

43: 13- 22. 50

**LEGISLATIVE HISTORY CHECKLIST**  
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**NJSA:** 43:13-22.50 et al

(Retirement &  
survivorship  
benefits--certain  
first class cities)

**LAWS OF:** 1990

**CHAPTER:** 20

**Bill No:** S922

**Sponsor(s):** Cowan

**Date Introduced:** Pre-filed

**Committee: Assembly:** State Operations

**Senate:** State Government

**Amended during passage:** Yes      Amendments during passage  
denoted by asterisks.

**Date of Passage: Assembly:** April 26, 1990

**Senate:** February 15, 1990

**Date of Approval:** May 9, 1990

**Following statements are attached if available:**

**Sponsor statement:** Yes

**Committee Statement: Assembly:** Yes

**Senate:** Yes

**Fiscal Note:** No

**Veto Message:** No

**Message on signing:** No

**Following were printed:**

**Reports:** No

**Hearings:** No

**KBG/SLJ**

STAT OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1990 SESSION

By Senator COWAN

1 AN ACT concerning any employees' retirement system  
2 established in a city of the first class having a population of  
3 less than 300,000 inhabitants, amending and supplementing  
4 P.L.1964, c.275 and amending P.L.1967, c.221 and P.L.1967,  
5 c.222.  
6

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

9 1. Section 1 of P.L.1964, c.275 (C.43:13-22.50) is amended to  
10 read as follows:

11 1. As used in this act:

12 (a) "Final salary" when used solely for the purpose of fixing  
13 benefits under this act, shall mean the average annual salary or  
14 compensation earned by a member as an employee for the [five]  
15 three years [during which his salary or compensation was the  
16 highest in the last 10 years] immediately preceding [his] the  
17 member's death or retirement, or it shall mean the average  
18 annual salary or compensation earned by a member as an  
19 employee for any three fiscal years of membership providing the  
20 largest possible benefit to the member or the member's  
21 beneficiary; provided, however, that as to any member employed  
22 by the city prior to [the effective date of this act] January 12,  
23 1965, the annual salary received by such member as a regular  
24 employee at the time of [his] death or retirement shall be  
25 considered "final salary" for pension or other purposes under this  
26 act, unless otherwise specified herein.

27 (b) "Pension fund" or "fund" shall mean the fund referred to in  
28 section 10 of this act and is the fund from which pensions and  
29 other benefits provided for in this act shall be paid.

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

32 (d) "City", unless otherwise specified, shall mean any city of  
33 the first class of the State having a population of less than  
34 300,000 inhabitants.

35 (e) "City employee" or "employee" shall mean and include any  
36 full time regular employee of a city, as herein defined, or an  
37 elected or appointed official thereof. "City employee" or  
38 "employee" shall not include a member of the fire or police

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup> Senate SSG committee amendments adopted January 18, 1990.

1 department or an employee of the board of education nor a  
2 transient or seasonal employee, worker or laborer, but shall  
3 include a temporary employee with at least one year's continuous  
4 service. In all cases of doubt as to whether a person may be  
5 included within the meaning of employee the decisions of the  
6 pension commission shall be final.

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

10 (g) "Widow" or "widower" shall mean the surviving  
11 unremarried spouse of a member married to such member prior to  
12 the retirement or death of such member, and said marriage  
13 having occurred at least five years prior to the member's death  
14 or retirement, whichever is earlier.

15 (h) "Dependent parent" shall mean a dependent parent or  
16 parents who is or are solely dependent as determined by the  
17 commission for support upon the member. The dependency of  
18 such a parent will be considered terminated by marriage of the  
19 parent subsequent to the death of the member.

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

24 (j) "Retirement system" or "system" shall mean Employees'  
25 Retirement System of (name of city) which shall be the name of  
26 retirement system provided under this act. By that name all of  
27 its business shall be transacted, its funds invested, warrants for  
28 money claims and payments made, and all of its cash and  
29 securities and other property held.

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

32 (cf: P.L.1984, c.118, s.1)

33 2. Section 4 of P.L.1964, c.275 (C.43:13-22.53) is amended to  
34 read as follows:

35 4. (a) Any member who shall have [served in the employ of the  
36 city for a total of] established 20 or more years of creditable  
37 service in the retirement system and who shall have attained the  
38 age of 60 years shall, upon [his] application by that member to  
39 the commission [but not later than upon his attainment of age  
40 65], be retired on a pension equal to 1/2 of [his] final salary, plus  
41 [1/2 of 1%] 1% of such salary for each year of creditable service  
42 in excess of 20 years, if the member has more than 20 years of  
43 creditable service at retirement. [The benefit increment of 1/2  
44 of 1% shall apply only to members as of the effective date of this  
45 amendatory act; provided, however, that any present member  
46 may continue in the employ of the city upon reaching the age of  
47 65 and until attaining the age of 70 providing the following  
48 conditions are met annually: (1) such continued employment is  
49 requested by the employee's department director and receives

1 approval from the Director of the Department of Personnel; and  
2 (2) such employee submits to and satisfactorily completes a  
3 physical examination to determine fitness for such continued  
4 employment.]

5 In no event shall the amount of any pension payable pursuant to  
6 the provisions of this subsection be less than [~~\$2,500.00~~] \$3,600  
7 per annum.

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

12 All members 70 years of age or older shall be retired by July 1,  
13 1966;

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

16 All members 68 years of age or older shall be retired by July 1,  
17 1967;

18 All members 67 years of age or older shall be retired by July 1,  
19 1968;

20 All members 66 years of age or older shall be retired by July 1,  
21 1969; and

22 All members 65 years of age or older shall be retired by July 1,  
23 1970.

24 Thereafter, all members upon attaining age 65, shall be  
25 retired. The above pension for each of the above shall be  
26 calculated in the same manner as a pension payable pursuant to  
27 section 4(a) of this act.] (~~Deleted by amendment, P.L....., c.....~~)

28 (c) Any member who upon [his] attainment of [age 65] 60 or  
29 more years of age shall have [served in the employ of the city for  
30 a total of] established less than 20 years of creditable service in  
31 the retirement system [shall be retired] may retire on a pension  
32 equal to 2% of [his] final salary for each year of [his] creditable  
33 service [; provided, however, that any such member may continue  
34 in the employ of the city upon reaching the age of 65 and until  
35 attaining the age of 70 providing the conditions specified in  
36 subsection (a) of this section are met]. In no event shall the  
37 amount of any pension payable pursuant to the provisions of this  
38 subsection be less than [~~\$2,500.00~~] \$3,600 per annum.

39 (cf: P.L.1981, c.534, s.6)

40 3. Section 1 of P.L.1967, c.222 (C.43:13-22.54a) is amended to  
41 read as follows:

42 1. (a) [Should a] A member [resign] who resigns after having  
43 completed 25 years of service for which credit has been  
44 established in the pension fund [,] and before reaching age 60 [,  
45 he] may elect to receive, in lieu of the payment provided in  
46 section 4 of [the act to which this act is supplementary] P.L.1964,  
47 c.275 (C.43:13-22.53), or the benefit provided by subsection (b) of  
48 this section, a pension in the amount of 1/2 of [his] final salary,  
49 plus 1% for each year of service in excess of 20 years; provided,

1 however, that such pension shall be reduced [in accordance with a  
2 table of actuarial equivalents recommended by the actuary  
3 reflecting all months] by 5/12 of 1% for each month that the  
4 member lacks of being age 60; but if the member waits until age  
5 60 to start collecting benefits, there shall be no reduction in  
6 benefits, and in no event shall the amount of any pension payable  
7 pursuant to the provisions of this subsection be less than  
8 [\$2,500.00] \$3,600 per annum.

9 Upon and after the death of such pensioner, the benefits  
10 provided by section 7 of [the act to which this act is  
11 supplementary] P.L.1964, c.275 (C.43:13-22.56) shall be payable  
12 to [his] any eligible survivors.

13 (b) [Should a] A member who, after having completed [15] 10  
14 years of service for which credit has been established in the  
15 pension fund, [be] becomes separated voluntarily or involuntarily  
16 from the service [,] before reaching age 60 [, he] may elect to  
17 receive, in lieu of [the payment provided in section 4 of the act  
18 to which this act is supplementary, or] the benefit provided by  
19 subsection (a) of this section, a deferred pension beginning at age  
20 60, in [the] an amount [based on his] equal to the proportional  
21 relation which the years of the member's service credited in the  
22 fund bear to the total number of years of service that [he] the  
23 member could have achieved [had he continued] by continuing in  
24 service to age 60 [and qualified for the pension of], multiplied by  
25 1/2 [his] of the member's final salary [at] calculated as of the  
26 time [he] that the member elected the deferred pension; but in no  
27 event shall the amount of any deferred pension payable pursuant  
28 to the provisions of this subsection be less than [\$2,500.00] \$3,600  
29 per annum.

30 Upon and after the death of such pensioner, the benefits  
31 provided by section 7 of [the act to which this act is  
32 supplementary] P.L.1964, c.275 (C.43:13-22.56) shall be payable  
33 to [his] any eligible survivors.

34 (cf: P.L.1981, c.534, s.7)

35 4. Section 6 of P.L.1964, c.275 (C.43:13-22.55) is amended to  
36 read as follows:

37 6. (a) Any member having [5] five or more years of creditable  
38 service in the retirement system who shall have become  
39 permanently disabled for the further performance of [his] duty,  
40 shall, by resolution of the commission or upon application of such  
41 member and approval thereof by the commission, and in either  
42 case pursuant to the certificate of a physician or physicians  
43 designated for that purpose by the commission, be retired on a  
44 pension equal to 1/2 of [his] final salary plus [1/2 of 1%] 1% of  
45 such salary for each year of creditable service in excess of 20  
46 years, if the member has more than 20 years of creditable service  
47 at retirement; but in no event shall the amount of any pension  
48 payable pursuant to the provisions of this subsection [for] be less  
49 than [\$2,500.00] \$3,600 per annum.

1 (b) Any member who shall become permanently and totally  
2 disabled as a result of a traumatic event occurring during and as  
3 a result of the performance of [his] that member's regular or  
4 assigned duties and where such disability is not the result of the  
5 member's willful negligence and the member is mentally or  
6 physically incapacitated for the performance of [his] such usual  
7 duty and of any other available duty shall, by resolution of the  
8 commission or upon application of such member and approval  
9 thereof by the commission, and in either case pursuant to the  
10 certificate of a physician or physicians designated for that  
11 purpose by the commission, be retired on a pension equal to 2/3  
12 of [his] final salary, but in no event shall the amount of any  
13 disability pension payable pursuant to the provisions of this  
14 subsection be less than [\$2,500.00] \$3,600 per annum. The  
15 application to accomplish such retirement must be filed within [5]  
16 five years of the original traumatic event.

17 A member who is retired on a disability retirement allowance  
18 pursuant to this section shall submit [himself], at times to be  
19 selected by the commission but not more often than twice a year,  
20 [for] to a physical examination by a physician or physicians  
21 designated by the commission; provided, however, that no  
22 member retired for disability whose total years of creditable  
23 service, including [his] any period of disability retirement, equal  
24 20 or more years and who shall have attained age 60 shall be  
25 required to submit to such physical examination. The physician  
26 or physicians shall report to the commission the physical  
27 condition of such member and if said report certifies that the  
28 member's condition has improved so that [he] the member is no  
29 longer permanently disabled or if [he] the member is engaged in  
30 an occupation, then the amount of [his] the pension shall be  
31 reduced to an amount which, when added to the amount of [his]  
32 the member's other earnings, shall not exceed the salary now  
33 attributable to [his] the member's former position, but only after  
34 an opportunity is given such member to be represented by counsel  
35 at a hearing on the action by the commission.

36 (cf: P.L.1981, c.534, s.8)

37 5. Section 7 of P.L.1964, c.275 (C.43:13-22.56) is amended to  
38 read as follows:

39 7. Death benefits.

40 (a) Upon the death of a member in service who shall have paid  
41 into the fund the full amount of [his] contributions due and who  
42 shall die as a result of injuries or illness received or incurred in  
43 the performance of [his] that member's regular or assigned duties  
44 or who shall have served in the employ of the city for 20 or more  
45 years [; or upon the death of a member who shall have been  
46 retired and pensioned under this act.

47 A), a pension of [\$2,500.00 per annum] 50% of the member's  
48 final salary shall be paid to the surviving widow, so long as she  
49 remains unmarried, or surviving widower, so long as he remains

1 unmarried [, minor children or dependent parents, as the case  
2 may be. If the pension is payable to minor children, no one of  
3 such children shall receive more than \$2,500.00 per annum, nor  
4 shall a pension be paid to any such child after he marries or  
5 reaches the age of 18 years]; if there is no surviving widow or  
6 widower or in case the widow or widower dies or remarries, a  
7 pension of 20% of such final salary shall be paid to one surviving  
8 child, 35% of such final salary shall be paid to two surviving  
9 children in equal shares, and if there be three or more children,  
10 50% of such final salary shall be paid to such children in equal  
11 shares; and if there is no surviving widow, widower or child, a  
12 pension of 25% of such final salary shall be paid to one surviving  
13 dependent parent or a pension of 40% of such final salary shall be  
14 paid to two surviving dependent parents in equal shares.

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

21 A], a pension in an amount equal to [2 1/2%] 50% of the  
22 member's final salary [for each year of his service] shall be paid  
23 to the surviving widow, so long as she remains unmarried, or  
24 surviving widower, so long as he remains unmarried [, minor  
25 children or dependent parents, as the case may be; provided,  
26 however, that in no instance shall such pension exceed, in the  
27 aggregate, an amount equal to \$100.00 per annum for each year  
28 of the member's service. If the pension is payable to minor  
29 children, no one of such children shall receive more than  
30 \$2,500.00 per annum, nor shall a pension be paid to any such child  
31 after he marries or reaches the age of 18 years]; if there is no  
32 surviving widow or widower or in case the widow or widower dies  
33 or remarries, a pension of 20% of such final salary shall be paid  
34 to one surviving child, 35% of such final salary shall be paid to  
35 two surviving children in equal shares, and if there be three or  
36 more children, 50% of such final salary shall be paid to such  
37 children in equal shares; and if there is no surviving widow,  
38 widower or child, a pension of 25% of such final salary shall be  
39 paid to one surviving dependent parent or a pension of 40% of  
40 such final salary shall be paid to two surviving dependent parents  
41 in equal shares.

42 (c) Upon the death of a pensioner from the retirement system  
43 who has retired for age and service under the provisions of  
44 section 4 of P.L.1964, c.275 (C.43:13-22.53)<sup>1, 1</sup> or who has retired  
45 <sup>1</sup>[after completing 25 years of service]<sup>1</sup> under the provisions of  
46 <sup>1</sup>either subsection (a) or subsection (b) of<sup>1</sup> section 1 of P.L.1967,  
47 c.222 (C.43:13-22.54a), <sup>1</sup>or who has retired because of a  
48 disability under the provisions of section 6 of P.L.1964, c.275

1 (C.43:13-22.55),<sup>1</sup> a pension equal to 50% of the amount of the  
2 pension, excluding any adjustment thereto under sections 7  
3 through 13 of P.L....., c..... (C.....) (now pending before the  
4 Legislature as this bill), payable to the decedent at the time of  
5 death shall be paid to the surviving widow, so long as she remains  
6 unmarried, or surviving widower, so long as he remains  
7 unmarried; if there is no surviving widow or widower or in case  
8 the widow or widower dies or remarries, such pension shall be  
9 paid to one surviving child or to two or more surviving children in  
10 equal shares; and if there is no surviving widow, widower or child,  
11 such pension shall be paid to one surviving dependent parent of  
12 the retirant or to both surviving dependent parents in equal  
13 shares.

14 (d) (1) In the event a pension shall be payable as a result of  
15 the death of a member in service and there are no eligible  
16 survivors at the time of such member's death, an amount equal  
17 to such member's contributions to the fund, without interest,  
18 shall be paid to [his] the member's estate. If, after the payment  
19 of all pension and survivorship benefits payable by the retirement  
20 system to any eligible survivors of a deceased member or  
21 retirant, the total amount of those benefits, including  
22 adjustments under sections 7 through 13 of P.L....., c..... (C.....)  
23 (now pending before the Legislature as this bill), together with  
24 the total amount of any retirement allowance or pension benefits,  
25 including adjustments, which shall have been paid to the decedent  
26 during retirement, is less than the amount of the decedent's  
27 contributions during membership in the retirement system, the  
28 amount of the difference, without interest, shall be payable to  
29 the deceased member or retirant's estate.

30 (2) If at the time of the death of a member in service the sole  
31 eligible survivors of such member are minor children and the  
32 total of the aggregate payments on account of such children shall  
33 be an amount which is less than such member's contributions to  
34 the fund, without interest, the balance of such amount shall be  
35 payable to the guardian of such minor children.

36 (cf: P.L.1985, c.281, s.1)

37 6. Section 1 of P.L.1967, c.221 (C.43:13-22.56a) is amended to  
38 read as follows:

39 1. Any pensioner receiving a pension as a result of the prior  
40 service by a deceased spouse to a city, whose spouse died prior to  
41 January 12, 1965, and who is still qualified to receive the pension,  
42 shall receive, in lieu of the present pension award the sum of  
43 [\$2,500.00] \$3,600.

44 [This act] The provisions of this section shall in no way affect  
45 the provisions of section [7(a) and (b)] 7 of [the act to which this  
46 act is a supplement] P.L.1964, c.275 (C.43:13-22.56).

47 (cf: P.L.1981, c.534, s.3)

48 7. (New section) As used in sections 7 through 13 of this act:  
49 "Retirant" means any former employee included in the



1 membership of the pension fund established under P.L.1964,  
2 c.275, who has retired from such employment and who has or  
3 shall have received from the fund a retirement allowance or  
4 pension, based upon such employment, for not less than 24 months.

5 "Employer" means the city in which a pension fund has been  
6 created under P.L.1964, c.275.

7 "Beneficiary" means any beneficiary who has or shall have  
8 received a pension or survivorship benefit from the fund for no  
9 less than 24 months.

10 "Calendar year" means the 12-month period beginning January  
11 1 and ending December 31.

12 "Retirement year" means the calendar year 1988 for all  
13 retirants who retired before the calendar year 1989; for all  
14 retirants who shall have retired after 1988, "retirement year" is  
15 the actual calendar year of retirement.

16 "Index" means the annual average over a calendar year of the  
17 Consumer Price Index for Urban Wage Earners and Clerical  
18 Workers, All Items Series A, of the United States Department of  
19 Labor (1957-1959=100). Should the reference base of that index  
20 be changed, the index used to determine the Consumer Price  
21 Index as defined herein will be the index converted to the new  
22 base by standard statistical methods.

23 "Retirement year index" means the index of the calendar year  
24 1988 for all retirants who retired prior to January 1, 1989 and the  
25 index for the calendar year of retirement for all retirants who  
26 retired thereafter.

27 8. (New section) The monthly retirement allowance or pension  
28 originally granted to any retirant and the pension or survivorship  
29 benefit originally granted to any beneficiary shall be adjusted in  
30 accordance with the provisions of this act.

31 Pension increases shall not be paid to retirants or beneficiaries  
32 who are not receiving their regular, full, monthly retirement  
33 allowances, pensions or survivorship benefits. The adjustment  
34 granted under the provisions of this act shall be effective only on  
35 the first day of a month, shall be paid in monthly installments,  
36 and shall not be decreased, increased, revoked or repealed except  
37 as otherwise provided in this act. No increase shall be due to a  
38 retirant or his beneficiary unless it constitutes a payment for an  
39 entire month.

40 9. (New section) The employer shall bear the cost of the  
41 adjustment in the retirement allowances or pensions payable to  
42 retirants who retired from the employ of that employer and the  
43 cost of the survivorship benefits or pensions payable to  
44 beneficiaries of active or retired members who were in the  
45 employ of that employer at the members' death or retirement.  
46 The employer shall appropriate the amount in the fiscal year next  
47 following, taking into account payments made to retirants of the  
48 employer and their beneficiaries and prospective payments to be  
49 made to those retirants in the following year.

1       The increase in retirement benefits, pensions and survivorship  
2 benefits provided for under this act shall commence with  
3 retirement allowance, pension and survivorship benefit payments  
4 for the month of January 1990, provided that there is  
5 appropriated the amount certified by the Director of the Division  
6 of Pensions of the Department of the Treasury to the Director of  
7 the Division of Budget and Accounting as set forth in the  
8 "Pension Adjustment Act," P.L.1969, c.169 (C.43:3B-1 et seq.).  
9 In the case of any retirant or beneficiary first becoming eligible  
10 to receive an adjustment under the provisions of this act, such  
11 adjustment shall be paid beginning in the 25th month in which the  
12 retirant or beneficiary is entitled to receive the retirement  
13 allowance, pension or survivorship benefit. The adjustment in  
14 retirement allowances, pensions and survivorship benefits shall  
15 continue to be paid as long as there shall be appropriated the  
16 amounts so certified. In the event that the necessary funds are  
17 not so appropriated, the adjustment in retirement allowances,  
18 pensions and survivorship benefits shall cease; no further  
19 payments shall be made by the employer; and a refund shall be  
20 made by the retirement system to the employer of any balance  
21 unexpended on its account.

22       10. (New section) Any person who is eligible to receive the  
23 increased retirement allowance, pension or survivorship benefit  
24 under the provisions of this act may, at any time, waive that  
25 right by filing a written notice of waiver with the retirement  
26 system. The application for the waiver of all or part of the  
27 increase shall be made by the retirant or beneficiary at least 30  
28 days prior to the desired effective date on a form satisfactory to  
29 the retirement system and shall be effective on the first day of  
30 the following month. Such waiver may be withdrawn at any time  
31 and upon such withdrawal the increase in the retirement  
32 allowance, pension or survivorship benefit shall commence with  
33 the payment for the next following month.

34       11. (New section) On or before October 1, 1989 and by the  
35 same date in each subsequent year, the Director of the Division  
36 of Pensions of the Department of the Treasury shall review the  
37 index and determine the percentum of change in the index from  
38 the retirement year index pursuant to the provisions of the  
39 "Pension Adjustment Act," P.L.1969, c.169 (C.43:3B-1 et seq.).  
40 The percentage of adjustment in the retirement allowances,  
41 pensions and survivorship benefits shall be 1/2 of the percentum  
42 of change. Any adjustment so calculated shall apply to all of the  
43 months of the following calendar year for eligible retirants and  
44 beneficiaries, except that for those qualifying for the first time,  
45 it shall apply only to those months of the following calendar year  
46 in which the retirant or beneficiary is eligible to receive the  
47 adjustment.

48       On the basis of information certified to the director by the  
49 retirement system concerning the amounts of all retirement

1 allowances, pensions and survivorship benefits of eligible  
2 retirants and beneficiaries which are subject to adjustment under  
3 sections 7 through 13 of this act, and any other relevant matters  
4 as the director may require, the director shall certify to the  
5 retirement the amounts required to fund the benefits provided  
6 under those sections for the applicable year. The director shall  
7 include in that certification amounts sufficient to adjust the  
8 retirement allowances, pensions or survivorship benefits payable  
9 to all eligible retirants and beneficiaries by 1/2 of the percentum  
10 of change in the index as such retirement allowances or pensions  
11 may have been originally granted, or increased for certain  
12 retirants and beneficiaries in accordance with the provisions of  
13 the "Pension Adjustment Act."

14 In no instance shall the amount of the retirement allowance,  
15 pension or survivorship benefit originally granted and payable to  
16 any retirant or beneficiary be reduced as a result of this  
17 adjustment.

18 12. (New section) If legislation is adopted providing for a  
19 blanket increase in the original retirement allowances, pensions  
20 or survivorship benefits or for minimum allowances, pensions or  
21 benefits to any group of retirants or beneficiaries eligible for  
22 benefits under P.L.1964, c.275 (C.43:13-22.3 et seq.), other than  
23 legislation which shall have been enacted on or before the  
24 effective date of P.L....., c.....(C.....) (now pending before the  
25 Legislature as this bill), all increases provided under this act shall  
26 be terminated on the first of the month when such blanket  
27 increases or minimum allowances, pensions or benefits are  
28 payable, except in those instances where the retirant's or  
29 beneficiary's original allowance, pension or benefit plus the  
30 increases provided under this act will exceed the amounts payable  
31 to such retirant or beneficiary as a result of such other  
32 legislation; in such event the amount payable under this act shall  
33 be the difference between the new allowance, pension or benefit  
34 payable by the pension fund and the amount which would  
35 otherwise have been paid under this act. Any subsequent annual  
36 review of amounts payable under this act for such retirants and  
37 beneficiaries shall continue to be determined on the basis of the  
38 original allowance, pension benefit as granted by the pension fund  
39 prior to any blanket increase or provision for minimum  
40 retirement allowances, pensions or survivorship benefits for any  
41 group of retirants beneficiaries eligible for benefits under this  
42 act.

43 13. (New section) The Director of the Division of Pensions of  
44 the Department of the Treasury shall promulgate such rules and  
45 regulations, not inconsistent with the provisions of the "Pension  
46 Adjustment Act," P.L.1969, c.169 (C.43:3B-1 et seq.) and this  
47 act, as the director shall deem necessary for the effective  
48 operation of the program. The director shall include a report of  
49 the operation of this act with his report of the operation of the

1 "Pension Adjustment Act" in the annual report submitted to the  
2 Governor and the Legislature regarding all of the operations of  
3 the Division of Pensions. The retirement system shall furnish  
4 such information as the director may request for this purpose.

5 14. This act shall take effect immediately.

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PUBLIC EMPLOYEE BENEFITS

9

10 Revises statute governing employees' retirement system in a city  
11 of the first class having a population of less than 300,000.

## STATEMENT

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3 This bill revises the retirement and survivorship benefits  
4 payable to retirants and beneficiaries under an employees'  
5 retirement system established in a city of the first class having a  
6 population of less than 300,000 inhabitants.

7 Under the legislation:

8 (1) Retirement allowances and survivorship pensions shall be  
9 based upon the retirant's average salary during the final three  
10 years of service or for any three fiscal years of membership  
11 providing the largest possible benefit to the member or the  
12 member's beneficiary, rather than the average salary in the five  
13 highest-paid years of the final 10 years of service;

14 (2) The additional amount, over the basic half-pay allowance,  
15 payable with respect to service in excess of 20 years to a system  
16 member who retires for age and service is increased from 1/2 of  
17 1% per year to 1% per year;

18 (3) The length of time which a member must serve in order to  
19 acquire a vested right to a pension is shortened from 15 years to  
20 10 years;

21 (4) The minimum pension payable by the retirement system is  
22 increased from \$2,500 to \$3,600 per year;

23 (5) The amount of the pension payable as a death benefit upon  
24 the death of a member in service is revised from a fixed amount  
25 of \$2,500 per year to an amount which is based upon the  
26 decedent's final salary and which is to vary in size according to  
27 the number of beneficiaries and their relationship to the decedent;

28 (6) A new death benefit is provided for survivors of retirants, in  
29 an amount equal to 50% of the basic pension payable to the  
30 retirant at the time of death;

31 (7) A provision is added requiring that, if the total amount of  
32 all benefits paid to a retirant and the retirant's eligible survivors  
33 is less than the retirant's total contributions to the retirement  
34 system during active membership therein, the difference shall be  
35 paid to his estate;

36 (8) Mandatory age retirement provisions are removed;

37 (9) Any member who has attained age 60 or more years of age  
38 with less than 20 years of creditable service in the retirement  
39 system may retire on a pension equal to 2% of the applicable  
40 final salary for each year of creditable service; and

41 (10) Provision is made for the annual adjustment of retirement  
42 allowances and survivors' pensions in an amount equal to 50% of  
43 the increase in the cost of living, as measured by the federal  
44 Department of Labor's Consumer Price Index.

## PUBLIC EMPLOYEE BENEFITS

45  
46  
47  
48 Revises statute governing employees' retirement system in a city  
49 of the first class having a population of less than 300,000.

ASSEMBLY STATE OPERATIONS AND  
PERSONNEL COMMITTEE

STATEMENT TO

[FIRST REPRINT]

SENATE, No. 922

STATE OF NEW JERSEY

DATED: APRIL 26, 1990

The Assembly State Operations and Personnel Committee reports favorably Senate, No. 922 (1R).

This bill revises the retirement and survivorship benefits payable to retirants and beneficiaries under an employees' retirement system established in a city of the first class having a population of less than 300,000 inhabitants. At the present time it applies only to the Employees' Retirement System of Jersey City. The bill provides for the following:

(1) Retirement allowances and survivorship pensions shall be based upon the retirant's average salary during the final three years of service or for any three fiscal years of membership providing the largest possible benefit to the member or the member's beneficiary, rather than the average salary in the five highest-paid years of the final 10 years of service;

(2) The additional amount, over the basic half-pay allowance, payable with respect to service in excess of 20 years to a member who retires for age and service is increased from 1/2 of 1% per year to 1% per year;

(3) The length of time which a member must serve in order to acquire a vested right to a pension is shortened from 15 years to 10 years;

(4) The minimum pension payable by the retirement system is increased from \$2,500 to \$3,600 per year;

(5) The amount of the pension payable as a death benefit upon the death of a member in service is revised from a fixed amount of \$2,500 per year to an amount which is based upon the decedent's final salary and which is to vary in size according to the number of beneficiaries and their relationship to the decedent;

(6) A new death benefit is provided for survivors of retirants, in an amount equal to 50% of the basic pension payable to the retirant at the time of death;

(7) A provision is added requiring that, if the total amount of all benefits paid to a retirant and the retirant's eligible survivors is less than the retirant's total contributions to the retirement system during active membership therein, the difference shall be paid to the estate of the retirant;

(8) Mandatory age retirement provisions are removed;

(9) Any member who has attained age 60 or more years of age with less than 20 years of creditable service in the retirement system may retire on a pension equal to 2% of the applicable final salary for each year of creditable service; and

(10) Provision is made for the annual adjustment of retirement allowances and survivors' pensions in an amount equal to 50% of the increase in the cost of living, as measured by the federal Department of Labor's Consumer Price Index.

SENATE STATE GOVERNMENT AND FEDERAL  
AND INTERSTATE RELATIONS COMMITTEE

STATEMENT TO

SENATE, No. 922

with committee amendments

STATE OF NEW JERSEY

DATED: JANUARY 18, 1990

The Senate State Government and Federal and Interstate Relations Committee reports favorably and with committee amendments Senate, No. 922.

This bill revises the retirement and survivorship benefits payable to retirants and beneficiaries under an employees' retirement system established in a city of the first class having a population of less than 300,000 inhabitants.

Under the legislation:

(1) Retirement allowances and survivorship pensions shall be based upon the retirant's average salary during the final three years of service or for any three fiscal years of membership providing the largest possible benefit to the member or the member's beneficiary, rather than the average salary in the five highest-paid years of the final 10 years of service;

(2) The additional amount, over the basic half-pay allowance, payable with respect to service in excess of 20 years to a system member who retires for age and service is increased from 1/2 of 1% per year to 1% per year;

(3) The length of time which a member must serve in order to acquire a vested right to a pension is shortened from 15 years to 10 years;

(4) The minimum pension payable by the retirement system is increased from \$2,500 to \$3,600 per year;

(5) The amount of the pension payable as a death benefit upon the death of a member in service is revised from a fixed amount of \$2,500 per year to an amount which is based upon the decedent's final salary and which is to vary in size according to the number of beneficiaries and their relationship to the decedent;

(6) A new death benefit is provided for survivors of retirants, in an amount equal to 50% of the basic pension payable to the retirant at the time of death;

(7) A provision is added requiring that, if the total amount of all benefits paid to a retirant and the retirant's eligible survivors is less than the retirant's total contributions to the retirement system during active membership therein, the difference shall be paid to his estate;

(8) Mandatory age retirement provisions are removed;



(9) Any member who has attained age 60 or more years of age with less than 20 years of creditable service in the retirement system may retire on a pension equal to 2% of the applicable final salary for each year of creditable service; and

(10) Provision is made for the annual adjustment of retirement allowances and survivors' pensions in an amount equal to 50% of the increase in the cost of living, as measured by the federal Department of Labor's Consumer Price Index.

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

#### COMMITTEE AMENDMENTS

The committee amended the bill to restore death benefits to the surviving spouse, child or parent, as the case may be, of a decedent who retired from the Employees' Retirement System of Jersey City on a disability or deferred retirement pension.