the per-
35 centage rate of earnings on investments but shall not exceed 105%
36 of such percentage rate.

37 (10) "Aggregate contributions" shall mean the sum of all the
38 amounts, deducted from the compensation of a member or con-
39 tributed by him or on his behalf, standing to the credit of his
40 individual account in the annuity savings fund.

41 (11) "Annuity" shall mean payments for life derived from the
42 aggregate contributions of a member.

43 (12) "Pension" shall mean payments for life derived from con-
44 tributions by the employer.

45 (13) "Retirement allowance" shall mean the pension plus the
46 annuity.

47 (14) "Earnable compensation" shall mean the full rate of the
48 salary that would be payable to an employee if he worked the full
49 normal working time for his position. In cases where salary
50 includes maintenance, the retirement system shall fix the value of
51 that part of the salary not paid in money which shall be considered
52 under this act.

53 (15) "Average final compensation" shall mean the average
54 annual salary upon which contributions are made for the [5] 3
55 years of creditable service immediately preceding his retirement
56 or death, or it shall mean the average annual salary for which con-
57 tributions are made during any [5] 3 fiscal years of his or her
58 membership providing the largest possible benefit to the member
59 or his beneficiary.

60 (16) "Retirement" shall mean [withdrawal from] the termina-
61 tion of the member's active service with a retirement allowance
62 granted and paid under the provisions of this act.

63 (17) "Annuity reserve" shall mean the present value of all
64 payments to be made on account of any annuity or benefit in lieu
65 of any annuity computed upon the basis of such mortality tables
66 recommended by the actuary as shall be adopted by the board of
67 trustees, and regular interest.

68 (18) "Pension reserve" shall mean the present value of all
 69 payments to be made on account of any pension or benefit in lieu
 70 of any pension computed upon the basis of such mortality tables
 71 recommended by the actuary as shall be adopted by the board of
 72 trustees, and regular interest.

73 (19) "Actuarial equivalent" shall mean a benefit of equal value
 74 when computed upon the basis of such mortality tables recom-
 75 mended by the actuary as shall be adopted by the board of trustees,
 76 and regular interest.

77 (20) "Beneficiary" shall mean any person receiving a retire-
 78 ment allowance or other benefit as provided by this act.

79 (21) "Child" shall mean a deceased member's *or retirant's* un-
 80 married child either (a) under the age of 18 or (b) of any age
 81 who, at the time of the member's *or retirant's* death, is disabled
 82 because of mental retardation or physical incapacity, is unable
 83 to do any substantial, gainful work because of the impairment
 84 and his impairment has lasted or can be expected to last for a con-
 85 tinuous period of not less than 12 months, as affirmed by the medical
 86 board.

87 (22) ["Dependent parent"] "*Parent*" shall mean the parent of
 88 a member who was receiving at least $\frac{1}{2}$ of his support from the
 89 member in the 12-month period immediately preceding the mem-
 90 ber's death *or the accident which was the direct cause of the*
 91 *member's death*. The dependency of such a parent will be con-
 92 sidered terminated by marriage of the parent subsequent to the
 93 death of the member.

94 (23) ["Dependent widower"] "*Widower*" shall mean the man
 95 to whom a member *or retirant* was married at least 5 years before
 96 the date of her death and to whom she continued to be married
 97 until the date of her death and who was receiving at least $\frac{1}{2}$ of
 98 his support from the member *or retirant* in the 12-month period
 99 immediately preceding the member's *or the retirant's* death *or the*
 100 *accident which was the direct cause of the member's death*. The
 101 dependency of such a widower will be considered terminated by
 102 marriage of the widower subsequent to the death of the member
 103 *or retirant*. In the event of the payment of an accidental death
 104 benefit, the 5-year qualification shall be waived.

105 (24) "Widow" shall mean the woman to whom a member *or*
 106 *retirant* was married at least 5 years before the date of his death
 107 and to whom he continued to be married until the date of his death
 108 and who [has not remarried] *was receiving at least $\frac{1}{2}$ of her*
 109 *support from the member or retirant in the 12-month period im-*
 110 *mediately preceding the member's or the retirant's death or the*

111 accident which was the direct cause of the member's death. The
 112 dependency of such a widow will be considered terminated by the
 113 marriage of the widow subsequent to the member's or the retirant's
 114 death. In the event of the payment of an accidental death benefit,
 115 the 5-year qualification shall be waived.

116 (25) "Fiscal year" shall mean any year commencing with July
 117 1, and ending with June 30, next following.

118 (26) "Compensation" shall mean the base salary, for services
 119 as a member as defined in this act, which is in accordance with
 120 established salary policies of the member's employer for all em-
 121 ployees in the same position but shall not include individual salary
 122 adjustments which are granted primarily in anticipation of the
 123 member's retirement or additional remuneration for performing
 124 temporary duties beyond the regular work day.

1 2. Section 5 of P. L. 1944, c. 255 (C. 43:16A-5) is amended to
 2 read as follows:

3 5. (1) Any member in service who has attained age 55 years
 4 may retire on a service retirement allowance upon filing a written
 5 and duly executed application to the retirement system, setting
 6 forth at what time, not less than [30 days] 1 month subsequent
 7 to the filing thereof, he desires to be retired. Any member in
 8 service who attains age 65 years shall be retired on a service re-
 9 tirement allowance forthwith [or] on the first day of the next
 10 calendar month.

11 (2) Upon retirement for service a member shall receive a ser-
 12 vice retirement allowance which shall consist of:

13 (a) An annuity which shall be the actuarial equivalent of his
 14 aggregate contributions [at the time of retirement] and

15 (b) A pension in the amount which, when added to the member's
 16 annuity, will provide a total retirement allowance of $\frac{1}{60}$ of his
 17 average final compensation multiplied by the number of years
 18 of his creditable service, or 2% of his average final compensation
 19 multiplied by the number of years of his creditable service up to
 20 25 plus 1% of his final compensation multiplied by the number of
 21 years of creditable service over 25, whichever is greater.

22 (3) Upon the receipt of proper proofs of the death of a member
 23 who has retired on a service retirement allowance, there shall be
 24 paid to his beneficiary an amount equal to [1/4] $\frac{1}{2}$ of the com-
 25 pensation upon which contributions by the member to the annuity
 26 savings fund were based in the last year of creditable service.

1 3. Section 6 of P. L. 1944, c. 255 (C. 43:16A-6) is amended to
 2 read as follows:

3 6. (1) Upon the written application by a member in service, by
 4 one acting in his behalf or by his employer, any member, under 55
 5 years of age, who has had 5 or more years of creditable service may
 6 be retired, not less than [30 days] *1 month* next following the date
 7 of filing such application, on an ordinary disability retirement
 8 allowance; provided, that the medical board, after a medical ex-
 9 amination of such member, shall certify that such member is men-
 10 tally or physically incapacitated for the performance of his usual
 11 duty and of any other available duty in the department which his
 12 employer is willing to assign to him and that such incapacity is
 13 likely to be permanent and to such an extent that he should be re-
 14 tired.

15 (2) Upon retirement for ordinary disability, a member shall
 16 receive an ordinary disability retirement allowance which shall
 17 consist of:

18 (a) An annuity which shall be the actuarial equivalent of his
 19 aggregate contributions [at the time of retirement] and

20 (b) A pension in the amount which, when added to the member's
 21 annuity, will provide a total retirement allowance of $1\frac{1}{2}\%$ of aver-
 22 age final compensation multiplied by his number of years of credit-
 23 able service but in no event shall the total allowance be less than
 24 40% of the member's average final compensation.

25 (3) Upon the receipt of proper proofs of the death of a member
 26 who has retired on an ordinary disability retirement allowance,
 27 there shall be paid to such member's beneficiary, an amount equal
 28 to $3\frac{1}{2}$ times the compensation upon which contributions by the
 29 member to the annuity savings fund were based in the last year
 30 of creditable service; *provided, however, that* if such death [occurs
 31 before] *shall occur after* the member shall have [reached] *attained*
 32 55 years of age [but if such death occurs thereafter, an] *the* amount
 33 *payable shall* equal [to $\frac{1}{4}$] $\frac{1}{2}$ of such compensation instead of
 34 $3\frac{1}{2}$ times such compensation.

1 4. Section 7 of P. L. 1944, c. 255 (C. 43:16A-7) is amended to
 2 read as follows:

3 7. (1) Upon the written application by a member *in service*, by
 4 one acting in his behalf or by his employer any member may be
 5 retired, not less than [30 days] *1 month* next following the date
 6 of filing such application, on an accidental disability retirement
 7 allowance; provided, that the medical board, after a medical ex-
 8 amination of such member, shall certify that the member is per-
 9 manently and totally disabled as a direct result of a traumatic
 10 event occurring during and as a result of the performance of his
 11 regular or assigned duties and that such disability was not the

12 result of the member's willful negligence and that such member
 13 is mentally or physically incapacitated for the performance of his
 14 usual duty and of any other available duty in the department which
 15 his employer is willing to assign to him. The application to ac-
 16 complish such retirement must be filed within 5 years of the orig-
 17 inal traumatic event, but the board of trustees may consider an
 18 application filed after the 5-year period if it can be factually dem-
 19 onstrated to the satisfaction of the board of trustees that the disa-
 20 bility is due to the accident and the filing was not accomplished
 21 within the 5-year period due to a delayed manifestation of the
 22 disability or *to* other circumstances beyond the control of the
 23 member.

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

27 (a) An annuity which shall be the actuarial equivalent of [the
 28 member's] *his* aggregate contributions [at retirement] and

29 (b) A pension *in the amount which, when added* [, in addition]
 30 to the *member's* annuity, [equal to] *will provide a total retirement*
 31 *allowance of $\frac{2}{3}$ of the member's actual annual compensation for*
 32 *which contributions were being made at the time of the occurrence*
 33 *of the accident.*

34 (3) Upon receipt of proper proofs of the death of a member
 35 who has retired on accidental disability retirement allowance, there
 36 shall be paid to such member's beneficiary, an amount equal to $3\frac{1}{2}$
 37 times the compensation upon which contributions by the member
 38 to the annuity savings fund were based in the last year of credit-
 39 able service; *provided, however, that* if such death [occurs before]
 40 *shall occur after* the member shall have [reached] *attained* 55
 41 years of age [but if such death occurs thereafter, an] *the* amount
 42 *payable shall equal* [to $\frac{1}{4}$] $\frac{1}{2}$ of such compensation instead of
 43 $3\frac{1}{2}$ times such compensation.

44 (4) Permanent and total disability resulting from a cardiovas-
 45 cular, pulmonary or musculo-skeletal condition which was not a
 46 direct result of a traumatic event occurring in the performance of
 47 duty shall be deemed an ordinary disability.

1 5. Section 8 of P. L. 1944, c. 255 (C. 43:16A-8) is amended to
 2 read as follows:

3 8. (1) Upon the receipt by the retirement system of a written
 3A application for a disability retirement allowance, the system shall
 3B refer the application to the medical board, which shall designate a
 4 physician or physicians to examine the applicant and the report

5 of the medical board shall be considered by the board of trustees
6 in acting upon such application.

7 (2) Any beneficiary under the age of 55 years who has been
8 retired on a disability retirement allowance under this act, on his
9 request *shall*, or upon the request of the [board of trustees shall]
10 *retirement system may*, be given a medical examination and he
11 shall submit to an examination by a physician or physicians desig-
12 nated by the medical board [at such place to be mutually agreed
13 upon, twice a year for a period of 3 years and] once a year [there-
14 after] *for at least a period of 5 years following his retirement in*
15 *order to determine whether or not the disability which existed at*
16 *the time he was retired has vanished or has materially diminished.*
17 *If the report of the medical board shall show that such beneficiary*
18 *is able to perform either his former duty or any other available*
19 *duty in the department which his employer is willing to assign to*
20 *him, the beneficiary shall report for duty [within 10 days]; such a*
21 *beneficiary shall not suffer any loss of benefits while he awaits his*
22 *restoration to active service.* If the beneficiary fails to submit to
23 any such medical examination or fails to return to duty within 10
24 days after being ordered so to do, or within such further time as
25 may be allowed by the board of trustees for valid reason, as the
26 case may be, the pension shall be discontinued during such default.

27 (3) If such beneficiary is engaged in an occupation paying more
28 than the difference between (a) his retirement allowance and (b)
29 the salary now attributable to his former position in the police or
30 fire department plus 25% in excess of such salary, the amount of
31 his pension shall be reduced to an amount which, together with his
32 annuity and the amount of his earnings, shall equal the amount of
33 the salary now attributable to his former position in the police and
34 fire department plus 25% in excess of such salary. Should his
35 earnings be later changed, the amount of his pension shall be
36 further modified; provided, that the new [position] *pension shall*
37 *not exceed the amount of the pension originally granted.*

38 (4) [A beneficiary restored to active service at a salary not less
39 than the salary he received at the time he was retired shall become
40 a member of the retirement system and shall be entitled to his
41 previous total service credit, but on his subsequent retirement, he
42 shall not receive a greater pension on account of his service
43 rendered before his previous retirement than he was entitled to
44 receive at the time of his restoration, anything to the contrary
45 notwithstanding.]

46 *If a disability beneficiary is restored to active service, his re-*
47 *tirement allowance and the right to any death benefit as a result*

48 of his former membership, shall be cancelled until he again retires.

49 Such person shall be reenrolled in the retirement system and
50 shall contribute thereto at a rate based on his age at the time of his
51 prior enrollment. Such person shall be treated as an active member
52 for determining disability or death benefits while in service.

53 Upon subsequent retirement of such member, he shall receive a
54 retirement allowance based on all his service as a member computed
55 in accordance with applicable provisions of this act, but the total
56 retirement allowance upon subsequent retirement shall not be a
57 greater proportion of his average final compensation than the
58 proportion to which he would have been entitled had he remained
59 in service during the period of his prior retirement. Any death
60 benefit to which such member shall be eligible shall be based on his
61 latest retirement.

1 6. Section 9 of P. L. 1944, c. 255 (C. 43:16A-9) is amended to
2 read as follows:

3 9. (1) Upon the receipt of proper proof of the death of a member
4 in active service on account of which no accidental death benefit is
5 payable under section 10 there shall be paid to such member's
6 beneficiary:

7 (a) The member's aggregate contributions at the time of death
8 and

9 (b) An amount equal to $3\frac{1}{2}$ times the compensation upon which
10 contributions by the member to the annuity savings fund were
11 based in the last year of creditable service.

12 (2) a. For the purposes of this section and section [10] 10 (5),
13 a member of the Police and Firemen's Retirement System shall be
14 deemed to be an active member for a period of no more than 93
15 days while on official leave of absence without pay when such leave
16 is due to any reason other than illness, and for a period of not more
17 than 1 year in the event of an official leave (a) due to the member's
18 maternity, or (b) to fulfill a residency requirement for an advanced
19 degree, or (c) as a full-time student at an institution of higher
20 education, and (1) while he is disabled due to sickness or injury
21 arising out of or in the course of his employment as a member to
22 whom this act applies, is not engaged in any gainful occupation,
23 and is receiving or entitled to receive periodic benefits (including
24 any commutation of, or substitute for, such benefits) for loss of
25 time on account of such disability under or by reason of workmen's
26 compensation law, occupational disease law or similar legislation
27 and has not retired or terminated his membership; or (2) for a
28 period of no more than 2 years while on official leave of absence
29 without pay if satisfactory evidence is presented to the retirement

30 system that such leave of absence without pay is due to *the mem-*
 31 *ber's personal illness other than an illness to which (1) above*
 32 *applies.*

33 b. [Except in the case of members who have elected to receive
 34 (1) a deferred retirement allowance pursuant to section 17 of chap-
 35 ter 241 of the public laws of 1964, as amended, or (2) an early
 36 retirement allowance pursuant to section 16 of chapter 241 of the
 37 public laws of 1964, as amended, after separation from service
 38 pursuant to the aforesaid section 17, if] *If a member dies within*
 39 *30 days after the date of retirement or the date of board approval,*
 40 *whichever is later, a death benefit shall be payable only if he is*
 41 *deemed to be an active member in accordance with [subpart a. of]*
 42 *this [subsection] section; provided, however, a member applying*
 43 *for disability benefits shall be deemed an active member if he was*
 44 *covered by the death benefit provisions of the act at the termination*
 45 *of employment, filed the application for disability retirement with*
 46 *the retirement system within 30 days following such termination*
 47 *of employment and dies within 30 days after the date of retirement*
 48 *or the date of board approval, whichever is later.*

1 7. Section 13 of P. L. 1944, c. 255 (C. 43:16A-13) is amended to
 2 read as follows:

3 13. (1) Subject to the provisions of chapter 70 of the laws of
 4 1955, the general responsibility for the proper operation of the
 5 retirement system [and for making effective the provisions of this
 6 act are] *is hereby vested in a board of trustees.*

7 (2) The board shall consist of nine trustees as follows:

8 (a) Four members to be appointed by the Governor, who shall
 9 serve at the pleasure of the Governor and until their successors
 10 are appointed and who shall be private citizens of the State of New
 11 Jersey who are neither an officer thereof nor [a] *an active or*
 12 *retired member of any police or fire department thereof.*

13 (b) The State Treasurer[, ex officio] *or the Deputy State Treas-*
 14 *urer, when designated for that purpose by the State Treasurer.*

15 (c) Two policemen and two firemen who shall be members of
 16 the system and who shall be elected by the members of the system
 17 for a term of 4 years according to such rules and regulations as
 18 the board of trustees shall adopt to govern such election[; provided,
 19 however, that the elections conducted for the terms commencing
 20 July 1, 1964 shall provide for the election of two firemen representa-
 21 tives, the candidate receiving the highest number of votes to be
 22 elected for a 4-year term and the candidate receiving the next
 23 highest number of votes to be elected for a 2-year term, and pro-
 24 vided further, the elections conducted for the terms commencing

25 July 1, 1966 shall provide for the election of two policemen repre-
26 sentatives, the candidate receiving the highest number of votes to
27 be elected for a 4-year term and the candidate receiving the next
28 highest number of votes to be elected for a 2-year term. At each
29 election thereafter, one policeman representative and one fireman
30 representative shall be elected for a 4-year term.】

31 (3) Each trustee shall, after his appointment or election, take
32 an oath of office that, so far as it devolves upon him he will diligently
33 and honestly 【administer the affairs of the said】 *fulfill his duties*
34 *as a board member*, and that he will not knowingly violate or will-
35 ingly permit to be violated any of the provisions of the law ap-
36 plicable to the retirement system. Such oath shall be subscribed
37 by the member making it, and certified by the officer before whom
38 it is taken, and immediately filed in the office of the Secretary of
39 State.

40 (4) If a vacancy occurs in the office of a trustee, the vacancy
41 shall be filled 【for the unexpired term】 in the same manner as the
42 office was previously filled.

43 (5) The trustees shall serve without compensation, but they shall
44 be reimbursed for all necessary expenses that they may incur
45 through service on the board.

46 (6) Each trustee shall be entitled to one vote in the board. Five
47 trustees must be present at any meeting of said board for the
48 transaction of its business.

49 (7) Subject to the limitations of this act, the board of trustees
50 shall【, from time to time,】 *annually* establish rules and regulations
51 for the administration of the funds created by this act and for the
52 transaction of its business. *Such rules and regulations shall be*
53 *consistent with those adopted by the other pension funds within*
54 *the Division of Pensions in order to permit the most economical*
55 *and uniform administration of all such retirement systems.*

56 (8) The board of trustees shall elect from its membership a
57 chairman. The Chief of the Bureau of Police and Fire Funds of
58 the Division of Pensions of the State Department of the Treasury
59 shall be the secretary of the board. The administration of the
60 program shall be performed by the personnel of the Division of
61 Pensions.

62 (9) The board of trustees shall keep a record of all of its
63 proceedings which shall be open to public inspection. 【It】 *The*
64 *retirement system* shall publish annually a report showing the fiscal
65 transactions of the retirement system for the preceding year, the
66 amount of the accumulated cash and securities of the system, and
67 the last balance sheet showing the financial condition of the system

68 by means of an actuarial valuation of the assets and liabilities of
69 the retirement system.

70 (10) The Attorney General of the State of New Jersey shall be
71 the legal advisor of the board of trustees.

72 (11) The [board of trustees] *State Treasurer* shall designate a
73 medical board [to be] *after consultation with the Director of the*
74 *Division of Pensions, subject to veto by the board of trustees for*
75 *valid reason. It shall be* composed of three physicians [as the
76 board shall designate] who are not eligible to participate in the
77 retirement system. [If required, other physicians may be employed
78 to report on special cases.] The medical board shall pass upon
79 all medical examinations required under the provisions of this act,
80 shall investigate all essential statements and certificates by or on
81 behalf of a member in connection with an application for disability
82 retirement, and shall report in writing to the [board of trustees]
83 *retirement system* its conclusions and recommendations upon all
84 matters referred to it.

85 (12) The actuary of the system shall be designated by the State
86 Treasurer after consultation with the Director of the Division of
87 Pensions, subject to veto by the board for valid reason. He shall
88 be the technical advisor of the board of trustees on matters regard-
89 ing the operation of the funds created by the provisions of this
90 act, and shall perform such other duties as are required in connec-
91 tion therewith.

92 (13) [The actuary shall prepare and submit to the board of
93 trustees the mortality and service tables which he recommends
94 to the board for adoption and the board shall adopt for the retire-
95 ment system such mortality and service tables as shall be deemed
96 necessary, and shall certify the rates of contributions payable
97 under the provisions of this act. At least once]

98 *Once* in each 5-year period [following the establishment of the
99 system,] the actuary shall make an actuarial investigation into the
100 mortality, service and compensation experience of the members
101 and beneficiaries of the retirement system and, [taking into account
102 the result of such investigation] *with the advice of the actuary*, the
103 board of trustees shall adopt for the retirement system such
104 mortality, service and other tables as shall be deemed necessary
105 and shall certify the rates of contribution payable under the provi-
106 sions of this act.

107 (14) (Deleted by amendment.)

108 (15) On the basis of such tables recommended by the actuary as
109 the board of trustees shall adopt and regular interest, the actuary

110 shall make an annual valuation of the assets and liabilities of the
111 funds of the system created by this act.

112 (16) The various funds created by this act shall be subject to
113 the supervision of the Department of Insurance of the State of
114 New Jersey.

115 (17) Each policeman or fireman member of the board of trustees
116 shall be entitled to time off from his municipal or county duty, with
117 pay, during the periods of his attendance upon regular or special
118 meetings of the board of trustees [or its duly appointed com-
119 mittees], and such time off shall include reasonable travel time
120 required in connection therewith.

1 8. Section 15 of P. L. 1944, c. 255 (C. 43:16A-15) is amended to
2 read as follows:

3 15. (1) The contributions required for the support of the retire-
4 ment system shall be made by members and their employers.

5 (2) Upon the basis of such tables recommended by the actuary as
6 the board shall adopt and regular interest, the actuary of the retire-
7 ment system shall determine for each age at entrance into the
8 system the percentage of compensation of the member entering at
9 such age, exclusive of the additional contribution prescribed by sub-
10 section (15) (3) (c), which, if deducted from each payment of his
11 prospective earnable compensation throughout active service, is
12 computed to be sufficient to provide for all benefits on account of his
13 membership.

14 (3) (a) The percentage contribution rate of each member, ex-
15 clusive of the additional contribution prescribed by subsection
16 (15) (3) (c), shall be fixed according to his age at entrance into
17 membership and shall be $\frac{1}{2}$ of the total percentage contribution
18 rate calculated for such age to be required to provide all benefits
19 except the pensions upon accidental disability and the benefits pay-
20 able upon death.

21 (b) Notwithstanding the provisions of subsection (15) (3) (a),
22 the percentage contribution rates for members of the retirement
23 system exclusive of the additional contribution prescribed by sub-
24 section (15) (3) (c), shall be fixed at the contribution rates in effect
25 as of July 1, 1967.

26 (c) Effective July 1, 1968, all proportions of compensation are
27 increased by an additional 1% of compensation which is subject to
28 deductions from the compensation of members or contributions
29 made on their behalf by their employers in lieu of such deductions.

30 (4) Each employer shall make a contribution equal to that made
31 by each member in its employ and in addition shall make a con-
32 tribution equal to the percentage of the compensation of each such

33 member certified by the retirement system to be required to provide
 34 the cost of accidental disability pensions and any death benefits on
 35 his account. Notwithstanding this provision, the retirement system
 35A shall certify an average and uniform rate for payments by all
 35B employers, which shall be set on the basis of the annual actuarial
 35C valuations to be sufficient to provide with previous contributions
 35D of employers all benefits for which employers are responsible. *This*
 35E *shall be known as the "normal contribution."*

35F (5) In addition each employer shall make such contributions, if
 35G any, as is certified by the retirement system to be required to pro-
 35H vide for accrued liability arising out of all prior service granted to
 35I members chargeable to such employer.

35J (6) The percentage rates of contribution payable by future mem-
 36 bers and all employers shall be subject to adjustment from time to
 37 time by the board of trustees with the advice of the actuary on the
 38 basis of annual actuarial valuations and experience investigations
 39 as provided under section 13, so that the value of future contribu-
 40 tions of members and employers, when taken with present assets,
 41 shall be equal to the value of prospective benefit payments.

42 (7) The retirement system shall certify to the chief fiscal officer
 43 of each employer the percentage of salary payable by each member
 44 and by the employer in behalf of [each member] *his employee*
 45 *members*. The employer shall cause to be deducted from the salary
 46 of each member the percentage of earnable compensation of each
 47 member. [In determining the amount earnable by a member in a
 48 payroll period, the] *The retirement system [may consider the rate*
 49 *of salary payable to such member on the first day of the payroll*
 50 *period as continuing throughout such payroll period]* *shall certify*
 51 *to each employer the proportion of each member's compensation*
 52 *to be deducted*, and to facilitate the making of deductions it may
 53 modify the deduction required of any member by such an amount
 54 as shall not exceed $\frac{1}{10}$ of 1% of the compensation upon the basis of
 55 which such deduction is to be made.

56 (8) The deductions provided for herein shall be made notwith-
 57 standing that the minimum salary provided for by law for any mem-
 58 ber shall be reduced thereby. Every member shall be deemed to
 59 consent and agree to the deductions made and provided for herein,
 60 and payment of salary or compensation less said deduction shall be
 61 a full and complete discharge and acquittance of all claims and
 62 demands whatsoever for the service rendered by such person dur-
 63 ing the period covered by such payment, except as to the benefits
 64 provided under this act. The chief fiscal officer of each employer
 65 shall certify to the retirement system in such manner as the retire-

66 ment system may prescribe, the amounts deducted; and when de-
 67 ducted shall be paid into said annuity savings fund, and shall be
 68 credited to the individual account of the member from whose salary
 69 said deduction was made.

70 (9) [(a) The amount payable each year by the employer based
 71 on the percentage rates certified by the retirement system, together
 72 with the amount, if any, payable each year by the employer on ac-
 73 count of accrued liability] *Upon the basis of such tables recom-*
 74 *mended by the actuary as the board adopts and regular interest,*
 75 *the actuary shall compute the amount of the unfunded liability as*
 76 *of June 30, 1971 which has accrued on the basis of service rendered*
 77 *prior to July 1, 1971 by all members, including the amount of the*
 78 *liability arising out of prior service as certified by the retirement*
 79 *system, and including the accrued liabilities established by chapter*
 80 *241 of the laws of 1964 and chapter 250 of the laws of 1967. Using*
 81 *the total amount of this unfunded accrued liability, he shall compute*
 82 *the amount of the flat annual payment, which, if paid in each suc-*
 83 *ceeding fiscal year commencing with July 1, 1972, for a period of 40*
 84 *years, will provide for this liability. This shall be known as the*
 85 *"accrued liability contribution."*

86 *The normal and accrued liability contributions as certified by the*
 87 *retirement system shall be included in the budget of the employer*
 88 *and levied and collected in the same manner as any other taxes are*
 89 *levied and collected for the payment of the salaries of members.*

90 [(b) In addition to the amounts indicated in subsection (15) (9)
 91 (a), the additional liabilities created by the provisions of this
 92 amendatory and supplementary act and those of chapter 241 of the
 93 laws of 1964 shall be computed by the actuary as a flat annual pay-
 94 ment, which, if paid in each fiscal year next following the effective
 95 date of this act, for a period of 30 years, will provide for this
 96 liability.]

97 (10) The treasurer or corresponding officer of the employer
 98 shall pay on or before [December 27] *March 31* in each year to the
 99 State Treasurer the amount so certified as payable by the employer
 100 [for said year], and shall pay monthly to the State Treasurer the
 101 amount of the deductions from the salary of the members in the
 102 employ of the employer, and the State Treasurer shall credit such
 103 amount to the appropriate fund or funds, of the retirement system.

104 If payment of the full amount of the employer's obligation is not
 105 made within 30 days of the due date established by this act, interest
 106 at the rate of [4] 6% per annum shall commence to run against the
 107 unpaid balance thereof on the first day after such thirtieth day.

108 If payment in full, representing the *monthly* transmittal and re-

109 port of salary deductions, is not made within 15 days of the due date
 110 established by the retirement system, interest at the rate of 6% per
 111 annum shall commence to run against the total transmittal of salary
 112 deductions for the period on the first day after such fifteenth day.

113 (11) The expenses of administration of the retirement system
 114 shall be paid by the State of New Jersey. Each employer shall
 115 reimburse the State for a proportionate share of the amount paid
 116 by the State for administrative expense. This proportion shall be
 117 computed as the number of members under the jurisdiction of such
 118 employer bears to the total number of members in the system. The
 119 pro rata share of the cost of administrative expense shall be in-
 120 cluded with the certification by the retirement system of the em-
 121 ployer's contribution to the system.

122 (12) Notwithstanding anything to the contrary, the retirement
 123 system shall not be liable for the payment of any pension or other
 124 benefits on account of the employees or beneficiaries of any em-
 125 ployer participating in the retirement system, for which reserves
 126 have not been previously created from funds, contributed by such
 127 employer or its employees for such benefits.

1 9. Section 16 of P. L. 1944, c. 255 (C. 43:16A-16) is amended to
 2 read as follows:

3 16. (1) All the assets of the retirement system shall be credited
 4 according to the purpose for which they are held to one of four
 5 funds, namely, the annuity savings fund, the pension accumulation
 6 fund, the retirement reserve fund, and the special reserve fund.

7 (2) The annuity savings fund shall be a fund in which shall be
 8 credited accumulated contributions [from the compensation of]
 9 by members or on their behalf to provide for their allowances. The
 10 aggregate contributions of a member withdrawn by him or paid
 11 to his estate or his designated beneficiary in event of his death as
 12 provided in this act shall be paid from the annuity savings fund.
 13 Upon the retirement [or death] of a member where the aggregate
 14 contributions of the member are to be provided in the form of an
 15 annuity, the aggregate contributions of the member shall be trans-
 16 ferred from the annuity savings fund to the retirement reserve fund.

17 (3) The pension accumulation fund shall be the fund in which
 18 shall be credited contributions made by employers. Upon the death
 19 of a member either before or after retirement any lump sum benefit
 20 payable [in addition to the employee's contributions,] shall be
 21 charged to the pension accumulation fund. Upon the retirement
 22 or death of a member the reserve of any pension payable to or on
 23 his account shall be transferred to the retirement reserve fund.
 24 The retirement system at the end of each fiscal year shall allow

25 *interest on the balance of the retirement reserve fund as of the*
 26 *beginning of said fiscal year at the regular interest rate applicable*
 27 *thereto to cover the interest creditable for the year. The amount*
 28 *so allowed shall be due and payable and shall be credited annually.*
 29 *All other income received on the securities, funds and investments*
 30 *of the retirement system shall be credited to the pension accumu-*
 31 *lation fund, except as provided by subsection (5) of this section.*

32 **[All interest shall be credited to the pension accumulation fund**
 33 **and annually the retirement system shall transfer from the pension**
 34 **accumulation fund to the retirement reserve fund regular interest**
 35 **on the mean amount in the fund for the year. The retirement sys-**
 36 **tem shall also transfer annually from the pension accumulation**
 37 **fund to the special reserve fund, subject to the limitations of that**
 38 **special reserve fund, such portion of the interest earnings as shall**
 39 **be determined by the board of trustees.]** The **[board of trustees**
 40 **in its discretion]** *retirement system, [with] upon the advice of the*
 41 *actuary, [may] shall transfer to and from the pension accumula-*
 42 *tion fund any surplus or deficit in the retirement reserve fund.*

43 (4) The retirement reserve fund shall be the fund **[in which**
 44 **shall be held the reserves on all retirement allowances granted to**
 45 **members or their beneficiaries and]** from which all retirement
 46 allowances and benefits in lieu thereof shall be paid. **[Should a**
 46A **member who retired on account of disability be restored to active**
 47 **service his pension]** *If the retirement allowance of a member who*
 48 *has been retired is subsequently canceled, the appropriate reserve*
 49 *shall be transferred [from the retirement reserve fund] to the*
 50 *pension accumulation fund and [the excess of his aggregate con-*
 51 *tributions as they stood at retirement over the amount of annuity*
 52 *payments made shall be transferred to] the annuity savings fund.*

53 (5) The special reserve fund shall be the fund to which **[shall**
 54 **be credited all profits from the sale of securities and to which]**
 55 *any earnings in excess of the amounts annually allowed under the*
 56 *provisions of subsection (3) of this section shall be transferred*
 57 **[such portion of the interest earnings as shall be determined an-**
 58 **nually by the board of trustees].** No additional amounts shall be
 59 credited to the special reserve fund at any time when the total
 60 accumulations in such fund equal 1% of the book value of the
 61 investments of the retirement system. In this event, any such ex-
 62 cess shall be credited to the pension accumulation fund. All losses
 63 from the sale of securities shall be charged against the special
 64 reserve fund. *The special reserve fund shall be considered for*
 65 *valuation purposes by the actuary as an asset of the retirement*
 66 *system.*

1 10. Section 18 of P. L. 1964, c. 241 (C. 43:16A-16.1) is amended
2 to read as follows:

3 18. Any member who has at least 3 years of service to his credit
4 for which he has contributed as a member may borrow from the
5 retirement system, an amount equal to not more than 50% of the
6 amount of his aggregate contributions, but not less than \$50.00;
7 provided that the amount so borrowed, together with interest
8 thereon, can be repaid by additional deductions from salary, not
9 in excess of 25% of the member's salary, made at the time the
10 salary is paid to the member but not after the attainment of age 55.
11 The amount so borrowed, together with interest at the rate of 4%
12 per annum on any unpaid balance thereof, shall be repaid to the
13 retirement system in equal installments by deductions from the
14 salary of the member at the time the salary is paid *or in such lump*
15 *sum amount to repay the balance of the loan* but such installments
16 shall be at least equal to the member's **[full]** rate of contribution
17 to the retirement system and at least sufficient to repay the amount
18 borrowed with interest thereon by the time the member attains
19 age 55. Not more than two loans may be granted to any member
20 in any calendar year. Notwithstanding any other law affecting the
21 salary or compensation of any person or persons to whom this act
22 applies or shall apply, the additional deductions required to repay
23 the loan shall be made. Any unpaid balance of a loan at the time
24 any benefit may become payable shall be deducted from the benefit
25 otherwise payable.

26 Loans **[may]** *shall* be made to a member from his aggregate
27 contributions. The interest earned on such loans shall be treated
28 in the same manner as interest earned from investments of the
29 retirement system.

1 11. Section 18 of P. L. 1944, c. 255 (C. 43:16A-18) is amended
2 to read as follows:

3 18. Any person who shall knowingly make any false statement
4 or shall falsify or permit to be falsified any record or records of
5 this retirement system in any attempt to defraud such system
6 as a result of such act shall be guilty of a misdemeanor and shall
7 be punishable therefor under the laws of the State of New Jersey.
8 Should any change or error in the records result in any member
9 or person receiving from the retirement system more or less than
10 he would have been entitled to receive had the records been correct,
11 the **[board of trustees]** *retirement system* shall correct such error,
12 and as far as practicable, shall adjust the payments in such manner
13 that the actuarial equivalent of the benefit to which such member
14 or beneficiary was correctly entitled shall be paid. *The actuarial*

15 *equivalent of any shortage in required contributions at the time of*
 16 *retirement on account of misstatement of age, leave of absence, or*
 17 *clerical error, shall be deducted from the retirement allowance*
 18 *otherwise payable.*

1 12. Section 16 of P. L. 1964, c. 241 (C. 43:16A-11.1) is amended
 2 to read as follows:

3 16. Should a member resign after having established 25 years
 4 of creditable service and having attained the age of 51 years but
 5 not the age of 55 years, he may elect [to] "*special retirement,*"
 6 *provided, that such election is communicated by such member to the*
 7 *retirement system by filing a written application, duly attested,*
 8 *stating at what time subsequent to the execution and filing thereof*
 9 *he desires to be retired. He shall receive, in lieu of the payment*
 10 *provided in section 11, a retirement allowance which shall con-*
 11 *sist of:*

12 (1) An annuity which shall be the actuarial equivalent of his
 13 aggregate contributions, and

14 (2) A pension in the amount which, when added to the member's
 15 annuity will provide a total retirement allowance of 2% of his
 16 average final compensation multiplied by the number of years of
 17 his creditable service up to 25 plus 1% of his average final com-
 18 pensation multiplied by the number of years of creditable service
 19 over 25.

20 *The board of trustees shall retire him at the time specified or at*
 21 *such other time within 1 month after the date so specified as the*
 22 *board finds advisable.*

23 Upon the receipt of proper proofs of the death of such a retired
 24 member, there shall be paid to his beneficiary an amount equal
 25 to [1/4] 1/2 of the compensation upon which contributions by the
 26 member to the annuity savings fund were based in the last year
 27 of creditable service.

1 13. Section 17 of P. L. 1964, c. 241 (C. 43:16A-11.2) is amended
 2 to read as follows:

3 17. Should a member, after having established [25] 15 years
 4 of creditable service, be separated voluntarily or involuntarily
 5 from the service, before reaching age 55, and not by removal for
 6 cause or charges of misconduct or delinquency, such person may
 7 elect to receive the payments provided for in section 11 of chapter
 8 255 of the laws of 1944 or section 16 of chapter 241 of the laws of
 9 1964, or a deferred retirement allowance, beginning [at] *on the*
 10 *first day of the month following his attainment of age 55 and the*
 11 *filing of an application therefor, which shall consist of:*

12 (1) An annuity which shall be the actuarial equivalent of his

13 aggregate contributions at the time of **[retirement]** *his severance*
 14 *from the service* and

15 (2) A pension in the amount which, when added to the mem-
 16 ber's annuity, will provide a total retirement allowance of 2%
 17 of his average final compensation multiplied by the number of
 18 years of his creditable service up to 25 plus 1% of his average
 19 final compensation multiplied by the number of years of creditable
 20 service over 25, provided that **[such election is communicated by**
 21 **such member to the retirement system in writing stating at what**
 22 **time subsequent to the execution and filing thereof he desires to**
 23 **be retired; and provided further, that]** such *inactive* member may
 24 **[later]** elect to receive payments provided under section 11 of
 25 chapter 255 of the laws of 1944 or section 16 of chapter 241 of the
 26 laws of 1964 if he had qualified under that section at the time of
 27 leaving service, *except that in order to avail himself of the option,*
 28 *he must exercise such option at least 30 days before the effective*
 29 *date of his retirement.* If such *inactive* member shall die before
 30 attaining age 55, his aggregate contributions shall be paid in ac-
 31 cordance with section 11 of chapter 255 of the laws of 1944 and,
 32 in addition if such *inactive* member shall die after attaining age 55
 33 *but before filing an application for retirement benefits pursuant*
 34 *to this section or section 16 of chapter 241 of the laws of 1964* and
 35 *has not withdrawn his aggregate contributions, or in the event of*
 36 *death after retirement,* an amount equal to **[1/4]** 1/2 of the com-
 37 pensation upon which contributions by the member to the annuity
 38 savings fund were based in the last year of creditable service shall
 39 be paid to such member's **[beneficiaries]** *beneficiary.*

40 *Any member who, having elected to receive a deferred retirement*
 41 *allowance, again becomes an employee covered by the retirement*
 42 *system while under the age of 55, shall thereupon be reenrolled.*
 43 *If he had discontinued his service for more than 2 consecutive years,*
 44 *subsequent contributions shall be at his former rate increased for*
 45 *the years of his inactive membership. He shall be credited with all*
 46 *service as a member standing to his credit at the time of his election*
 47 *to receive a deferred retirement allowance.*

1 14. Section 19 of P. L. 1964, c. 241 (C. 43:16A-17.1) is amended
 2 to read as follows:

3 19. **[Whenever]** *If possible, whenever* any **[person]** *beneficiary*
 4 *shall, in writing, request [and authorize] the [retirement system]*
 5 *Division of Pensions to make deductions from his retirement allow-*
 6 *ance or pension for the purpose of paying premiums for [any*
 7 *hospital service plan and any medical-surgical plan which meets the*
 8 *minimum participation requirements established by rules and reg-*

9 ulations of the board of trustees, the retirement system] *the pen-*
 10 *sioners' group health insurance plan or the State Health Benefits*
 11 *program, the division may make such deductions and transmit the*
 12 *sums so deducted* [directly] *to the* [company] *companies carrying*
 13 *the* [policy or] *policies. Any such written authorization may be*
 14 *withdrawn by any* [member] *beneficiary upon filing a* [written]
 15 *notice of such withdrawal with the* [retirement system] *division.*

1 15. Section 25 of P. L. 1967, c. 250 (C. 43:16A-11.3) is amended
 2 to read as follows:

3 25. a. Any person entitled to become a member of the Police and
 4 Firemen's Retirement System shall not be allowed any of the death
 5 benefits established by sections 5, 6, 7(3), 9 and 10(5) of chapter 255
 6 of the laws of 1944, and sections 16 and 17 of chapter 241 of the laws
 7 of 1964, if (1) he makes application for membership beyond the year
 8 after he first became eligible for membership or (2) *he is eligible for*
 9 *membership on the basis of special legislation*, unless the member
 10 furnishes satisfactory evidence of insurability and on the effective
 11 date of his membership is actively at work and performing all his
 12 regular duties at his customary place of employment. The effective
 13 date of coverage for such death benefits shall be the first day of the
 14 month which immediately follows the date when such evidence is
 15 determined to be satisfactory.

16 b. Such evidence of insurability will not be required of any per-
 17 son becoming a member of the Police and Firemen's Retirement
 18 System upon transfer from another State-administered retirement
 19 system, if such system provided death benefits of a similar nature
 20 and the transferring member was covered by such benefits [just
 21 prior to] *at the time of the transfer. If such transferring member*
 22 *was not covered by such benefits* [just prior to] *at the time of the*
 23 *transfer, he may be allowed the death benefits of the Police and*
 24 *Firemen's Retirement System subject to the provisions of sub-*
 25 *section a. of this section; provided, however, that any such member*
 26 *must furnish satisfactory evidence of insurability under the pro-*
 27 *visions of subsection a. of this section if he had been unable or failed*
 28 *to give such evidence as a member of the system from which he*
 29 *transferred.*

30 c. Any person who must furnish satisfactory evidence of insur-
 31 ability under the provisions of this section and who ceases to be a
 32 member of the retirement system without such evidence having been
 33 given, shall continue to be subject to the same requirement if he
 34 subsequently becomes a member.

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

3 26. a. Upon the death after retirement of any member of the
 4 retirement system there shall be paid to his widow or **[dependent]**
 5 widower a pension of 25% of average final compensation for the use
 6 of herself or himself, to continue during her or his widowhood, plus
 7 15% of such compensation payable to one surviving child or an
 8 additional 25% of such compensation to two or more children; if
 9 there is no surviving widow or **[dependent]** widower or in case the
 10 widow or **[dependent]** widower dies or remarries, 20% of average
 11 final compensation will be payable to one surviving child, 35% of
 12 such compensation to two surviving children in equal shares and
 13 if there be three or more children, 50% of such compensation would
 14-15 be payable to such children in equal shares.

16 b. The increased pension benefits payable under this act shall
 17 apply only to cases where such policeman or fireman retires on or
 18 after **[the effective date of this amendatory and supplementary act]**
 19 *December 18, 1967* and shall not affect pensions paid or to be paid
 20 as a result of retirements occurring prior to said date.

21 c. As of **[the effective date of this amendatory and supplemen-**
 22 **tary act]** *December 18, 1967*, all widows' pensions previously
 23 granted pursuant to the provisions of section 10 of chapter 255 of
 24 the laws of 1944, as amended, and all such pensions previously
 25 granted, or to be granted where retirement for accidental disability
 26 occurred prior to said date, pursuant to the provisions of section
 27 7(3) of chapter 255 of the laws of 1944, as amended, will be subject
 28 to a **[maximum]** *minimum*, annual, aggregate payment of \$1,600.00.

1 17. Section 29 of P. L. 1967, c. 250 (C. 43:16A-15.1) is amended
 2 to read as follows:

3 29. a. In the case of any person who (1) was required to become
 4 a member of the retirement system as a condition of employment,
 5 and whose application for enrollment in the retirement system or
 6 whose application for transfer from one employer to another within
 7 the system was filed beyond the effective date for his compulsory
 8 enrollment in the system or his transfer within the system *or (2) is*
 9 *eligible for membership on the basis of special legislation*, such
 10 person shall be required to purchase membership credit for his
 11 compulsory coverage by paying into the annuity savings fund the
 12 amount required by applying, in accordance with section 15 of
 13 chapter 255 of the laws of 1944, his full rate of contribution on his
 14 current base salary subject to the retirement system for each year
 15 of previous service during which he was required to have been a
 16 member.

17 b. If more than **[2 years have]** *1 year has* elapsed from the time
 18 that contributions would have been required from such person, $\frac{1}{2}$

19 of the employee's cost, established by the computation provided by
20 subsection a. of this section, will be required of his employer and
21 shall be included in the next budget subsequent to the certification
22 of this special liability by the retirement system. The amount
23 certified by the system shall be payable by the employer to the
24 pension accumulation fund and shall be due and owing to the system
25 even if the employee is no longer in the employ of the employer by
26 the date such moneys are to be paid to the system.

27 c. The employee's obligation may be satisfied by regular install-
28 ments, equal to at least $\frac{1}{2}$ the normal contribution to the retirement
29 system, over a maximum period of 10 years.

30 d. In the case of any person coming under the provisions of this
31 section, full pension credit for the period of employment for which
32 arrears are being paid by the employee shall be given upon the
33 payment of at least $\frac{1}{2}$ of the total employee's arrearage obligation
34 and the completion of 1 year of membership and the making of such
35 arrears payments, except that in the case of retirement pursuant to
36 section 5 of chapter 255 of the laws of 1944 and sections 16 and 17
37 of chapter 241 of the laws of 1964, the total membership credit for
38 such service shall be in direct proportion as the amount paid bears
39 to the total amount of the arrearage obligation of the employee.

1 18. Section 30 of P. L. 1967, c. 250 (C. 43:16A-15.2) is amended
2 to read as follows:

3 30. a. If any member of the retirement system receives periodic
4 benefits payable under the Workmen's Compensation Law during
5 the course of his active service, in lieu of his normal compensation,
6 his regular salary deductions shall be paid to the retirement system
7 by his employer. Such payments shall be computed, in accordance
8 with section 15 of chapter 255 of the laws of 1944, at the **[full]**
9 rate of contribution on the base salary subject to the retirement
10 system, just prior to the receipt of the workmen's compensation
11 benefits. The moneys paid by the employer shall be credited to
12 the member's account in the annuity savings fund and shall be
13 treated as employee contributions for all purposes. The employer
14 will terminate the payment of these moneys when the periodic
15 benefits payable under the Workmen's Compensation Law are
16 terminated *or when the member retires.*

17 The member for whom the employer is making such payments,
18 will be considered as if he were in the active service.

19 b. **[No]** An application for retirement benefits may be approved
20 by the board of trustees while the member, applying for such
21 benefits, is in receipt of periodic benefits under the Workmen's
22 Compensation Law. *In this event the actuarial equivalent of such*

23 *periodic benefits remaining to be paid shall be computed and will*
 24 *serve to reduce the pension portion of the retirement allowance*
 25 *payable to the retirant, subject to the provisions of section 19 of*
 26 *this amendatory and supplementary act.*

1 19. Any other provision of this act notwithstanding, (a) no
 2 beneficiary of a pensioner who enrolled as a member on or after
 3 July 1, 1971 and who retired for any reason other than disability
 4 shall be entitled to receive benefits pursuant to the death benefit
 5 coverages provided by section 5 of chapter 255 of the laws of 1944
 6 and sections 16 and 17 of chapter 241 of the laws of 1964, if the
 7 pensioner had less than 10 years of service credit for retirement
 8 purposes at the time of retirement; and (b) no member or bene-
 9 ficiary shall be entitled to receive a monthly retirement allowance
 10 or other benefit payable pursuant to this chapter unless the amount
 11 of the allowance or benefit would be at least \$25.00 per month.

1 20. If a former member of the retirement system who has been
 2 granted a retirement allowance for any cause other than disability,
 3 becomes employed again in a position which makes him eligible to be
 4 a member of the retirement system, his retirement allowance and the
 5 right to any death benefit as a result of his former membership,
 6 shall be canceled until he again retires.

7 Such person shall be reenrolled in the retirement system and
 8 shall contribute thereto at a rate based on his age at the time of
 9 reenrollment. Such person shall be treated as an active member for
 10 determining disability or death benefits while in service. Upon
 11 subsequent retirement of such member, his former retirement
 12 allowance shall be reinstated based on his former membership. In
 13 addition, he shall receive an additional retirement allowance based
 14 on his subsequent service as a member computed in accordance with
 15 applicable provisions of this chapter; provided, however, that his
 16 total retirement allowance upon such subsequent retirement shall
 17 not be a greater proportion of his average final compensation than
 18 the proportion to which he would have been entitled had he re-
 19 mained in service during the period of his prior retirement. Any
 20 death benefit to which such member shall be eligible shall be based
 21 on his latest retirement, but shall not be less than the death benefit
 22 that was applicable to his former retirement.

23 21. The accrued liability contribution of any employer adopting
 24 the retirement system after July 1, 1971 for the purpose of provid-
 25 ing prior service credit, shall be payable by the employer to the
 26 pension accumulation fund over a period of not less than 25 years
 27 following the initial valuation of such liability by the actuary of the
 28 retirement system.

1 22. This act shall take effect immediately.

STATEMENT

This legislation makes many changes in the sections of the act governing the Police and Firemen's Retirement System and it is contemplated that identical changes will be made in all of the retirement systems administered by the State on behalf of public employees. Such changes liberalize benefits and provide for a uniform and more economical administration. Major benefit liberalizations include:

a. Benefits to be calculated on the basis of a 3-year average of salaries rather than on a 5-year average.

b. Increases the death benefit payable in the event of death after retirement to one-half of salary and

c. Decreases the service requirement for deferred retirement.

The other liberalizations and administrative changes are:

d. A member receiving workmen's compensation benefits may elect the larger benefits provided by the retirement system while those in receipt of workmen's compensation benefits or on maternity leave will be covered under the noncontributory death benefit coverage.

e. Permits lump sum repayment of an outstanding loan balance.

f. Permits deductions from pensions for those participating in the group health insurance remittance plan or in the State Health Benefits Program.

g. Requires the employer to pay $\frac{1}{2}$ of the employee's cost where more than 1 year has elapsed from the employee's compulsory enrollment in the system.

h. Permits the State Treasurer to designate the medical board.

i. Requires the pensioner to have had 10 years of service if a noncontributory death benefit is to be paid; no benefit will be payable if the amount is less than \$25.00 a month; requires proof of insurability if the member is enrolled at an advanced age or makes application beyond the year after first becoming eligible.

j. To make these liberalizations financially possible, the accrued liabilities of the system as of June 30, 1971 are altered from the present 30-year amortization of such total liabilities to a 40-year schedule.