

18A 66-47

LEGISLATIVE HISTORY CHECKLIST

NJSA: 18A:66-47

(TPAF-  
distribution of  
balance of  
contributions  
upon death of  
member)

LAWS OF: 1987

CHAPTER: 446

Bill No: S2576

Sponsor(s): Van Wagner

Date Introduced: September 22, 1986

Committee: Assembly: State Government

Senate: State Government, Federal & Interstate Relations &  
Veterans Affairs

Amended during passage: Yes

Amendments  
during passage  
denoted by  
asterisks

Date of Passage: Assembly: January 7, 1988

Senate: May 18, 1987

Date of Approval: January 19, 1988

Following statements are attached if available:

Sponsor statement: Yes

(Below)

Committee Statement: Assembly: Yes

Senate: Yes

Fiscal Note: No

Veto Message: No

Message on signing: No

Following were printed:

Reports: No

Hearings: No

Sponsor's statement:

This bill provides that in cases of members who choose maximum option, any unpaid contribution remainig at the member's death shall be paid to the members beneficiary or estate.

P. L. 1987, CHAPTER 446, *approved January 19, 1988*

1986 Senate No. 2576 (*Official Copy Reprint*)

AN ACT concerning \***[maximum]**\* pension allowances and distribution of unpaid contributions and amending N. J. S. 18A :66-47 \*and P. L. 1954, c. 84\*.

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

1 1. N. J. S. 18A:66-47 is amended to read as follows:

2 At the time of his retirement a member shall receive his bene-  
3 fits in a retirement allowance payable throughout life, or he may  
4 on retirement elect to receive the actuarial equivalent of his re-  
5 tirement allowance, in a lesser retirement allowance payable  
6 throughout life, with the provision that:

7 Option 1. If he dies before he has received in payments the  
8 present value of his retirement allowance as it was at the  
9 time of his retirement, the balance shall be paid to his legal  
10 representatives or to such person as he shall nominate by  
11 written designation acknowledged and filed with the retire-  
12 ment system, either in lump sum or by equal payments over  
13 a period of years at the option of the payee. If the member  
14 shall have designated a natural person as a payee, said payee  
15 may elect to receive such payments in the form of a life  
16 annuity.

17 Option 2. Upon his death, his retirement allowance shall  
18 be continued throughout the life of and paid to such person  
19 as he shall nominate by written designation duly acknowl-  
20 edged and filed with the retirement system at the time of  
21 his retirement.

**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 printed in italics *thus* is new matter.

Matter enclosed in asterisks or stars has been adopted as follows:

\*—Assembly committee amendments adopted November 23, 1987.

22 Option 3. Upon his death, one half of his retirement allow-  
23 ance shall be continued throughout the life of and paid to  
24 such person as he shall nominate by written designation duly  
25 acknowledged and filed with the retirement system at the  
26 time of his retirement.

27 Option 4. Some other benefit or benefits shall be paid either  
28 to the member or to whomever he nominates, if such other  
29 benefit or benefits, together with the lesser retirement allow-  
30 ance, shall be certified by the actuary to be of equivalent  
31 actuarial value. In no case, however, shall the lesser retire-  
32 ment allowance be smaller than that provided under Option 2.

33 \**[Upon the death of a member who has selected maximum allow-  
34 ance, any remaining balance of the member's contributions shall  
35 be paid in one lump sum to the member's designated beneficiary,  
36 or estate, pursuant to the provisions of N. J. S. 18A:66-48.]\**

36A \**If the total amount of benefits paid to a retirant who does not  
36B elect to receive his benefit in the form of an optional settlement,  
36C or to the retirant and the designated beneficiary in the case of a  
36D retirant who does so elect, before the death of the retirant or the  
36E retirant and the beneficiary is less than the deductions accumulated  
36F in the retirant's account at the time of retirement, including regular  
36G interest, the balance shall be paid in one lump sum to the retirant's  
36H designated beneficiary or estate in the manner provided in N. J. S.  
36I 18A:66-48.\**

37 Except in the case of members who have elected to receive  
38 (1) a deferred retirement allowance pursuant to section 18A:66-36  
39 or (2) early retirement allowances pursuant to section 18A:66-37  
40 after separation from service pursuant to section 18A:66-36, if  
41 a member dies within 30 days after the date of retirement or  
42 the date of board approval, whichever is later, his retirement  
43 allowance shall not become effective and he shall be considered  
44 an active member at the time of death. However, if the member  
45 dies 30 days or more after the date the application for retire-  
46 ment was filed with the system, the retirement will become ef-  
47 fective if:

48 a. The application for retirement was received by the system,  
49 prior to the date of death;

50 b. The deceased member had terminated covered public employ-  
51 ment at least one day prior to the effective date of retirement;

52 c. The deceased member had designated a beneficiary under an  
53 optional settlement provided by this section; and

54 d. The surviving beneficiary requests in writing that the board  
55 make such a selection. Upon formal action by the board approving  
56 that request, the request shall become irrevocable.

57 The board may select an Option 3 settlement, on behalf of the  
58 beneficiary of a member who applied for and was eligible for  
59 retirement but who died prior to the effective date of the retire-  
60 ment allowance, if all of the above conditions, with the exception  
61 of c., are met.

1 \*2. Section 50 of P. L. 1954, c. 84 (C. 43:15A-50) is amended to  
2 read as follows:

3 50. At the time of his retirement, a member shall receive his  
4 benefits in a retirement allowance payable throughout life, or he  
5 may, on retirement, elect to receive the actuarial equivalent of his  
6 retirement allowance, in a lesser retirement allowance payable  
7 throughout life, with the provision that:

8 Option 1. If he dies before he has received in payments the  
9 present value of his retirement allowance as it was as the time  
10 of his retirement, the balance shall be paid to his legal repre-  
11 sentative or to such person as he shall nominate by written  
12 designation acknowledged and filed with the retirement sys-  
13 tem, either in a lump sum or by equal payments over a period  
14 of years at the option of the payee. If the member shall have  
15 designated a natural person as the payee, said payee may elect  
16 to receive such payments in the form of a life annuity.

17 Option 2. Upon his death, his retirement allowance shall be  
18 continued throughout the life of and paid to such person as  
19 he shall nominate by written designation duly acknowledged  
20 and filed with the retirement system at the time of his retire-  
21 ment.

22 Option 3. Upon his death, one-half of his retirement allow-  
23 ance shall be continued throughout the life of and paid to such  
24 person as he shall nominate by written designation duly ac-  
25 knowledged and filed with the retirement system at the time  
26 of his retirement.

27 Option 4. Some other benefit or benefits shall be paid either  
28 to the member or to whomever he nominates, if such other  
29 benefit or benefits, together with the lesser retirement allow-  
30 ance, shall be certified by the actuary to be of equivalent actu-  
31 arial value. In no case, however, shall the lesser retirement  
32 allowance be smaller than that provided under Option 2.

33 *If the total amount of benefits paid to a retirant who does not*  
34 *elect to receive his benefit in the form of an optional settlement, or*  
35 *to the retirant and the designated beneficiary in the case of a re-*  
36 *tirant who does so elect, before the death of the retirant or the*

37 *retirant and the beneficiary is less than the deductions accumulated*  
38 *in the retirant's account at the time of retirement, including regu-*  
39 *lar interest, the balance shall be paid in one lump sum to the re-*  
40 *tirant's designated beneficiary or estate in the manner provided in*  
41 *section 51 of P. L. 1954, c. 84 (C. 43:15A-51).*

42 Except in the case of members who have elected to received (1)  
43 a deferred retirement allowance pursuant to section 38 or (2) early  
44 retirement allowances pursuant to section 41b after separation  
45 from service pursuant to section 38, if a member dies within 30  
46 days after the date of retirement or the date of board approval,  
47 whichever is later, his retirement allowance shall not become effec-  
48 tive and he shall be considered an active member at the time of  
49 death. However, if the member dies 30 days or more after the date  
50 the application for retirement was filed with the system, the retire-  
51 ment will become effective if:

52 a. The application for retirement was received by the system  
53 prior to the date of death;

54 b. The deceased member had terminated covered public employ-  
55 ment at least one day prior to the effective date of retirement;

56 c. The deceased member had designated a beneficiary under an  
57 optional settlement provided by this section; and

58 d. The surviving beneficiary requests in writing that the board  
59 make such a selection. Upon formal action by the board approving  
60 that request, the request shall be irrevocable.

61 The board may select an Option 3 settlement, on behalf of the  
62 beneficiary of a member who applied for and was eligible for re-  
63 tirement but who died prior to the effective date of the retirement  
64 allowance, if all of the above conditions, with the exception of c.,  
65 are met.\*

1 \***[2.]**\* \*3.\* This act shall take effect immediately.

**SENATE, No. 2576**  
**STATE OF NEW JERSEY**

INTRODUCED SEPTEMBER 22, 1986

By Senator VAN WAGNER

Referred to Committee on State Government and Federal and  
Interstate Relations and Veterans Affairs

AN ACT concerning maximum pension allowances and distribution  
of unpaid contributions and amending N. J. S. 18A:66-47.

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

1 1. N. J. S. 18A:66-47 is amended to read as follows:

2 At the time of his retirement a member shall receive his bene-  
3 fits in a retirement allowance payable throughout life, or he may  
4 on retirement elect to receive the actuarial equivalent of his re-  
5 tirement allowance, in a lesser retirement allowance payable  
6 throughout life, with the provision that:

7 Option 1. If he dies before he has received in payments the  
8 present value of his retirement allowance as it was at the  
9 time of his retirement, the balance shall be paid to his legal  
10 representatives or to such person as he shall nominate by  
11 written designation acknowledged and filed with the retire-  
12 ment system, either in lump sum or by equal payments over  
13 a period of years at the option of the payee. If the member  
14 shall have designated a natural person as a payee, said payee  
15 may elect to receive such payments in the form of a life  
16 annuity.

17 Option 2. Upon his death, his retirement allowance shall  
18 be continued throughout the life of and paid to such person  
19 as he shall nominate by written designation duly acknowl-  
20 edged and filed with the retirement system at the time of  
21 his retirement.

*Matter printed in italics thus is new matter.*

22           Option 3. Upon his death, one half of his retirement allow-  
23           ance shall be continued throughout the life of and paid to  
24           such person as he shall nominate by written designation duly  
25           acknowledged and filed with the retirement system at the  
26           time of his retirement.

27           Option 4. Some other benefit or benefits shall be paid either  
28           to the member or to whomever he nominates, if such other  
29           benefit or benefits, together with the lesser retirement allow-  
30           ance, shall be certified by the actuary to be of equivalent  
31           actuarial value. In no case, however, shall the lesser retire-  
32           ment allowance be smaller than that provided under Option 2.

33           *Upon the death of a member who has selected maximum allow-*  
34           *ance, any remaining balance of the member's contributions shall*  
35           *be paid in one lump sum to the member's designated beneficiary,*  
36           *or estate, pursuant to the provisions of N. J. S. 18A:66-48.*

37           Except in the case of members who have elected to receive  
38           (1) a deferred retirement allowance pursuant to section 18A:66-36  
39           or (2) early retirement allowances pursuant to section 18A:66-37  
40           after separation from service pursuant to section 18A:66-36, if  
41           a member dies within 30 days after the date of retirement or  
42           the date of board approval, whichever is later, his retirement  
43           allowance shall not become effective and he shall be considered  
44           an active member at the time of death. However, if the member  
45           dies 30 days or more after the date the application for retire-  
46           ment was filed with the system, the retirement will become ef-  
47           fective if:

48           a. The application for retirement was received by the system,  
49           prior to the date of death;

50           b. The deceased member had terminated covered public employ-  
51           ment at least one day prior to the effective date of retirement;

52           c. The deceased member had designated a beneficiary under an  
53           optional settlement provided by this section; and

54           d. The surviving beneficiary requests in writing that the board  
55           make such a selection. Upon formal action by the board approving  
56           that request, the request shall become irrevocable.

57           The board may select an Option 3 settlement, on behalf of the  
58           beneficiary of a member who applied for and was eligible for  
59           retirement but who died prior to the effective date of the retire-  
60           ment allowance, if all of the above conditions, with the exception  
61           of c., are met.

1           2. This act shall take effect immediately.

**STATEMENT**

This bill provides that in cases of members who choose maximum option, any unpaid contribution remaining at the member's death shall be paid to the member's beneficiary or estate.

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**PENSIONS AND RETIREMENT—PERS, TPAF, OTHER**

Provides payment to the beneficiary or estate of any contribution remaining upon the death of a TPAF member who chose the maximum option.

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ASSEMBLY STATE GOVERNMENT COMMITTEE

STATEMENT TO

**SENATE, No. 2576**

with Assembly committee amendments

**STATE OF NEW JERSEY**

DATED: NOVEMBER 16, 1987

The Assembly State Government Committee reports favorably and with committee amendments Senate Bill No. 2576.

This bill provides that, when the death of a retirant from the Teachers' Pension and Annuity Fund or Public Employees' Retirement System, or, in the case of a retirant who chose to take his allowance in the form of an optional settlement, the deaths of both the retirant and his beneficiary, shall have occurred before the full amount accumulated in the retirant's account at the time of retirement has been paid to the retirant or the retirant and beneficiary, the balance of such amount shall be paid to the retirant's beneficiary or estate in a lump sum payment.

COMMITTEE AMENDMENTS:

The committee amended the bill to cover retirants who choose an optional settlement as well as those who take the maximum benefit and to make the bill applicable to retirants from the PERS as well as those from the TPAF.

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SENATE STATE GOVERNMENT AND FEDERAL AND  
INTERSTATE RELATIONS AND VETERANS AFFAIRS  
COMMITTEE

STATEMENT TO

**SENATE, No. 2576**

**STATE OF NEW JERSEY**

DATED: APRIL 27, 1987

The Senate State Government Committee reports favorably Senate Bill No. 2576.

This bill provides that upon the death of a Teachers' Pension and Annuity Fund member who has chosen a maximum retirement allowance, any remaining balance of the member's contributions shall be paid in one lump sum to the member's designated beneficiary or estate.

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